HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-THIRD PARLIAMENT

35 Elizabeth II

VOLUME I, 1986

COMPRISING THE PERIOD FROM THE THIRTIETH DAY OF SEPTEMBER, 1986
TO THE TWENTIETH DAY OF NOVEMBER, 1986

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HOUSE OF COMMONS

Tuesday, September 30, 1986

SECOND SESSION--THIRTY-THIRD PARLIAMENT

[*English*]

The Parliament, which had been prorogued on the twenty-eighth day of August, 1986, met this day at Ottawa for the election of a new Speaker.

The House met at three o'clock, the Speaker in the chair.

* * *

NOTICE OF RESIGNATION OF SPEAKER

Mr. Speaker: Order. The House will understand if I begin today by expressing my personal best wishes to Madam Killens and Mr. Rodriguez, welcoming them back on behalf of all of us.

Some Hon. Members: Hear, hear!

Mr. Speaker: I wish to inform the House that I wrote to the Clerk of the House on September 5, 1986 declaring my intention to resign my position as Speaker of this House upon the election of my successor on October 1, 1986. Since the House by proclamation was reconvened at an earlier date, I wrote again to the Clerk of the House on September 25, 1986, altering the effective date of my resignation to September 30, 1986. I am now tabling copies of both letters.

[*Translation*]

For nearly two years I have had the very great privilege of being the Speaker of this House.

[*English*]

This is the most important institution in Canada and to occupy this chair is the highest honour a parliamentarian can ever receive. You must know, therefore, how deeply, deeply grateful I am to all of you for the experience of these last two years.

[*Translation*]

Like all my predecessors I am convinced that nothing else in the world will ever surpass such distinguished honour.

[*English*]

I must also express my heartfelt gratitude to the Officers of the House, to all our employees and, in particular, to the Clerk. Perhaps only a Speaker can know how truly well served we are.

[*Translation*]

We are about to live through a historical moment in the evolution of the speakership.

[*English*]

The House has asked the Government to give to the House complete authority over the selection of the Speaker, and the Government has agreed. Every Member here knows that greater authority carries with it greater responsibility. Sometime later today someone else will stand here. Whoever it is will receive from me and I am sure from every parliamentarian here, the complete support and understanding that our Speaker needs and deserves. To the new Speaker, congratulations, may God bless you and this House. To all of you—

[*Translation*]

—my most sincere thanks.

[*English*]

Thank you very, very much.

Some Hon. Members: Hear, hear!

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wish to inform the House that Her Excellency the Governor General has seen fit to authorize this Chamber to proceed with the election of a Speaker.

* * *

[*English*]

ELECTION OF SPEAKER

HON. JOHN A. FRASER, MEMBER FOR THE ELECTORAL DISTRICT OF VANCOUVER SOUTH

Mr. Speaker: Order. Pursuant to the provisions of Standing Order 2, the House will now proceed to elect a Speaker. Order, please. It would be helpful today, please, if the Chair could have full attention.

In accordance with the Standing Orders, an alphabetical list of names of all Members who notified the Clerk in writing that they did not wish to have their names stand for candidacy, together with a list of names of those Members who are not eligible to be considered, has been placed on each Member's desk. For the benefit of Hon. Members, a list of names of those Members who are eligible to be considered for election to

the office of Speaker, has also been placed on each Member's desk. These lists are also available at the Table.

[*Translation*]

I also point out that the alphabetical list of the names of Members eligible for the speakership has been posted in each voting booth.

[*English*]

There will be a list in each voting station as well. Since this is the first time we shall be electing a Speaker by secret ballot, this will be a new experience for all of us. The Table Officers will do everything they can to co-operate with Members and ensure that the election is conducted in a smooth and efficient manner.

I have a method of proceeding which I hope will accelerate the voting process which I will tell you about in a moment. At this time I must instruct the Clerk to unseal the ballots.

• (1510)

We are now prepared to begin the voting procedure.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. On September 16, 1986, I notified the Clerk of the House that I did not wish my name to be included on the list of those eligible as candidates. Unfortunately, the Clerk takes the position that I should have personally signed the letter of notification, which is not in accordance with the Standing Orders. The rules merely require notification, something which I undertook in writing. Therefore I ask that my name be removed from Part B of the Schedule.

Mr. Speaker: The Hon. Member will know that under the rules his name is properly on the ballot and that it cannot be taken off at this time. However, the House has heard the Hon. Member's views on this matter.

I would like to remind Hon. Members that the rules require them to print the first and last names of their candidate on the ballot before casting it.

I ask Hon. Members who wish to cast ballots to pursue the following procedure. Hon. Members will leave their desks through the curtains and come to the Table through the entrances on either side of me appropriate to the side of the House on which they sit. The Clerk Assistant will issue to each Member a ballot. Having cast their ballots I ask Hon. Members to please clear the voting area.

The voting will now begin.

[*Editor's Note: The list of eligible Members referred to above is as follows:*]

Baker, George
Berger, David
Blenkarn, Don
Bradley, Bud
Clinch, Roger
Comeau, Gerald
Cook, Chuck
Cooper, Albert
Copps, Sheila
Crosby, Howard (Halifax West)
Crouse, Lloyd
Danis, Marcel
Edwards, Jim
Fraser, John
Girard, Albert
Hamelin, Charles
Kindy, Alex
Layton, R.E.J.
Lewis, Douglas
Lopez, Ricardo
Mailly, Claudy
Malépart, Jean-Claude
McCrossan, Paul
McLean, Walter
Murta, Jack
Nielsen, Erik
Nowlan, Patrick
Nunziata, John
Paproski, Steven
Parry, John
Penner, Keith
Prud'homme, Marcel
Robichaud, Fernand
Stackhouse, Reg
Tardif, Alain (Richmond—Wolfe)
Tardif, Monique (Charlesbourg)
Thacker, Blaine
Toupin, Robert
Tremblay, Maurice (Lotbinière)

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (1530)

Mr. Speaker: If there are any Hon. Members who have not voted and wish to do so, will they please vote now? For anybody who has not voted and wants to vote, the voting booths will be closing shortly.

Order, please. All Members having voted I do now instruct the Clerk to proceed with the counting of the ballots.

SITTING SUSPENDED

Mr. Speaker: Before I suspend the sitting, which is what I am about to do, may I bring to the attention of Hon. Members that, when the counting of the ballots has been completed, the bells to call the Members back to the House will be sounded for not more than five minutes. Should another ballot be necessary, we will explain it at that time. The sitting is suspended to the ringing of the bells.

At 3.39 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 4.30 p.m.

Mr. Speaker: It is my duty to inform the House that a second ballot will be necessary.

The names of those Members who can be considered on the second ballot are as follows:

Berger, David
Clinch, Roger
Cooper, Albert
Copps, Sheila
Danis, Marcel
Edwards, Jim
Fraser, John
Lewis, Douglas
Mailly, Claudy
Nielsen, Erik
Nowlan, Patrick
Paproski, Steven
Parry, John
Prud'homme, Marcel
Stackhouse, Reg
Thacker, Blaine

If any Hon. Member, whose name the Chair has just announced to the House, wishes to withdraw as a candidate on the second ballot, will he or she please rise in his or her place and state his or her reason therefor pursuant to Standing Order 2(5)(h)(ii).

The Chair recognizes the Hon. Member for Kenora—Rainy River (Mr. Parry).

[*Translation*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, while withdrawing my name from the list, first I want to thank all Hon. Members who gave me their support.

[*English*]

However, I am persuaded at this point in time that no further interest of this House would be served by having my name remain on the ballot.

Mr. Speaker: The Chair advises the Clerk that Mr. Parry has withdrawn his name.

The Hon. Member for Ontario (Mr. Fennell).

Mr. Scott Fennell (Ontario): Mr. Speaker, I rise on a point of order. The name of Mr. Nielsen has been left on the ballot in error. There has been a mistake somewhere along the line. Mr. Nielsen—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for Ontario is raising something which is not a point of order. The ballot stands as it is.

The Chair recognizes the Hon. Member for Laurier (Mr. Berger).

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, I should also like to withdraw my name and support another Hon. Member who might better discharge the responsibilities of Speaker.

[*English*]

Mr. Speaker: I instruct the Clerk to eliminate the name of Mr. Berger from the list.

The Chair recognizes the Hon. Member for Hamilton East (Ms. Copps).

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think that I too will withdraw my name and, although I would like to perform the duties of Speaker as well as you have done, I think that others will be better qualified than I, particularly the candidates of our Party.

[*English*]

Mr. Speaker: I instruct the Clerk to eliminate the name of Ms. Copps.

Some Hon. Members: More, more!

Mr. Speaker: There being no further withdrawals, I indicate to the House that the revised ballot is now being prepared. It will take a moment to do that, and it will then be placed in the booths. While the list is being prepared I will indicate to the House the names which will appear on it:

Clinch, Roger
Cooper, Albert
Danis, Marcel
Edwards, Jim
Fraser, John
Lewis, Douglas
Mailly, Claudy
Nielsen, Erik
Nowlan, Patrick
Paproski, Steven
Prud'homme, Marcel
Stackhouse, Reg
Thacker, Blaine

If Members of the House will bear with us, we will proceed as soon as we can.

• (1640)

Order, please. A revised list is now being placed in the voting stations. The Clerk will unseal the ballots. It will be the same process.

Order, please. While the Clerk is doing this, may I indicate to the House, if Hon. Members cannot see it, that the second list is of a different colour.

An Hon. Member: It's blue.

Mr. Speaker: Excuse me. I forgot to make sure that there were no red, no blue and no orange ballots. I should have done that.

The Clerk indicates that he is ready. The same procedure will be followed with the first and last names. Lists of names are now in the voting stations. Those Members who wish to cast their ballot on the second ballot may leave their desks and proceed in the same manner as they did on the first ballot.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (1700)

Mr. Speaker: Order please. If there are any Hon. Members who have not voted and wish to do so, will they please now proceed to vote.

Are there any further votes?

I do now instruct the Clerk to count the ballots after I have cast mine.

SITTING SUSPENDED

Mr. Speaker: Order, please. The sitting is suspended again to the ringing of the bells. May I remind Hon. Members that this will, once more, be a five minute bell.

At 5.04 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5.39 p.m.

Mr. Speaker: It is my duty to inform the House that a third ballot will be necessary.

Election of Speaker

The names of those Members who can be considered on the third ballot are as follows:

Clinch, Roger	Nielsen, Erik
Cooper, Albert	Nowlan, Patrick
Danis, Marcel	Paproski, Steven
Edwards, Jim	Prud'homme, Marcel
Fraser, John	Stackhouse, Reg
Lewis, Douglas	Thacker, Blaine

• (1740)

If any Hon. Member, whose name the Chair has just announced to the House, wishes to withdraw as a candidate on the third ballot, will he or she please rise in his or her place and do so?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I wish to withdraw my name from contention.

Mr. Speaker: The Clerk will be instructed to withdraw the name of Mr. Edwards from this ballot.

Are there are any other withdrawals? Accordingly, the revised list of eligible names is as follows:

Clinch, Roger	Nowlan, Patrick
Cooper, Albert	Paproski, Steven
Danis, Marcel	Prud'homme, Marcel
Fraser, John	Stackhouse, Reg
Lewis, Douglas	Thacker, Blaine
Nielsen, Erik	

At this point the revised list for placing in the polling stations must now be prepared. That will again take two or three minutes. If the House will bear with us, I will announce as soon as possible the time to go to the next vote.

[*Translation*]

Order, please. For the benefit of Hon. Members, I wish to point out that the names of candidates for the third ballot will be posted in the voting booths.

[*English*]

At this time the Clerk will unseal the ballot papers. May I remind Hon. Members that, again, the ballot paper is a different colour and that the list of candidates should be now, or will be shortly, in the voting stations. The Clerk advises me that all arrangements have been made. Voting stations will now be opened. Voting may commence using the same procedure as before.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (1800)

Mr. Speaker: If there are any Hon. Members who have not yet voted, would they please do so now?

Order, please. All Members having voted I do now instruct the Clerk to proceed with the counting of the ballots after I have cast mine.

SITTING SUSPENDED

Mr. Speaker: The sitting is once again suspended to the ringing of the bells which will again be a five-minute bell.

At 6.07 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 6.47 p.m.

Mr. Speaker: Order. It is my duty to inform the House that another ballot will be necessary.

The names of those Members who can be considered on the fourth ballot are as follows:

Clinch, Roger	Nielsen, Erik
Cooper, Albert	Paproski, Steven
Danis, Marcel	Prud'homme, Marcel
Fraser, John	Stackhouse, Reg
Lewis, Douglas	Thacker, Blaine

Again, it is my duty to ask whether any of those Members listed wish to withdraw as a candidate on the next ballot.

There being no withdrawals, the list remains the same.

The names of those Members who can be considered has been read out. An alphabetical list of those names, as before, will be prepared and will be placed in the polling booth as soon as possible.

• (1850)

The ballot box is sealed, voting will proceed in the same way as before, again with a different coloured ballot. Voting stations are now open.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (1900)

Mr. Speaker: If there are any Hon. Members who have not voted and wish to do so, will they please vote now?

All Members having voted I do now instruct the Clerk to proceed with the counting of the ballots after I have cast my ballot.

SITTING SUSPENDED

Mr. Speaker: Order. The sitting is suspended until the call of the bells, which will ring for five minutes.

At 7.08 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 7.42 p.m.

Mr. Speaker: It is my duty to inform the House that another ballot will be necessary. The names of those Members who can be considered on the next ballot are as follows:

Danis, Marcel
Fraser, John
Lewis, Douglas
Nielsen, Erik
Paproski, Steven
Prud'homme, Marcel
Stackhouse, Reg
Thacker, Blaine

Order, please. If any Hon. Member whose name has been announced wishes to withdraw his candidacy, he has the right to do so now by rising in his place to indicate that intention.

As there are no candidates who wish to withdraw, those who are eligible are those Members on the list that I have just read.

We will take a minute while the revised list is prepared and is put in the stations.

I do not need to explain the process again. The voting stations are now open.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (2000)

Mr. Speaker: If there are any Hon. Members who have not voted and wish to do so, will they please vote now?

All Members having voted I do now instruct the Clerk to proceed with the counting of the ballots after I have cast my ballot.

SITTING SUSPENDED

Mr. Speaker: Order. The sitting is now suspended to the call of the bells which will again be a five-minute bell.

At 8.07 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 8.43 p.m.

Mr. Speaker: It is my duty to inform the House that another ballot is necessary.

The names of those Members to be considered on the next ballot are as follows:

Danis, Marcel
Fraser, John
Lewis, Douglas
Nielsen, Erik
Paproski, Steven
Prud'homme, Marcel
Stackhouse, Reg

Any Hon. Member who wishes to advise the House of his desire to withdraw has the opportunity to do so now.

Order, please. Such being the case, we will proceed as before. The voting stations are open for the sixth ballot.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (2100)

Mr. Speaker: If there are any Hon. Members who have not voted and who wish to do so, would they please vote now. I am about to close the ballot box.

All Members having voted I do now instruct the Clerk to proceed with the counting of the ballots after I have cast my ballot.

SITTING SUSPENDED

Mr. Speaker: The sitting is suspended to the ringing of the bells.

At 9.08 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 9.39 p.m.

Mr. Speaker: It is my duty to inform the House that another ballot will be necessary.

The names of those Members who can be considered on the next ballot are as follows:

Danis, Marcel
Fraser, John
Lewis, Douglas
Paproski, Steven
Prud'homme, Marcel
Stackhouse, Reg

Do any of those Members whose names I have read wish to indicate their desire to withdraw? We will proceed then as before.

The ballots are ready. The colour is different. We will proceed as before. The voting stations for the seventh ballot are now open.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (2200)

Mr. Speaker: Order, please. If any Hon. Members have not voted and wish to vote, please proceed to vote now. If there is anyone else to vote, vote now, please.

I do now instruct the Clerk to proceed with the counting of the ballots after I have cast my ballot.

SITTING SUSPENDED

Mr. Speaker: The sitting is suspended to the rining of the bell.

At 10.05 p.m., the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 10.35 p.m.

Mr. Speaker: It is my duty to inform the House that another ballot will be necessary.

The names of those Members who will be considered on the next ballot are as follows:

Danis, Marcel
Fraser, John
Lewis, Douglas
Paproski, Steven
Prud'homme, Marcel

If any of those Members wish to withdraw, now is their opportunity to do so. We will therefore proceed to vote.

• (2250)

Members were issued ballots, and marked their ballots in secret, at voting stations.

Mr. Speaker: If there are any hon. Members who have not voted and wish to do so, will they please vote now? This is the last time for calling on any hon. Members who wish to vote and have not done so.

Accordingly, all Members having voted, I do now instruct the Clerk to proceed with the counting of the ballots after I have cast my ballot.

SITTING SUSPENDED

Mr. Speaker: The House is suspended to the ringing of the bells.

At 11 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 11.27 p.m.

Mr. Speaker: Order, please. It is my duty to inform the House that another ballot will be necessary.

The names of those Members who can be considered on the next ballot are as follows:

Danis, Marcel
Fraser, John
Lewis, Douglas
Paproski, Steven

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I do not suppose there is any point in asking whether anyone wishes to withdraw. However, I am required by the rules to do so. Therefore, if there is any Member who wishes to withdraw, now is the time to so signify.

Order, please. We will proceed then as before.

The ballot box is now sealed. We will proceed with the ninth ballot.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (2340)

Mr. Speaker: Order please. Any Members who have not yet voted should come and vote now if they wish to do so, please.

All Members having voted, I do now instruct the Clerk to proceed with the counting of the ballots after I have cast my ballot.

SITTING SUSPENDED

Mr. Speaker: The sitting is suspended to the ringing of the bells.

This will be a five minute bell.

At 11.49 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 12.10 a.m.

Mr. Speaker: It is my duty to advise the House that another ballot will be required. The Members eligible to be considered as candidates in alphabetical order are as follows:

Danis, Marcel
Fraser, John
Lewis, Douglas

• (0020)

I am required by the rules to ask if any of those Hon. Members whose names I have read to the House wish to indicate to the House his desire to withdraw. I suggest we proceed as before.

Order, please! The ballot box has been closed. The ballots are ready. We will proceed to the taking of the tenth ballot.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (0040)

Mr. Speaker: Order, please. May I encourage all Hon. Members who have not yet voted to cast their votes? Any Hon. Members who have not yet voted should vote now.

There being no further Hon. Members who are voting, I do now instruct the Clerk to proceed with the counting of the ballots.

SITTING SUSPENDED

Mr. Speaker: The sitting is suspended to the ringing of the bells.

At 12.42 a.m., the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 1.05 a.m.

Mr. Speaker: Order, please. It is my duty to inform the House that another ballot will be necessary. The names of those who will be considered on the next ballot are as follows:

Danis, Marcel
Fraser, John

Do either of the Hon. Members whose names I have just read wish to withdraw at this time? Accordingly we will proceed to the next ballot.

The box has been sealed. The ballots are ready. The eleventh ballot is now ready for voting.

Members were issued ballots, and marked their ballots in secret, at voting stations.

• (0120)

Mr. Speaker: May I ask that all Hon. Members who have not yet voted and who intend to do so, to please do so shortly.

Order, please. Before I instruct the Clerk to proceed with the counting of this ballot, since I suspect there will not be an opportunity later, whatever one thinks of the process, this has been a parliamentary day of enormous significance. Would you please join me in thanking the Clerk and his staff for what they have done.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think it is also appropriate to point out that one of our Clerks is leaving us. The Province of Ontario has made an extraordinarily wise choice in their selection.

Some Hon. Members: Hear, hear!

Mr. Speaker: I would love to know what you are going to tell them about all of this.

I now instruct the Clerk to count the ballots once I have cast mine.

SITTING SUSPENDED

Mr. Speaker: Order, please. The sitting is suspended to the ringing of the bells.

At 1.30 a.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 1.48 a.m.

Mr. Speaker: It is my duty to inform the House that John Fraser, Esquire, Member for the Electoral District of Vancouver South, has been duly elected Speaker of this House.

Some Hon. Members: Hear, hear!

Mr. Speaker: It is now my privilege, honour and pleasure to invite the Hon. Member to take the Chair.

• (0200)

* * *

The Hon. John W. Bosley, having vacated the chair, and the Mace having been laid under the Table, conducted Mr. Fraser from his seat in the House to the chair.

Mr. Speaker: Hon. Members, let me begin by repeating most sincerely the first words traditionally uttered by a newly-elected Speaker: Hon. Members, I beg to return my humble acknowledgements to the House for the honour which you have been pleased to confer upon me by choosing me to be your Speaker.

[*Translation*]

Thank you for your confidence. On behalf of this House, I would also like to thank those Hon. Members who stood for election. Despite all that has been said of the difficulties and problems associated with the Chair, this election has shown that there are in our ranks very able Members who are ready to serve this House and this country.

[*English*]

Also, the House will allow me, I know, to express a special personal regard and thanks on behalf of all Hon. Members to our retiring Speaker.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: This has been a historic vote. For the first time, Members of the House of Commons have elected their Speaker by secret ballot. The process may have changed but one thing is still the same—the Speaker remains the servant of the House and receives his authority from the Hon. Members. The Speaker cannot serve the House without the good will and co-operation of all Members. This has always been a fact. Co-operation and good will will remain essential for all Members including members of the Cabinet and honourable leaders of opposition parties.

When I speak of good will and co-operation, I speak from my own experience. I sat in this House during 14 years as a private Member in the Opposition, as a Minister and as a Government backbencher. This experience will no doubt be useful in my new responsibilities as Speaker of this House.

[*English*]

The process for the choice of Speaker has changed. We hope that this reform means in a real way more participation by all Hon. Members of the House in the selection of the Speaker. As I say, the process of selection has changed but the necessity for the co-operation and good will of all Members remains.

I have been privileged to be a Member of this House for some years. Along with Hon. Members, I have witnessed this House at its best and sometimes at its worst. However, we are imperfect, at least at times, but the ideal must always be our objective and despite frustrations, sometimes anger and misunderstandings, we must together strive to do our best in the interests of this democratic institution which we cherish.

Hon. Members have been raised in the Canadian tradition of frankness and plain speaking and it is only natural that this tradition finds its expression in outspoken debate. This is not a Chamber for the timid. It is a place where strong opinion, strongly felt, should be heard, but it is also a place for clarity of thought, for tolerance of the views of others and for the most conscientious effort to act in the public interest even if that may not always accord with personal preference. This requires a forum in which each Hon. Member not only has the opportunity for full expression but also the responsibility to listen to the words of others. This demands a high degree of

civility within a context of reasonable order. It requires respect for and adherence to the rules of the House, not because these rules have been imposed upon us but because we have agreed to conduct our proceedings by these rules. And it requires of your Speaker fairness, firmness and consistency and an understanding of the essential role of each Hon. Member to speak out on the matters of concern to our country. This demands the highest independence from pressure or bias recognizing as it does that your Speaker is the servant of this House.

It is appropriate to be reminded again of those historic words of the Speaker in 1642 when the King entered the House of Commons with an armed force and demanded that the Speaker reveal the whereabouts of some Members. The Speaker said: "May it please Your Majesty, I have neither eyes to see nor tongue to speak in this place, but as the House is pleased to direct me, whose servant I am".

[*Translation*]

I am your servant. I need your help in order to carry out my responsibilities. I promise to do everything I can to serve you well and I thank you for this privilege.

[*English*]

(*And the Mace having been laid upon the Table:*)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition (Mr. Turner), the Leader of the New Democratic Party (Mr. Broadbent) and I will take the liberty of saying a few words. We all hoped to say a few appropriate words tonight but, Mr. Speaker, we have had so little time to prepare.

Parliament, Mr. Speaker, has made history today, and you, Sir, are here as its principal witness.

• (0210)

Parliamentary reform has begun slowly to envelop this institution, making it and its Members stronger and more independent. In some measure all of us have failed Parliament these last few years. A democratic instrument requires respect to renew itself and to grow.

[*Translation*]

As a symbol of our democracy, you are entitled to preside over our debates which you have described as vigorous, Mr. Speaker, but in the spirit of tolerance and understanding which is essential if we do not want to distort all the basic rules of the game.

I congratulate you on your election and I offer you my loyal and respectful co-operation.

[*English*]

To guide our deliberations I am sure all Members will, with respect to you, Mr. Speaker, commit to begin again traditions of mutual respect and reasonable serenity, as best one can in a House of vigorous debate, in the interests of the House and in the interests of Canada.

Good luck, and may God bless you, Sir, and this House.

[*Translation*]

Mr. Speaker, I would like to say a word about the Hon. Member for Don Valley West (Mr. Bosley).

[*English*]

I am happy to have this brief opportunity to express to all Members, on behalf of the Government, our appreciation of his courage and dignity and the good humour with which he discharged his onerous responsibilities. The role of Speaker is most vital in making Parliament work, and it was carried out by the Hon. Member for Don Valley West (Mr. Bosley) with rare dedication and energy.

May I say to the Member that in his letter to me he referred to the House being "in a crisis of our own making". You, sir, were right, and now we must make it right. You referred to your wish to effect parliamentary reform and to restore the spirit of respect by pressing ahead with the direct election of a Speaker. Throughout you have exhibited tolerance and understanding of the needs of this great institution, which all of us respect and appreciate.

[*Translation*]

Your loyalty to Parliament and its institutions, your acute sense of fairness and your conviction that the Speaker is above all the defender of the Members' rights and privileges will always be a source of inspiration for your successors. You have brought to this office, the most difficult of parliamentary responsibilities, a major element of courtesy and quickwittedness.

Today, Mr. Speaker, thanks to the Hon. Members, we are now going through a new stage in the reform of this noble institution in order to make it more sensitive to the wishes and expectations of the Hon. Members and of the people we represent.

[*English*]

To the Hon. Member for Don Valley West, and on behalf of all Hon. Members of the House, I take the liberty of extending the gratitude and good wishes of all Members of Parliament who know how difficult and how challenging is the Chair. We have not been easy; the last two years have not been easy.

May I, through you, Sir, as the new Speaker of the House, pay tribute to the Hon. Member for Don Valley West and say that we best renew the House by reviewing our own attitudes and by renewing our commitment to you, Sir, as the symbol of authority and respect, not only of the House, but of the values the House seeks to represent.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, what took us about 11 hours was a very worth-while experience indeed. For some of us it was an extremely difficult experience. It was the first time in my life that I ever voted for a Tory!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Not once but four times. May I begin, with Your Honour's indulgence, by thanking the Hon. Member for Don Valley West (Mr. Bosley) for his devoted and unstinting service to the House of Commons. On the occasion preceding his resignation, I expressed my feelings to him. I also expressed what I thought about the circumstances surrounding that resignation, and I leave it there. However, I want to assure him that he carried our respect from this quarter of the House. We are very glad that he has decided to remain with us and to continue to make a contribution to the country and to the House as the Hon. Member for Don Valley West.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As the Hon. Member for Vancouver Quadra, it is my privilege to congratulate my neighbour, the Hon. Member for Vancouver South, on being elected as first commoner. The people of Vancouver will be very proud. You, Sir, are held in enormous respect by the people of that city, of the lower mainland, and indeed of the entire province. There will be enormous goodwill flowing out to you upon your election as Speaker of the House of Commons.

[*Translation*]

I would also like to tell the Hon. Member for Verchères (Mr. Danis) that he keeps our respect as Deputy Speaker of the House. The struggle has been well fought and the result is above contestation. This has been a free vote expressed by all members of this House.

Mr. Speaker, you will allow me to express our affection for our friend the Hon. Member for Saint-Denis (Mr. Prud'homme). He proved himself very popular in the House and we congratulate him.

[*English*]

It has been an enormous tribute to you, Mr. Speaker, to be recognized by your peers in the House of Commons. We, elected by the people from every corner of our country, want to say that over the years you have earned the respect and affection of all Members of the House. It has been a remarkable personal comeback for you, and there must be a lot of deep emotion in your heart.

We were very encouraged by the excellent address which you gave us on assuming the chair. It gives us much confidence in your skill and the spirit in which you intend to preside over the House. I hope, Sir, you will have at least as long a term as it took to elect you!

We owe a good deal of thanks to Jim McGrath, the former Hon. Member for St. John's East, who reformed the rules. I do not think we can attribute the full scope of the procedure to Jim McGrath, because in his report he called for the name of each candidate in his or her order of standing to be announced after every vote. That would have shortened the proceedings. While we have had a very useful exercise here—and once launched upon that exercise some of us felt that we could not change it in mid-course—it would be useful for the House Leaders to assemble to see how we might in effect refine those rules.

• (0220)

[*Translation*]

This election of our Speaker in a free vote is an important step forward for our parliamentary democracy and all of us hope that it will also foster a greater decorum in this House. You have our trust to start with and I am confident that you will keep it. As you mentioned, Mr. Speaker, there will always be vigorous debate, very frank comments, direct questions and constructive criticism but we must demonstrate daily to Canadian men and women that we deserve their trust.

[*English*]

You know what we demand of you, Mr. Speaker. Perfection! We want fairness, independence, decisiveness, patience, common sense, good humour, upholding the traditions of the House, knowledge of the rules and an intuition for the changing mood and tone of the House as we move through our days.

From time to time you are going to have difficult moments. You have already mentioned that democracy can sometimes be rough. Question Period has received a lot of criticism and I noticed this travelling the country over the summer. I say on hotlines to the people that, yes, from time to time we can improve our behaviour here.

Looking over debates preceding Confederation, looking over the times of Macdonald and Laurier and the days when I first entered the House with Mr. Diefenbaker and Mr. Pearson, there were occasions when we were not too proud of ourselves. Now television has made it national theatre, but we have the freest Parliament in the world.

Every once in a while we will be a little excessive, lose our cool and put you to the test. But it is worth it. From time to time we will disagree with your decisions but you will always have our support from this corner of the House, that I can assure you.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I wish you well, Sir. We are very proud of your election.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I also have two confessions to make tonight. First, my father was a Conservative. And second, for the first time in my life I have voted for a Conservative and not only once but eleven times. It should be noted, Mr. Speaker, that I did not say for which Conservative I did vote. I would also like to say sincerely that

my colleagues and I intend to co-operate fully in the future. Please receive our congratulations and the assurance of our full co-operation in the House. We sincerely wish you well.

[*English*]

At the same time I want to add very briefly at this late hour a few words that have been said about the necessity of maintaining in this House a vigorous debate, the full and frank expression of ideas as you, Sir, have indicated are an integral part of this democratic Chamber. Like others I wish to add another point to this reiteration of the need for vigorous debate by saying that we too need to bring back to the Chamber a higher degree of civility than perhaps was demonstrated from time to time in the past two years. It will no doubt make your job easier, and ultimately make a greater contribution to the democratic process of this country which we all love so deeply if all of us on both sides of this House begin, Sir, with your new responsibilities by exercising greater responsibility ourselves.

I want now to say a couple of words to our friend and colleague, the Hon. Member for Don Valley West (Mr. Bosley). There have been times when we on this side, as on the other side, have not always agreed with the rulings of the Hon. Member for Don Valley West when he was performing his important task as Speaker of this House. But I do say that none of my colleagues, and I am sure none of us on either side of the House, at any time had anything other than the fullest of respect for the principal commitment to the office of the Speaker of the House that the Hon. Member for Don Valley West demonstrated at all times.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to conclude by wishing the Hon. Member for Don Valley West well. It will be the last time in this kind of surrounding that we as partisan politicians can do that. He is about to rejoin the real world of politics and we will have other opinions no doubt to express. But tonight—at 2.30 in the morning—on behalf of everyone we wish him well in his future.

Some Hon. Members: Hear, hear!

Mr. Speaker: Honourable Members—

[*Translation*]

—I would like to thank the Prime Minister (Mr. Mulroney) for his very kind words—

[*English*]

—the Right Hon. Leader of Her Majesty's Loyal Opposition (Mr. Turner) and the Hon. Member for Oshawa (Mr. Broadbent), on behalf of his Party which he leads so well in this House.

I think I should first say thank you to the Prime Minister. It was the initiative and the support of the Prime Minister that made sure this new form in which we have engaged tonight took place. While supported by Members of all parts of the House and all Parties I think it is significant that under the direction of the Prime Minister this historic event took place, and took place yesterday and this morning, even if the retiring Speaker chose not to see the clock.

I would like to say also to the Right Hon. Leader of Her Majesty's Loyal Opposition, not just as a neighbor but as a friend of long standing that I appreciate his kind comments. I know that the electors who have supported me in Vancouver South, some of whom have worked for me in Vancouver South and who live in the riding of the Right Hon. Member will endorse the very kind things that he had to say.

Some Hon. Members: Hear, hear!

Mr. Speaker: I also want to thank the Hon. Member for Oshawa for his comments, especially his revelation which indicates to me that there indeed has been reason these many years for the high regard in which I hold him.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

OPENING OF SESSION

Mr. Speaker read a communication from the Governor General's Secretary announcing that Her Excellency the Governor General of Canada would proceed to the Senate Chamber at three o'clock on Wednesday, October 1, 1986, for the purpose of formally opening the second session of the Thirty-Third Parliament.

Therefore, this House stands adjourned until tomorrow at three o'clock p.m. at which time the House will proceed to the Senate where Her Excellency will open the second session of the Thirty-third Parliament.

The House adjourned at 2.30 a.m.

HOUSE OF COMMONS

Wednesday, October 1, 1986

The House met at 3 p.m.

[*English*]

SPEECH FROM THE THRONE

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, Her Excellency the Governor General desires the immediate attendance of this honourable House in the Chamber of the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned to the Commons Chamber:

* * *

• (1610)

OATHS OF OFFICE

Right Hon. Brian Mulroney (Prime Minister) moved for leave to introduce Bill C-1, respecting the administration of oaths of office.

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

* * *

[*Translation*]

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the House that when this House did attend Her Excellency the Governor General in the Senate Chamber, Her Excellency was pleased to make a speech to both Houses of Parliament. To prevent mistakes I have obtained a copy which is as follows:

Ladies and gentlemen, Honourable Members of the Senate,
Ladies and gentlemen, Members of the House of Commons:

It is with pleasure that I welcome you to the Second Session of the thirty-third Parliament of Canada and express to you, on behalf of all our fellow-Canadians, my appreciation and gratitude for the work which you do here. It is you, above all others, who make our Parliamentary system work, and you who are responsible for ensuring the smooth operation of an institution which is essential to the welfare of Canadians and the unimpeded enjoyment of our freedoms.

Expo '86 has been a focus of international attention that has brought pride and joy to millions of Canadians. The success of British Columbia's world exposition strikingly demonstrates the creative skills of our people.

I have had the honour of presenting my respects, and yours, to Her Majesty Queen Elizabeth on the occasion of her sixtieth birthday. At this time I conveyed to her Canada's feelings of loyalty. The warm affection accorded their Royal Highnesses, the Prince and Princess of Wales—so evident during their visit to Expo '86—again reminds us of the vitality of the monarchy and its enduring contribution to Canadian life. I have also had the opportunity to be present at the marriage of Their Royal Highnesses, the Duke and Duchess of York, and to receive here the visit of Her Majesty the Queen Mother, who once again charmed us with her intelligence and her amazing vitality. You may rest assured that I have, on these memorable occasions, given renewed expression to the respect which we all feel.

Two years ago, my government received a national mandate—a mandate for reform. It was a mandate that summoned Canada to the tasks of national reconciliation, economic renewal, social justice, and to a constructive internationalism. Today, my Ministers believe these goals are within reach.

We live today in a world of increasing uncertainty and interdependence. We live in a world where unforeseen events, both at home and abroad, demand flexibility and adaptiveness.

Although my government will remain sensitive to changing circumstances, it is determined to pursue these national objectives in the confidence that their fulfillment will bring lasting benefit to all Canadians.

Canadian agriculture is a vital part of our national economy. Aware of the present difficulties, my government will work in close consultation with provincial governments and farm organizations to help alleviate personal hardship in our farm communities.

The Government has already taken special steps to lower farm input costs, improve stabilization programs, and help farmers in financial difficulty.

In the past, regrettably, agriculture has not been a priority in international trade negotiations. My government placed this issue on the agenda of the Economic Summit in Tokyo, and helped secure unanimous agreement to address subsidies in the new round of the Multilateral Trade Negotiations.

In meeting its commitment to Canadian agriculture, my government will spare no effort in seeking to protect the interests of Canada's farming community in the face of unfair pricing and subsidy practices conducted beyond our borders.

My government has acted to enhance the effective operation of Canada's energy industry, by negotiating the Western, the Atlantic, and the Nova Scotia accords and by taking other strong measures to support activity in a period of depressed world prices. Close cooperation with the producing provinces and the energy industry is a foremost objective of my Ministers as efforts continue to sustain Canada's energy prospects through this difficult period. These efforts are consistent with the true meaning and spirit of national unity.

Despite current difficulties, encouraging progress has been made towards renewing and strengthening the national economy. Unemployment is at its lowest level in over four years. Average incomes of Canadian families rose in real terms in 1985 for the first time in five years. The federal deficit has declined for the first time in six years. The prime rate is the lowest it has been in eight years. And government program spending has significantly declined for the first time in forty years. These economic indicators are encouraging.

Our efforts are meeting with encouraging success. The challenge now is to forge ahead. My government will do so by remaining true to the course set in the past two years. My government will continue its policy of prudent fiscal and financial management and will seek practical ways to encourage self-reliance and provide individual Canadians the incentive and opportunity to achieve greater security and well-being for themselves and for their families.

National Reconciliation

My government's commitment to national reconciliation invites all Canadians to participate fully and actively in the development of their country.

The Canadian Charter of Rights and the Constitution remain incomplete without the assent of Quebec. My Ministers have begun consultations with the

provinces on this important subject. Should there appear reasonable prospects for agreement, formal negotiations will proceed in the expectation that Quebec will take its rightful place as a full partner in the Canadian Constitution.

The question of aboriginal rights is still on the constitutional agenda as a result of the Accord signed with the provinces in 1983. Pursuant to that agreement, a First Ministers Conference on aboriginal constitutional affairs will be convened. This will be the third and last such conference provided for in the 1983 Accord. In cooperation with the provinces, my government will exert every possible effort to bring these discussions to a successful conclusion.

Official bilingualism is an indispensable feature of our national character. Seventeen years after its enactment, Canada's Official Languages Act now needs to be revised. Appropriate legislation will be introduced in this Session to ensure, as well, that this Act conforms with the Canadian Charter of Rights.

My Ministers will propose amendments concerning the objectives and powers of the National Capital Commission. It is their intent to give greater expression and meaning to our national symbols.

Canada's National Parks represent a heritage of great importance to the present and future generations. My government will ask Parliament to approve major reforms to the National Parks Act for the first time since the original Act was passed, over five decades ago.

The preservation of historic properties is important to fostering a sense of history and national identity among Canadians. The government of Canada, as the largest owner of heritage sites and properties in the country, will assume a leadership role in their restoration and preservation.

Economic Renewal

Canada's program of economic renewal has as its goal the building of a national economy equipped to compete in an environment of intense global competition, changing markets, and new technologies. Economic renewal will be furthered by continued progress in restoring health to our public finances, by trade initiatives and by tax reform.

My government has committed itself to four principles in its quest to restore fiscal health to Canada. First, to reduce the growth in the national debt to less than the growth in the economy by the end of this decade. Second, to achieve continuing, sizeable, year-over-year reductions in the deficit. Third, to ensure substantial annual declines in the government's financial requirements. And fourth, to ensure that the greater part of this progress is secured through effective expenditure restraint.

Success in this quest will foster a climate of investor and consumer confidence that will continue to support lower inflation, lower interest rates, higher growth and more job opportunities for Canadians.

If Canada is to achieve an enduring economic recovery, government must also ensure that our country's interests are secured and enhanced in the international sphere.

Nearly one third of our economy depends on international markets. Our future is trade. That is why my government is seeking to open and secure new markets for Canada everywhere in the world. These efforts include bilateral talks with the United States and multilateral negotiations under the auspices of the GATT.

My government intends to improve Canada's status as a trading nation among our major partners. Particular emphasis will be placed upon trade with Japan and other Pacific Rim countries.

Trade promotion, however vigorous, cannot succeed if world markets important to Canadian exporters are threatened by increased protectionism.

Such pressures emphasize the importance of my government's pursuit of a mutually advantageous trade agreement with the United States. These talks are being accompanied by extensive consultations with the provinces, business and labour. Successful negotiations will strengthen both our economy and our capacity to reinforce our culture, our sovereignty, our commitment to regional development and the fundamental purposes of Canadian social policy.

Progress has already been made towards my government's objective of comprehensive tax reform. We have begun to restructure the corporate tax system. Equity in the personal income field has been enhanced through the introduction of the minimum tax. A refundable Sales Tax Credit has been introduced. Opportunities for tax avoidance have been curtailed.

In my government's further consideration of tax reform, fairness will be a guiding principle. The objectives of reform will be to lower tax rates and to reduce reliance upon personal income tax by improving the revenue balance between personal income and other taxes. A simpler and more comprehensible tax system would also be welcomed by all Canadians.

During this session, you will be asked to consider new initiatives to strengthen the competitiveness of the private sector.

To help remove obstacles to economic growth, my Ministers will continue to reduce the burden of paperwork and regulation, to advance the process of privatization of Crown Corporations, and to press for the removal of barriers to interprovincial trade.

My Ministers will introduce programs to promote small business and entrepreneurial values. Included will be measures to improve procurement procedures, to strengthen the unsolicited proposals program for small companies and entrepreneurs, to increase technology transfer from government laboratories, and to develop new initiatives to promote entrepreneurship among youth.

My government will again be placing before Parliament measures to give Canadians a more efficient, competitive and safe transport system by relieving the burden of unnecessary regulations on the transportation sector.

My government will propose a new regulatory framework for the financial services industry that will promote competition, efficiency, and international competitiveness, while strengthening consumer protection.

For many years, successive governments have sought to provide measures intended to promote regional development. Their efforts have not been as effective as hoped. Regional disparity remains an unacceptable reality of Canadian life. Our experience has shown that spending more money, by itself, has not solved the problem.

It is time to consider new approaches, to examine how our considerable and growing support for Canada's regions can be used more efficiently, more effectively and with greater sensitivity to local conditions and opportunities. In renewing their efforts to come to grips with this longstanding problem, my Ministers are convinced many positive proposals for new policy initiatives will come from those who live and work in the regions concerned.

Building on the human and natural resource strengths of the regions, a renewed cooperative effort will lead to a new development agenda. Special emphasis will be given to diversifying the economic base of Western Canada.

As a first step in achieving improved results from this sustained national approach, an Atlantic Canada Opportunities Agency will be constituted to facilitate and coordinate all federal development initiatives in the area. This agency will make fuller use of the expertise available in the Atlantic region and invite the maximum participation of other governments and organizations in the area.

My government is concerned about the increasing concentration of corporations, particularly where takeovers serve to increase corporate size without creating new jobs or stimulating economic growth in Canada. Some aspects of this essentially non-productive activity will be examined and considered by Members of this House.

The importance of the fishing industry to Canada is fundamental. To provide increased safety for our fishermen and to protect their material investments, my government will place special emphasis on improving the management of small craft harbours in all fishing areas.

The forest sector is Canada's largest net export earner. My Ministers have substantially increased funding for forestry renewal. The government will continue to work in close partnership with the provinces, industry, and private woodlot owners to ensure that Canada's rich forest heritage continues as a vital source of wealth and jobs for future generations.

Measures will be introduced to strengthen Canada's cooperatives and to give recognition to their role in community development.

My government is deeply committed to supporting, with the provinces, a system of post-secondary education based on excellence and equality of opportunity. To help meet the challenges facing higher education, my government will propose a national forum on post-secondary education, to be held early next year.

My Ministers have begun to forge a partnership with the provinces, with the scientific and educational communities, and with business and labour in an effort to stimulate increased technological development in Canada. To assist and encourage cooperation between the universities and private sector in research and

development, my government has announced an initiative that could provide a billion dollars in new funding for scientific research over the next five years.

My government will build upon this partnership by introducing a new four-point program to ensure that support for science, technology and education is more clearly focused in the national interest.

First, my government will appoint a National Advisory Board for Industrial Technology, chaired by the Prime Minister and composed of some of Canada's leading industrialists and scientists. This committee will assess national science and technology goals and policies, and their application to Canada's economy. Second, in full cooperation with the provinces, my government will seek to achieve high standards of excellence in education, technology development, and innovation. Third, it will introduce a new Federal Science and Technology Strategy, building on the initiatives undertaken to date. The strategy will introduce the necessary reforms within the federal administration to encourage Canada's international competitiveness. Fourth, my government will convene a National Conference on Technology and Innovation to assist Canada to define new technology goals.

My government's commitment to high technology as a motive force in Canada's economic growth will be expressed in legislation to establish a Canadian space agency. International cooperation in the peaceful use of space is essential to the development of key technologies. Working in cooperation with industry, universities and provinces, the new agency will help to ensure that the benefits of Canada's role in space will be shared by all Canadians.

Constructive Internationalism

The people of Canada maintain a deep interest in their country's role in the world. As Honourable Members of the Special Joint Committee of this Parliament know, Canadians seek a confident, constructive, active internationalism that reflects our hopes for the world as well as our own vital national interests.

From my own travels, and those of my Ministers, I can attest that other countries, large and small, look to Canada to play a vital role in the international community. Over the past year, I have travelled to Italy and the Vatican, while the Prime Minister has represented my government at the Commonwealth Conference, at the 40th Anniversary of the United Nations, the Francophone Summit, the Tokyo Summit, and in visits to France, Japan, China, South Korea, and the United States.

Our support for the multilateral institutions and agencies of which we are members remains the cornerstone of our foreign policy.

With Her Majesty the Queen as its head and unifying presence, the Commonwealth brings together countries of the North and South in support of common ideals and aspirations. The Commonwealth is central to Canada's efforts to promote, through concerted international action, a process of political dialogue in South Africa aimed at establishing representative government. My government will continue this effort, through the Commonwealth and the United Nations, until apartheid is abolished.

The world is aware how spontaneously the Canadian people rallied to the challenge of African famine and relief, demonstrating a concern and compassion so much a part of the national character. As Canadians, we will be called upon to respond to other challenges in the Third World. In reaffirming our commitments, it will be our purpose to find new partners in the ongoing efforts to pursue opportunities for increased development.

No task is more important to Canadians than preserving world peace and security. My government is encouraged by the prospects for renewed dialogue between the leaders of the United States and the Soviet Union. We share the hope of other nations of the world that progress towards these talks will be sustained and appreciable.

Arms control and disarmament are essential elements of Canadian policy. We are in the forefront of multilateral discussions concerning conventional arms control and confidence-building in Europe. In the nuclear field, both the verification of existing agreements and the conclusion of new accords are vital elements in Canada's efforts. As a further step towards these objectives, my government will host this month an international symposium that will explore means of improving verification techniques.

My government recognizes that security is the surest safeguard of liberty. Accordingly, my government has taken steps to modernize and renew the strength of our Armed Forces and increase our NATO contingent in Western Europe.

The Government asserts complete sovereignty over the Canadian Arctic and recognizes that sovereignty requires a vigorous national presence. My government has drawn straight baselines around the perimeter of the Arctic archipelago to preserve Canadian sovereignty over the land, sea, and ice of the Canadian Arctic. Canada will construct one of the most powerful icebreakers in the world to enhance our sovereign rights and to contribute to the development of the North.

Other measures have been taken or will be initiated to support this vital national purpose, including more research on polar conditions, defence training exercises in the Arctic, and the establishment of a National Park at Ellesmere Island.

Social Justice

A dynamic and changing society poses new challenges for social policy. Existing programs are not always wholly successful in meeting their objectives. They must be reviewed to ensure they are appropriate to today's circumstances and they must be strengthened where necessary. At the same time, new circumstances require the development of new programs.

My Ministers are well aware that social policy concerns are more satisfactorily met in a strong and growing economy that, in turn, requires steady progress in restoring fiscal health to our nation's finances. But fiscal responsibility is fully compatible with social responsibility.

My government will continue to enlist the support of all in pursuit of the common goal: a modern, tolerant, and caring nation in which its citizens are secure and prosperous.

Canadians would want their governments to give the highest priority in social policy to those who are in greatest need. As well, Canadians expect to enjoy the highest quality in health care and other social benefits that have become fundamental to our national quality of life.

My government is resolved to defend and strengthen the institution of the Canadian family.

Only now is our society beginning its effort to adjust to the evolving changes in family relationships and responsibilities, particularly concerning working parents. My government recognizes that adequate, quality child care must become available. Following the report of your committee, my government will initiate discussions with the provinces, business and labour with a view to implementing a concerted approach to child care.

As a national priority, we must continue to remove the barriers that have prevented women from participating freely and equitably in the mainstream of Canadian society. My government regards the recent significant increase in appointments of women to the highest levels of the public service and to federal boards and commissions as only a first step towards full equality. My Ministers hope and expect the private sector will regard this progress as an example to follow. In its desire to further the advancement of women in government, my Ministers will continue their efforts to correct inequitable wage rates in the public service.

My government will take effective action against child sexual abuse, violent forms of pornography involving women and children, child prostitution, and the grave and growing threat posed by the traffic in illegal drugs.

A national drug strategy and a comprehensive program dealing with impaired drivers will be brought forward to support the prevention of drug and alcohol abuse. My government will continue to provide domestic and international leadership in controlling drug abuse in amateur sport.

Reforms to the Criminal Code will be continued during this session of Parliament, reflecting the importance Canadians attach to such values as respect for the law and the protection of innocent citizens.

Measures will also be put before you designed to protect and assist victims of criminal violence. Further action will be proposed to assist in finding missing children.

Canadians are becoming increasingly aware of the suffering of battered women. This intolerable affront to human dignity and personal security compels my government's commitment to work with the provinces to implement on an urgent basis the most effective means and methods of action.

After a decade of debate, an historic agreement with the provinces has been reached that will improve benefits under the Canada Pension Plan, beginning on January 1, 1987. It will also put the plan on a sound financial footing for the future.

The federal Pension Benefits Standards Act, which sets standards that employer-sponsored pension plans must meet, has also been completely revised. The changes introduced will be of fundamental significance for wage earners, especially women in the labour force, and for the spouses of pension plan members.

The introduction of the new Canadian Jobs Strategy, which for the first time sets targets for women's participation, has helped women, particularly immigrant women, and the unemployed in their search for lasting and productive employment.

My government is encouraged by the decline in youth unemployment. However, much remains to be done. My Ministers are committed to federal-provincial and private sector cooperative action that will enhance job opportunities and encourage greater participation and involvement of young Canadians in productive and challenging initiatives.

Canadians recognize the courage and talent of our disabled citizens. Inspired by the example of Rick Hansen, we are made more aware of the potential for new directions and initiatives to aid the disabled.

My government will work with the provinces, the private sector and voluntary organizations to develop measures to ensure that Canadians have access to the literacy skills that are the prerequisites for participation in an advanced economy.

Ongoing improvements have also been made in assuring greater income security for the elderly. All widows and widowers aged 60 to 64 are now eligible to receive Spouses' Allowance Benefits. A new program of Older Worker Adjustment is also being negotiated with the provinces. The Government will introduce legislation to increase tax assistance for retirement savings through Registered Retirement Savings Plans. The object will be to make access to tax assistance fairer between employees and the self-employed, and to increase the flexibility of options for the use of Registered Retirement Savings Plan savings by senior citizens.

In a spirit of deep respect and appreciation, my government will continue to address the needs of Canada's veterans. The Veterans Independence Program will be broadened to allow a greater number of First World War veterans to qualify immediately for the benefits designed to enable them to remain independent in their own homes rather than be compelled to accept institutional care. New legislation will also be introduced to streamline the pension process to provide faster, more efficient service to veterans.

In acknowledging the tens of thousands of Canadians who serve their communities and country as volunteers, my Ministers will propose further support to encourage the growth of voluntarism in our society.

Canada's amateur athletes instill pride in our country and achieve excellence in international competition. My government renews its commitment to the increased participation of young Canadian men and women in a wide variety of athletic endeavours, including the 1988 Winter Olympics that Canada will host in Calgary.

It is imperative that Canada's multicultural and multiracial reality be integral to all facets of our national life to reflect the vital and distinctive nature of Canadian society.

To that end, my government will: encourage the entrepreneurial spirit that characterizes our many minority communities and that contributes so essentially to Canada's economic development; extend recognition to minority community organizations in our society and increase equitable participation in appointments to federal boards and agencies; and affirm that any existing remnants of institutional barriers that limit opportunities for visible minorities or other groups or individuals are dismantled.

My government will continue to assert a positive leadership role in opposing racism and discrimination, in whatever form. It will continue to resist injustices imposed upon any ethnic, religious, or racial group in the knowledge that to do otherwise would diminish this nation's profound commitment to universal tolerance and human dignity.

Honourable Members: you will be asked to consider amendments to the Canadian Human Rights Act, which will represent further progress in the long march of this nation towards full equality.

My government will propose comprehensive legislation designed to simplify and improve Canada's refugee determination process. These reforms will produce a system which is both fair and effective. It will assist genuine refugees in need of protection and discourage abuse of Canada's humanitarian tradition.

My government recognizes fully the essential relationship between a healthy environment and the quality of Canadian life. A new Environmental Protection Act will be introduced to improve my government's capacity, in concert with the provinces, to deal effectively with pollution, focusing on toxic chemicals. You will also be asked to consider measures to improve water quality in Canada and to safeguard citizens from the hazards of chemicals in our society.

My government remains determined to pursue with the United States the rapid implementation of the recommendations of our Special Envoys with respect to acid rain.

Following the recommendations of an industry-labour-government task force, my government will propose legislation to establish a Workplace Hazardous Materials Information System.

My government has begun to renew our economy and society for the benefit of all Canadians. It has acted to strengthen our national sovereignty and to affirm our independence. But there remains much more to be done.

Each generation of Canadians has risen to the challenges of nation-building. Today's generation confronts its own challenges: we must act now to ensure that the ties which bind us together as Canadians remain strong, in our national cultural institutions, in our sense of community and in our pride as a nation.

Whether through railways in the last century, or broadcasting in this century, Canadians have responded to the task of building one nation across a massive continent. Throughout our history, Canadians have acquired credentials as peacekeepers, as entrepreneurs, as innovators.

Today the new challenge is to assert our interests in a world that is intimate, competitive, and driven by rapid technological change.

Your challenge, in this Parliament, is to apply those Canadian qualities with the same vision and the same commitment that created a nation from a wilderness. The new challenge is to open up new horizons for Canadians—those to be reached through knowledge and information.

In this new environment, we must ensure that all Canadians can pursue their own dreams and expand their own opportunities through greater use of information and knowledge about one another and the world beyond.

To begin debate on this fundamental challenge, my government will define its objectives and ways to achieve them.

It will be essential to ensure that the ideas and information which flow through a modern national communications system reflect the distinct cultural values of the Canadian people. For this reason, the government will act to strengthen the Canadian broadcasting system and renew our commitment to Canadian cultural values.

To a considerable degree, our sense of national purpose, our national identity, and our economic prosperity will depend on our capacity to respond to the opportunities which flow from this new information age.

Our dual linguistic heritage and unique history situate Canada within two great communities of nations, the Commonwealth and la Francophonie. Canada is thus positioned to reaffirm its role in the world by developing joint projects with member countries of these two vast families of nations, to share with them Canadian communications and information technologies while bringing to Canadians a greater diversity of ideas and cultural expressions.

By so doing, Canada will renew in innovative ways its commitment to an established institution, the Commonwealth, and contribute actively to the emergence of a new one, la Francophonie.

The great tasks to which you are committed in this Parliament are national in character. The important reforms you will have considered and adopted give to each the opportunity to make a valued, individual contribution to the legislative process.

Your deliberations must address the aspirations of all Canadians and reflect their pride and confidence in the enduring strengths of the political institutions

they believe to be the guarantors of freedom and security, and the guardians of the nation's future.

My government shares the expectations of all Canadians that public office holders maintain the highest standards of conduct, especially in the area of conflict of interest. It will be considering proposals which reflect the essential considerations of fairness to the office holder and the protection of the public's interest.

Members of the House of Commons:

I think with pleasure of the determination you will display as you embark on the program of work prepared by my government, and of the good use you will make of your skill and experience. I shall follow your debates with interest. I am assured that this new session will mark a further stage in the growth and flowering of our life as a nation.

You will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament.

Honourable Members of the Senate,

Members of the House of Commons:

You will be asked to consider legislation to advance the economic, social and international interests of Canadians.

In pursuit of these worthy objectives, may Divine Providence guide your efforts.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move that the speech of Her Excellency the Governor General, delivered this day from the throne to the two Houses of Parliament, be taken into consideration at the next sitting of the House.

Motion agreed to.

* * *

[*English*]

VACANCIES

ST. JOHN'S EAST—HON. JAMES A. MCGRATH, BY RESIGNATION

HAMILTON MOUNTAIN—IAN DEANS, BY RESIGNATION

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, the Hon. James A. McGrath, Esq., Member for the Electoral District of St. John's East, by resignation.

Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new Writ of Election for the said Electoral District.

Also, I have the honour to inform the House that a communication has been received from two Members notifying the Chief Electoral Officer, in accordance with chapter H-9 of the Revised Statutes of Canada, 1970, that the following vacancy has occurred in the representation, namely, Ian Deans, Esq., Member for the Electoral District of Hamilton Mountain, by resignation.

Accordingly, a new Writ of Election has been issued.

[*Translation*]

HOUSE OF COMMONS

APPOINTMENT OF INTERNAL ECONOMY COMMISSIONERS

Right Hon. Brian Mulroney (Prime Minister) presented the following message from Her Excellency the Governor General:

I have the honour to inform the House that the Hon. Don Mazankowski and the Hon. Robert de Cotret have been appointed by the Governor in Council as members of the Board of Internal Economy for the purposes and under the provisions of Chapter 39 of the Statutes of Canada, 1985, entitled: An Act to amend the House of Commons Act.

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move:

That Mr. Marcel Danis, Member for the electoral district of Verchères, continue to perform the duties of Deputy Speaker of the House and Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move, seconded by the Deputy Prime Minister (Mr. Mazankowski):

That Hon. Steven Paproski, Member for the Electoral District of Edmonton North, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*Translation*]

APPOINTMENT OF ASSISTANT DEPUTY CHAIRPERSON OF COMMITTEES OF THE WHOLE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move:

That Mrs. Andrée Champagne, Member for the electoral district of Saint-Hyacinthe—Bagot, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

* * *

● (1620)

[*English*]

BUSINESS OF SUPPLY

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I move, seconded by the Deputy Prime Minister (Mr. Mazankowski):

That this House at its next sitting consider the business of supply.

Motion agreed to.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I move that the House do now adjourn.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Pursuant to Standing Order 3(1), this House stands adjourned until tomorrow at 11 o'clock.

On motion of Mr. Mazankowksi, the House adjourned at 4.28 p.m.

HOUSE OF COMMONS

Thursday, October 2, 1986

The House met at 11 a.m.

[*English*]

HOUSE OF COMMONS

APPOINTMENT OF INTERNAL ECONOMY COMMISSIONER

Mr. Speaker: I have the honour to inform the House that Nelson Riis, Esquire, Member for the Electoral District of Kamloops—Shuswap, has been appointed as a Member of the Board of Internal Economy for the purposes and under the provisions of Chapter 39 of the Statutes of Canada, 1985, entitled: An Act to amend the House of Commons Act.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I have the honour to lay upon the Table, pursuant to the provisions of Standing Order 84(1), Notices of Ways and Means Motions, and pursuant to the provisions of Standing Order 84(2) I ask, Mr. Speaker, that you designate an Order of the Day for the consideration of the Ways and Means Motions to amend the Income Tax Act pertaining to the pre-payment of the child tax credit and the Ways and Means Motions to amend the Excise Tax Act and the Excise Act.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government response to the last 214 petitions presented during the first session: 331-551, 331-553, 331-554, 331-557, 331-560, 331-562, 331-584, 331-588 to 331-593 inclusive, 331-603 to 331-611 inclusive, 331-614, 331-615, 331-619, 331-622, 331-624 to 331-640 inclusive, 331-642 to 331-706 inclusive, 331-709, 331-711 to 331-738 inclusive, 331-740 to 331-748 inclusive, and 331-750 to 331-817 inclusive.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF NINTH REPORT OF THE CANADIAN NATO PARLIAMENTARY ASSOCIATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the Ninth Report, in both official languages, of the Canadian NATO Parliamentary Association prepared by the Hon. Member for Okanagan—Similkameen (Mr. King).

* * *

BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been some discussions with the House Leaders of the other two Parties with respect to the proceedings for tomorrow and I think that you would find that there would be unanimous agreement to the following:

> That on Friday, October 3, 1986, the House shall continue to sit between 1 p.m. and 2 o'clock p.m. for the purpose of continuing the debate on the Address in Reply to Her Excellency's Speech from the Throne.

Mr. Riis: Mr. Speaker, we in the New Democratic Party certainly agree with this provision in the spirit of providing for more comprehensive and cohesive speeches from our three Leaders.

Mr. Gauthier: Mr. Speaker, I would confirm that there has been negotiations and we agree.

Mr. Speaker: The House has heard the terms of the motion. It is the please of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Carried and so ordered.

• (1110)

GOVERNMENT ORDERS

[*Translation*]

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MRS. MARY COLLINS AND SECONDED BY MR. ALBERT GIRARD

The House proceeded to the consideration of the speech delivered by Her Excellency the Governor General at the opening of the session.

Mrs. Mary Collins (Capilano): Mr. Speaker, I have the great honour to move the motion on the Address in Reply to the Speech from the Throne. First I should like to pay my deepest respects to Her Excellency the Governor General, the Right Hon. Jeanne Sauvé, and to congratulate you for having been elected Speaker of the House of Commons. All our fellow Canadians in British Columbia are particulaly honoured by the fact that you were chosen by your peers to assume this heavy responsibility. We are very proud indeed that you should be the first representative of our province to hold this prestigious position.

Over the coming months it will be your duty to ensure respect for the rules and traditions of this House. You will also be expected to make sure that Hon. Members so conduct the nation's business as to make Canadians proud of this institution. I know that all Members of my Party intend to give you their full support in the discharge of your duties, and I should hope that all Members of the House share this commitment.

[*English*]

Before I comment on the Speech from the Throne, Mr. Speaker, I should like to acknowledge my British Columbia roots. As a Canadian and as a native of British Columbia, this summer has filled me with a sense of pride and accomplishment, unequalled since 1967. This summer we threw a party called "Expo 86". The whole world came and is still coming in record numbers. We have showcased more than transportation and communications at Expo; we have showcased Canada, and the world loves it. In record numbers people of the world have concluded what we have known all along—this country is the best in the world.

Some Hon. Members: Hear, hear!

Mrs. Collins: Our people, our resources, our spirit, and our achievements are second to none. I am sure that all Hon. Members of the House join with me in saying to all involved in the Expo 86 success: "good job, well done, *merci bien*".

Today I am especially pleased and wish to acknowledge the honour extended to the residents of Capilano and of British Columbia by the invitation of the Prime Minister (Mr. Mulroney) to me to move the Address in Reply to the Speech from the Throne. The last time a British Columbia Member was so honoured was in 1896—90 years ago. At that time the Hon. Member for Nanaimo, Mr. McInnes, complained that while British Columbia contributed $2 million annually to the Dominion Treasury, on average the largest amount the province had ever received back to cover all public expenditures was $1.2 million. He said he hoped that the selection of a Member from British Columbia to open the Throne Speech debate was evidence that "at last we have a Government in power in this country that recognizes the importance of, and is prepared to pursue a policy of, generous treatment toward that great far West".

Some Hon. Members: Hear, hear!

[*Translation*]

Mrs. Collins: The more things change, the more they remain the same.

[*English*]

These comments parallel the message of the Speech from the Throne and my comments today in that we want to see all regions, all corners of the country, and all Canadians share in this nation's prosperity.

Canada will only be as strong as its most far-reaching parts. One of the greatest challenges of our Government is to ensure that it has in place policies and programs which will be fair and provide opportunities to all Canadians, whether they live in downtown Toronto or in far distant Tuktoyaktuk, whether their home is in Come-by-Chance, Newfoundland or in Ucluelet on Vancouver Island.

Almost two years ago, on November 5, 1984, the Government of Canada set forth in a Speech from the Throne a new agenda for our country. It was an agenda which called, very simply, for a new beginning. Just two months prior, Canadians, through the expression of their democratic rights, had overwhelmingly endorsed such an agenda. Canadians wanted a fresh start. They were tired of confrontation. They were scarred by recession. They were hurt by unemployment, high interest rates, and inflation. They knew fundamentally that there was nothing wrong with them or their country. What was needed was new management, different ideas and approaches, new solutions, and a new beginning.

In that speech the Government committed itself to a new beginning in four broad areas of our national life—economic renewal, national reconciliation, constructive internationalism, and social justice. In the two years since, progress has been made in all four areas, although much remains to be done. Yesterday Canadians heard that their Government is committed to finishing the job it started, to making good its pledge of a new beginning.

Today I want to talk about the fundamentals of our agenda, fundamentals which are essential to our vision of Canada as a modern, tolerant, caring nation whose citizens are secure and prosperous. Let me start with economic renewal. On November 5, 1984, we made it our No. 1 priority. Our objective that all Canadians can lead prosperous productive lives requires that they have the opportunity for employment. Over half a million people are working today who were not working two

years ago, and more than 80 per cent of them are employed on a full-time basis. In British Columbia, 70,000 new jobs have been created since September, 1984. However, I know that these statistics are cold comfort for the man or woman, young or old, who seeks and yet cannot find a job.

While we are justly proud of the accomplishments of the past two years, we recognize that the job is not finished and that our attention must continue to focus on five essential components required to achieve economic renewal and to meet our objective. The first of these is management of Government itself. We are showing Canadians, for the first time in many years, that it is possible to manage Government effectively and efficiently and to bring government expenditures under control. In fact, last year total government program spending was down for the first time in 40 years. The deficit has declined for the first time in six years, primarily through reductions in expenditures. By 1990 the deficit will be $26.7 billion less than it would have been had the Government not acted.

Some Hon. Members: Hear, hear!

Mrs. Collins: I will use an analogy. We have taken a ship which was floundering out of control and, with a great deal of effort and some sacrifice, we have turned it around and set it on a course straight and true. However, having instituted these measures internally, what else needs to be done to stimulate growth and job creation in the country?

Our philosophy as a Government has been that our role should be primarily to encourage and make it worth while for individual Canadians to make investments and to create new businesses and jobs. Critical to the success of this approach are consistently low interest rates, which are now at their lowest level since 1978. This means that Canadians are now able to take the risk of borrowing money to make new investments. These low interest rates have also been a tremendous spur to the building industry. Instead of walking away from their homes, as so many Canadian families were forced to do only a few short years ago, Canadians are now building and buying homes at a near record pace. The payment which a Canadian family makes today on a $50,000 mortgage is $108 less per month than it would have been two years ago.

Twinned with low interest rates is the need to keep inflation under control. Inflation, if rampant, can rob Canadians of their buying power and adversely affect consumer demand. It also threatens the retirement savings of hundreds of thousands of our elderly citizens. Under this Government, inflation has been holding steady at about 4 per cent for the past two years, a rate not seen since 1971 and almost unimaginable a few short years ago.

• (1120)

In encouraging an environment for investment and expansion we have already and will continue to address a second issue, that of government regulation and its direct involvement in the market-place. We have determined that the Government no longer needs to own or operate companies which do not play an important public policy role and could be operated just as well by the private sector. We have already had success in selling de Havilland, Canadair and Canadian Arsenals. I know we will continue to examine other Crown corporations to see if, when and how they can be divested from government ownership.

Proliferating government regulation has frustrated individual Canadians and businesses. I am delighted that we will be bringing forward measures to get rid of unecessary red tape and paperwork. We will also be providing new regulatory frameworks for the transportation and financial service industries, frameworks which ensure required protection for the public, but promote competition, efficiency and international competitiveness.

The third component of economic renewal is the taxation system and, as indicated in the Throne Speech, we will be implementing significant tax reforms which will result in a simpler, fairer and less burdensome system. Nobody likes paying taxes and yet we all recognize they are here to stay. What I think most Canadians desire is that the system is fair and that it is fairly administered. I know that we are all looking to the details of the initiatives of the Minister of Finance (Mr. Wilson) in this area, and particularly welcome his commitment to shift the tax burden away from personal income tax.

Fourth, while we are putting in place measures to expand the economy, we recognize there continue to be disparities within the country, disparities which I mentioned earlier. Here is where Government must play a role to assist those regions, those communities that are now enduring difficult times.

Special programs in Atlantic Canada, recent initiatives in the west for our farmers and our energy industry are evidence of this Government's commitment and capability to deal with these difficult issues.

I am happy to see, to assist in British Columbia's development, that special attention will be given to the diversification of its economic base.

Government procurement too can be a tool to promote regional equity. An example of this would be the awarding of the contract for the Polar 8 Icebreaker reaffirmed in the Speech from the Throne to the West Coast. Construction of this ship would provide a significant boost to the economy of British Columbia and would have a major beneficial impact on the West Coast shipbuilding industry, the shipyard workers and their families. I am sure no one will be surprised, here or in Capilano, by my continuing commitment to, and call for, such a decision by the Government.

The fifth component of economic renewal is trade enhancement. Canada started out as a nation based on trade. Furs and metals were among our first commodities traded. Now 34 per cent of British Columbia's gross domestic product is exported. We anticipate and see the need to increase Canada's external trade. We recognize as well that we must work with the

provinces to remove interprovincial barriers to trade. The negotiation of a new trade agreement with the United States would ensure access of Canadian goods and services to our largest market. This is vital to Canada and particularly to British Columbia. Only with such an agreement in place can we hope to avoid the protectionist intrusions which we now face as exemplified by the softwood lumber issue.

At the same time I am pleased to see the Government is committed to supporting the new multilateral trade negotiations under the auspices of GATT and will, as well, focus on expanding our trade in the Pacific Rim. As I know from my own experience and involvment in that region, there are many opportunities awaiting us in the export of everything from our resources to our special skills in engineering and municipal infrastructure, health care and education services. Joint ventures, special licensing agreements and trading companies must be established if we wish to compete in the growing markets of Japan and Korea, China and the ASEAN countries. The public and private sectors need to work effectively together to pursue aggressively and take advantage of these opportunities.

Unfortunately, Mr. Speaker, time does not allow me to detail all our accomplishments and our future plans with respect to the other three aspects of our agenda. Let me just say that national reconciliation is happening. I have talked to politicians and senior government officials in various parts of the country who have confirmed that the attitude and atmosphere of federal-provincial relations have changed dramatically in just two years from confrontation to co-operation. That is not to say that we all necessarily agree with one another, but at least now there are regular consultations and forums, including the annual First Ministers' Conference which will be held next in Vancouver this November.

I know that some of our Ministers are in touch regularly with their provincial counterparts as we try to work together as a team to unite this country and make it work.

We can be rightly proud of our role on the international front, and particularly proud of the reputation the Prime Minister and the Secretary of State for External Affairs (Mr. Clark) have established in their visits abroad and to international organizations. Many Members of Parliament have had the opportunity of taking part in these visits and are aware of the high regard Canada is held in the international sphere. Perhaps the most recent example is our participation in the GATT meetings in Uruguay two weeks ago where many other countries' delegations acknowledged the outstanding contribution of the Secretary of State for External Affairs and the Canadian delegation in helping to move the multilateral trade negotiations forward. Our role in supporting the Commonwealth and La Francophonie gives us a tremendous opportunity to have a positive influence with many nations around the world as we work toward the elimination of terrorism, reduction in nuclear arms and the pursuit of peace.

Finally, I would like to touch on some of the highlights of our accomplishments and initiatives in the field of social justice. Fairness and equity must be the hallmark of any social justice system. Over the past two years I have personally enjoyed working on the legislative initiatives undertaken by this Government on employment equity; amendments to the Criminal Code to deal harshly with drinking and driving; a new and more humane Divorce Act; proposals to deal with child sexual abuse and pornography and actions to assist in finding missing children. These measures have been heartily welcomed across the land and particularly by women who see them as part of the measures needed to achieve equality and justice and eliminate the vestiges of discrimination which still linger in some corners of our country.

An issue which has always been of concern to me as a politician, but particularly as a parent, is the kind of future we are creating for our children. Family life is changing in our society. These changes in many cases create additional stress for parents and children alike. I am pleased to see that the Throne Speech recognizes these changes and we will develop policies and programs to meet the needs of the evolving and varied nature of the Canadian family.

I have always believed that as a society we must emphasize to our young people the importance of accepting responsibility for themselves and their lives as well as to others and their country. I believe we need to send clear messages to young Canadians about their responsibilities but, as well, alert them to the dangers of alcohol and drug abuse and the havoc they can create both for themselves and for their families.

The federal Government must be a partner in the development of opportunities for young Canadians to help them meet the challenge of the future.

Although we do not know the exact nature of our future, I think we do know that in the future the pace of change will continue to accelerate, technological advances will dramatically affect the way in which we conduct our lives and the information explosion will reveal to us new frontiers. We as Canadians must be ready to face the challenges of that future society and we must prepare our children by giving them the skills, the confidence and the spirit to survive and to stand tall in their communities and the world.

Our achievements of the past two years, our plans as set forward in the Throne Speech for the next two years all support that common goal I referred to earlier: Canada as a modern, tolerant, caring nation whose citizens are secure and prosperous. We as politicians and we as a Government must have the wisdom and the understanding of the people of Canada to lead us toward that goal.

• (1130)

Therefore, Mr. Speaker, I move, seconded by the Hon. Member for Restigouche (Mr. Girard), that the following address be presented to Her Excellency the Governor General of Canada:

[*Translation*]

To Her Excellency the Right Honourable Jeanne Sauvé, a member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both House of Parliament.

[*English*]

Mr. Riis: Mr. Speaker, I listened with interest to the eloquent speech of the Hon. Member for Capilano (Mrs. Collins) and I have some questions for her which I would like to present at this time. I would like some clarification—

Mr. Speaker: Order, please. I would point out to the Hon. Member that under these circumstances it is unusual to make a comment or ask a question. Will the Hon. Member very quickly consider whether or not he wishes to proceed?

Mr. Riis: Mr. Speaker, I wish to ask my question in the spirit of the Standing Orders. Tradition has it that we do not ask questions or make statements on an occasion such as this since the Member offering the Address in Reply to the Speech from the Throne is normally a new Member. I would point out that the Hon. Member is now an experienced Member. I hope that she will entertain some questions at this point in time. If she is not prepared to do so, then I am prepared to resume my seat.

Mr. Speaker: What I wished to convey to the House and to the Hon. Member is that it has not been the practice at this stage in these proceedings to ask questions. In view of that, does the Hon. Member wish to reconsider his request?

Mr. Riis: Mr. Speaker, I sense that the mood of the House is that my question at this point in time would not be appropriate. However, I remind Members of the House that this is a unique opportunity in that this was not a traditional type of Speech from the Throne. However, in the spirit of the request I will sit down and save my question for another time.

Some Hon. Members: Hear, hear!

Mr. Speaker: I most graciously thank the Hon. Member for his consideration of the spirit of this place. I notice that other Hon. Members are indicating that they have made their views more pointedly plain to the Hon. Member than have I.

Mr. Albert Girard (Restigouche): Mr. Speaker, on behalf of the Members of this House I would like to congratulate you, Sir, on your election to the Chair. To add to this historic event the Right Hon. Leader of the Opposition (Mr. Turner) revealed that he voted four times for Tories. The Leader of the New Democratic Party (Mr. Broadbent) said that he voted 11 times for Tories. He also mentioned that his father had been a Tory. Thus, Mr. Speaker, we have already witnessed the wonderful and positive effect that you have on these two gentlemen.

Some Hon. Members: Hear, hear!

Mr. Girard: May your magic, Sir, be applied to all Members of this House throughout your tenure as Speaker.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Girard: Today, Mr. Speaker, a great honour has been bestowed on the federal riding of Restigouche. This is the first time a Member for this riding has been given the privilege of seconding the Address in Reply to the Speech from the Throne, and I am deeply moved by this show of trust.

The Speech from the Throne demonstrates that the Progressive Conservative Government is fully aware of regional disparities and that it is ready to take whatever action is necessary to remedy the situation and improve the lot of the regions concerned.

Personally, the greatest honour I ever received was to be elected by the people of Restigouche in September 1984.

[*English*]

The Speech from the Throne that opened the first session of Parliament two years ago paid particular attention to the subject of national reconciliation. The premium that the Government has put on national reconciliation results from our very firm conviction that the problems Canada faces cannot be solved by the federal Government acting unilaterally.

In 1984, Canadians told us that they were tired of confrontation and fed up with bickering. They wanted their federal Government to consult with provincial governments, with business and with labour. They wanted a co-operative approach to problem solving, not declarations that co-operative federalism was dead.

• (1140)

[*Translation*]

As a Francophone and a Canadian, I am pleased with our Government's efforts to obtain Quebec's approval of the Canadian Constitution and to bring the Official Languages Act in line with the Canadian Charter of Rights and Freedoms. Mr. Speaker, my constituents support the Prime Minister (Mr. Mulroney) and the Government in their efforts to make Quebec and French Canada essential partners in this new Canadian federation.

Mr. Speaker, the Government of which I am privileged to be a member has launched a number of impressive initiatives as part of its efforts to discuss the major economic issues of the day. While the previous Government was no longer successful in bringing together representatives of the provincial governments during federal-provincial conferences, the Progressive

Conservative Government has been able to restore an atmosphere of cordiality and co-operation to the relations between the provinces and Ottawa.

Petty quarrels have given way to serious attempts at co-operation between the two most important levels of government, and as a result, a host of agreements will be signed.

Mr. Speaker, the present Government wishes to continue its efforts to stimulate economic recovery. In Canada, the bank rate is the lowest it has been since 1978.

Since we were elected, we have created over 600,000 jobs in Canada. The federal deficit was down for the first time in six years, and in 1985-86, the Government will have spent about $1.5 billion less than was forecast.

In Quebec as in the rest of Canada, the general economic situation has improved. A comprehensive agreement has been signed as well as a large number of subsidiary agreements which are expected to have a positive impact on mining, forestry and tourism.

My colleagues from *La Belle Province* appreciate this Government's efforts to help their economy recover from a difficult recessionary period. Various economic sectors in Quebec have benefitted from this Government's initiatives. After waiting several years, dairy producers have finally obtained a guarantee of long-term production. Major agreements have been signed with Quebec to develop francophone television.

In addition, the Canadian Government has signed an $89 million agreement with the SPAR Aerospace company.

The 9 per cent federal sales tax on fuel used by fishermen has been abolished. The previous Government had rejected the claims of expropriated land-owners in Mirabel, but our government has tried to negotiate and has now signed an agreement favourable to these people. This is another telling example of the commitment of our Government to give Quebec and French-Canadians a meaningful place in our Canadian federal system.

Mr. Speaker, as announced in the Speech from the Throne, our Government intends to further our economic renewal by continuing to restore fiscal health to Canada, by taking new trade initiatives and by going forward with the long awaited tax reform.

As far as social justice is concerned, the Government will pursue its objectives of attempting to meet the changing needs of Canadian families, improving the status of women, conserving our natural environment and promoting the full and active participation of all citizens. Because of its history, geography and growing interest in all matters related to international affairs, Canada has a unique opportunity to play a major role in world affairs. The Government is therefore committed to the pursuit of its efforts to advance human rights, preserve world peace while asserting our national sovereignty, and promote a stable and growing world economy.

[*English*]

The Throne Speech reiterates our Government's sincere commitment to economic renewal, social justice and national reconciliation. The best evidence of these three goals is embodied in the steps we have taken to treat the problems of regional disparity that exist in this country. For example, we in Atlantic Canada, particularly in Newfoundland, Cape Breton and northern New Brunswick, have not shared in the recovery that other parts of this great nation have experienced.

Recognizing this problem, special programs have been designed to bring these economically deprived areas back into the mainstream of a prosperous Canada. The Atlantic Enterprise Program guarantees up to a billion dollars in loans to the private sector in the Atlantic region. The Atlantic Enterprise Program will provide Atlantic Canada with a greater share of federal government purchases. This program will increase the level of government purchases in Atlantic Canada by 40 per cent over the next four years. It will certainly generate new investment and job opportunities for Maritimers and Newfoundlanders alike.

Our Government has taken on the responsibility of ensuring equitable regional distribution of national prosperity.

Enterprise Cape Breton is another fine example of the profound care this Government has for those areas where low growth and high unemployment have now been the norm for so long. Since these incentives were put into motion, more than $173 million has gone to support private companies that have invested in Cape Breton and full-time employment opportunities have been created for some 770 people.

The Northern Benefits Program is working to lessen the apparent disparities which exist for those who live in the North and isolated posts.

Another program that will have beneficial effects on those areas of Canada that face mass lay-offs, plant closures or chronic unemployment is the Community Futures Program, which is part of the Canadian Jobs Strategy. So far, 22 locations have been selected to participate in this $125 million program. This is a completely new approach and will ultimately result in the decision-making process being carried out at the local level where it counts the most. I am pleased to note that Restigouche has been selected for assistance under Community Futures.

These programs are but a few of the many which indicate that the Government is keenly aware of regional disparities. The Atlantic Accord recognized Newfoundland as a full and equal partner in the management of offshore oil resources. An energy accord was also signed with Nova Scotia. The Fisheries Improvement Loans Act has been extended to aid small independent fishermen, and an Atlantic regional council of representatives from various fishery organizations has been formed to advise the Minister on Atlantic fishery management policy. Federal-provincial agreements have been signed in such areas as aquaculture, fisheries research and co-operative

management. Our Government has also signed important forestry sub-agreements with each of the Atlantic provinces.

The Government is pushing onward toward a better future for Atlantic Canada. The Speech from the Throne presents new initiatives in the Government's efforts to ensure that we in Atlantic Canada are protected and supported. The creation of an Atlantic Canada Opportunities Agency is good news. No longer will we have umpteen different programs being administered by umpteen different bureaucratic agencies. This totally new agency will facilitate and co-ordinate all federal development initiatives in the entire Atlantic region. As a result, our region will be supported more effectively and with greater sensitivity to local conditions and opportunities. This revised approach clearly recognizes that solutions cannot be arbitrarily imposed from Ottawa as they have been in the past.

The contribution of Atlantic Ministers and local entrepreneurs to policy and program development will be acknowledged and developed.

Our Government, led by the Right Hon. Prime Minister (Mr. Mulroney), set out in September, 1984 to accomplish some very serious challenges. We are now at the halfway point of our first term, and when I look at how far we have come in those two short years, I can stand in this House and say with honesty and pride that this is truly a Government that is promoting national reconciliation and unity. It is working hard to achieve a sustained economic recovery, it adheres to and actively promotes social justice, and it has gone far in maintaining the excellent regard held for Canada throughout the entire world. These were the four main targets outlined in the first Throne Speech. Today, we are closer to achieving these goals than we have ever been before.

The Speech from the Throne that we heard yesterday reconfirms our determination to pursue these national objectives with the confidence that they will result in a better Canada for us all.

I would be somewhat remiss if I failed to describe to this House one of the most beautiful parts of Canada, especially at this time of year, the northernmost riding in New Brunswick. Restigouche covers over 8,000 square kilometres and stretches along the Quebec border from St. Quentin to Beresford. The largest population centres are the City of Campbellton and the town of Dalhousie and our major industries include forestry, mining, tourism, fishing and small business. The Restigouche River, from which the riding derives its name, is known the world over for its great Atlantic salmon angling.

In preparing for this speech, I went to the library and looked up some old statistics on Restigouche. I discovered that the issues which pertain to my riding today were very much alive back then, too. High levels of unemployment have plagued northern New Brunswick for so long now that we think of it as a way of life. Many people in Restigouche have been conditioned over the years to expect no more than 10 weeks of work a year so that they can collect their UI benefits. We have no choice but to break this never-ending downward spiral if we are ever going to see new economic life for the north shore of New Brunswick. The most recent statistics show that north-eastern New Brunswick not only has the highest rate of unemployment in the province, it has the seventh highest of the 70 regions that make up Canada. Clearly, more has to be done for the good people of Restigouche, and more will be done by a Progressive Conservative Government.

[*Translation*]

The Cabinet now includes two Ministers from New Brunswick who are responsible for four portfolios: Forests and Mines, as well as Small Businesses and Tourism. These portfolios play an extremely important role in the economy of Restigouche. I am certain that these two Ministers will do everything in their power to meet the needs of my region, which was neglected for a long time in the past.

[*English*]

With the new incentives that are already on line and those mentioned in the Throne Speech, there is no reason why Restigouche cannot share in the prosperity that rightfully belongs there as well as anywhere in this great nation. We have all the basic components of a real success story for Restigouche. The necessary infrastructure is already in place just waiting to be used to full capacity. Transport Canada says that we have one of the best regionally operated airports in Canada located at Charlo in the centre of the constituency. At present, Canadian Pacific has a direct flight from Toronto with a short stop in Montreal six times a week and Air Bras d'Or connects Charlo to many other points throughout the Maritimes.

• (1150)

There are two excellent deep-water ports in Restigouche, one of which is open year-round. The ports of Dalhousie and Belledune are ready and able to handle increased cargo movement. In fact, over $4.1 million has just gone into the repairs of the port at Dalhousie.

The constituency is supported by a railroad with Campbellton as the centre of operations for the entire region. Ten years ago we had approximately 1,100 people working for CN out of Campbellton. Today, Mr. Speaker, we only have 340. This, needless to say, has not helped my region.

Along with the bountiful resources which exist in Restigouche we have human resources as well. With only 50 per cent of the work force employed, we have an abundance of people ready to work. The residents of Restigouche are proud and hard-working people. The largest export in northern New Brunswick has been its young people. Mr. Speaker, my constituents do not want to move to central Canada in search of jobs. They want an opportunity to earn a living in their own area. Most people in Restigouche simply want to earn an honest day's wage for an honest day's work. If any progress is going to be made in such an economically depressed area, drastic measures are required.

[*Translation*]

We immediately need at least 500 new jobs. This objective can be reached if we succeed in having a new industry locate in our region; otherwise, we would gladly accept the transfer of a Government service to Restigouche.

Moreover, I am convinced that the 1991 winter games should be awarded to the Restigouche county. Such a decision would create not only jobs for the next four years, but would also make my constituents proud to show all Canadians that we, in Northern New Brunswick, have done something for the greater welfare of our fellow citizens.

What we really need in Restigouche are entrepreneurs who want to invest and thrive in our area. Recently, with help from this Government, people in Kedgwick were encouraged to start a co-operative for manufacturing hardwood flooring. In view of the strong demand for that product, they did not hesitate to put all their energy behind the project. As a result of another federal grant, a small company in Petit-Rocher is now manufacturing leather gloves. I wish to extend my very warm congratulations to the owner of that industry for his initiative and perseverance. We would also need a special sectorial agreement that would provide companies with incentives to locate and develop in northeastern New Brunswick.

[*English*]

The Speech from the Throne has emphasized the Government's seriousness about solving inequities such as those which exist in areas such as northeastern New Brunswick. Over the coming weeks and months I am sure that new initiatives will be forthcoming as a result of this Throne Speech. They will certainly be welcome in such regions as Restigouche. The stage has already been set by the contents of this Throne Speech and by the consultation process which began with the Atlantic Conference in early September.

[*Translation*]

Finally, I would like to take this opportunity to pay tribute to one of our former colleagues who chaired the parliamentary Committee responsible for evolving the new rules for electing the Speaker of this House. The Hon. James McGrath deserves the respect of all Members of the House, and we wish him every success as Lieutenant Governor of his Province.

I would also like to thank the Prime Minister and the Cabinet for their confidence, for it is indeed a privilege, as the Member for the constituency of Restigouche, to move the Address in reply to the Speech from the Throne. The Prime Minister's choice once more has shown his awareness of the importance of northern New Brunswick and other rural areas of Canada in the eyes of the Canadian Government.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I move, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), that this debate be now adjourned.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I move that the House do now adjourn.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Therefore, this House stands adjourned until tomorrow at 11.00 o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 11.57 a.m.

HOUSE OF COMMONS

Friday, October 3, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SHIPYARDS

REQUEST FOR MORE JOB CREATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, Quebec shipyards are now going through a very serious crisis: 5,000 workers are in a predicament as a result of the inaction of this Conservative Government and the Minister of Regional Industrial Expansion (Mr. Côté).

I do hope that all Conservative Members of the House will bring pressure to bear on the Minister so that he will withdraw the mandate he had given Mr. Peter Paul Saunders to streamline shipbuilding operations; second, that he will award the Caribou II contract to the Lauzon shipyards; and third, that the Government will take immediate action with respect to the TRUMP program with a view to providing work for the maritime shipyards and creating jobs for the 5,000 workers who are anxious to have gainful employment in Quebec.

* * *

[*English*]

NUCLEAR ARMAMENTS

NEGOTIATION OF TEST BAN TREATY URGED

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, in August, 1985, the Soviet Union initiated a unilateral moratorium on nuclear testing and invited the United States to join it. Unfortunately the United States Government has not yet taken up this offer, despite resolutions supporting a test ban passed in the United States Congress.

The Soviet Union has twice extended the moratorium which will now last until January, 1987. It has also proposed a system of on-site inspection and verification. In this respect I hope our Foreign Minister had a chance to discuss these proposals with Mr. Shevardnadze yesterday.

Considering the Summit planned in Iceland for October 11, it is important that our Government make a public statement urging immediate negotiations on a comprehensive test ban treaty. To this end the Minister should prepare a resolution for this House, so that Parliament can declare itself on this important issue before the Icelandic Summit.

* * *

• (1105)

EMPLOYMENT

CALL FOR NEW PLANS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this week when American Motors distributed applications for 3,000 jobs which will be available next year, 43,000 people from Newfoundland to British Columbia lined up to apply. This proves that Canadians want to work, are ready and eager to work when they are offered jobs at good wages.

On the same day, Mr. Speaker, newpapers reported that hotel and restaurant associations complained that they could not get workers to fill their vacant jobs. This is not surprising since most of those jobs pay very little more than minimum wage which provides people with an income less than the poverty line.

Canadians are willing to work, but they are tired of the Government's program which has provided part-time jobs at low wages. They are calling on the Government to bring forth plans for real jobs, but those plans were conspicuously absent from the Throne Speech.

* * *

[*Translation*]

YOUTH

INNOVATION IN TOURISM

Mr. Guy St. Julien (Abitibi): Today, Mr. Speaker, we are proud of our Canadian students who took part in the Challenge '86 program.

When the 1986 Quebec tourism major awards ceremony took place last week, the Abitibi-Témiscamingue region paid tribute to its regional laureates in Amos, and first prize in the touristic innovation category was awarded to a Challenge 86 project sponsored by the Val-d'Or Chamber of Commerce in co-operation with Val-d'Or's *Office du tourisme et des congrès*.

During the past season the Office sponsored a program to welcome local and other tourists, held a special reception for the 10,000th visitor, and aired various radio broadcasts.

The participants, led by Yves Devost, include Joël Cotten, Hélène Frenette, Monique Gervais and Stéphanie Beauchamps; they will represent the region at the Quebec tourism awards provincial gala in Montreal on November 21.

Mr. Speaker, young Canadians are striving for excellence under the Challenge '86 program.

* * *

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN PARTICIPATION IN MILITARY EXERCISE IN NORWAY

Mr. Bob Hicks (Scarborough East): Mr. Speaker, it was a pleasure for me to travel to northern Norway last week to observe Operation Brave Lion. Operation Brave Lion was an exercise of our Canadian Air and Sea Transportable Brigade held in northern Norway, which saw over 5,000 Canadian troops and over 2,000 pieces of equipment transported across the Atlantic to combine forces with the Norwegian army.

This exercise illustrated to all of our NATO allies our ability to assemble and deploy equipment within the time frames outlined in our bilateral agreement with Norway. But it illustrated something further, Mr. Speaker. It showed the world the outstanding calibre of Canadian troops in a seven-week exercise held in frosty sub-zero conditions. This exercise was the largest single movement of Canadian troops and supplies to Europe since the Second World War.

Members of this House and, in fact, all Canadians should be justly proud.

* * *

AIR TRANSPORT

HAMILTON AIRPORT—SUGGEST REALLOCATION OF LANDING RIGHTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, only a few weeks ago we heard the Minister of Transport (Mr. Crosbie) saying that the Lester B. Pearson International Terminal 1 is in crisis. Then, lo and behold, only three days ago the same Minister proudly announced that he has agreed to allow another airline to land in Toronto at Lester B. Pearson International Airport, this at a time when a $50 million facility in the city of Hamilton is lying in waste with an average passenger load some days of only 40 to 100 people.

Will the Minister of Transport listen to the regional council, listen to the City of Hamilton, and designate TAP Air Portugal as an airline which comes to Hamilton? Will he make sure that any further international carriers given landing rights in southwestern Ontario are asked to land in the heart of the Golden Horseshoe, in the city of Hamilton? Otherwise any talk about fiscal responsibility by the Government is simply a farce.

* * *

REGIONAL ECONOMIC EXPANSION

FUTURE OF HINTON, ALTA., PROJECT

Hon. André Ouellet (Papineau): Mr. Speaker, on Monday a decision will be taken in an American boardroom which could have serious repercussions on the future economic development of the town of Hinton, Alberta. On the line is the projected modernization and expansion of the Champion Forest Products mill. Also on the line are many, many important jobs. At issue here is the CNR's non-competitive freight rate and a $350 million investment that will be lost if the Government does not act.

• (1110)

In spite of numerous representations both from the company and the Hinton Chamber of Commerce to the Minister of Transport (Mr. Crosbie), as well as to the Hon. Member for Yellowhead (Mr. Clark), there has been no significant action taken on this dossier. We urge the Minister of Transport to take action this weekend in order to save what is an important development project for Alberta and for Canada.

* * *

AIRPORTS

VANCOUVER INTERNATIONAL AIRPORT—PROPOSED ACQUISITION BY PROVINCE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the Social Credit Government of British Columbia, about which you probably know something, has said it wants to take over Vancouver International Airport and establish a special enterprise zone around it. The new Premier of B.C. has indicated that he wants to abolish minimum wage legislation, and the former Industry Minister has said that he wants special enterprise zones in order to keep unions away from organizing workers.

This is a wingy and dangerous idea of the Social Credit Government. I call upon the federal Government clearly to dissociate itself from this wacky idea, or is this Government prepared to go ahead and let the Socreds take over the airports in B.C. and consent to wage-slave ghettos around them?

Women make only two-thirds of what men make. They constitute 75 per cent of Canada's poor. Special enterprise zones would result in below poverty line wages for women and

will cause a further deterioration of women's standards of living.

This is the heart of the B.C. Government's economic strategy. It is in conflict with the free trade policy of the federal Government. There does not seem to have been any consultation. I think the federal Government should reject this idea, and it should say so now.

* * *

ENERGY

DIESEL RETAIL PRICE IN PRINCE EDWARD ISLAND

Mr. Pat Binns (Cardigan): Mr. Speaker, oil companies are charging Canadians too much for diesel fuel. Before current prices fell, diesel sold for three cents to four cents per litre less than gasoline. Now prices are three cents to four cents more than gasoline in most of Canada.

There is an even more outrageous situation in Prince Edward Island. Consumers are paying 55 cents per litre for diesel at retail pumps while our neighbours in New Brunswick are only paying 36 cents per litre.

Oil companies have no reasonable explanation for this 19-cent per litre or 85-cent per gallon spread. Prince Edward Islanders and Canadians are being gouged. I call for the support of this House to pressure oil companies to drop diesel prices.

* * *

INVESTMENT CANADA

INCREASE IN FOREIGN INVESTMENT

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, our country is presently benefiting from a sharp influx of capital from foreign investors. Recent figures show that $4.7 billion entered Canada in the first six months of this year. This is compared to the $5.5 billion invested in the whole of 1985, and the $2.6 billion invested in 1984. This is an unprecedented increase in just two years. A lasting change in attitude on the part of our Government is a major reason for this, together with the replacement of FIRA by Investment Canada.

Investment Canada has a mandate to encourage foreign investment and has done just that. It has reported an increase of 25 per cent in the number of applications by foreign investors in the agency's first year of operation.

Canada is fast developing a reputation for being a safe and attractive country for foreign investment with dramatic growth potential for the future. This is another dramatic example of what good Government can do.

S.O. 21

PUBLIC SERVICE

EMPLOYMENT OF DALTON CAMP

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Charlie McCarthy is alive and well and lives in Ottawa. The Government will spare no money to try to offer the best show in town.

We now have a ventriloquist and dummy act to be featured on a daily basis, with matinees on weekends. The new dummy act featuring ventriloquist Dalton Camp and Canada's favourite dummy will be performing for the Canadian people from now on. Of course, tickets are free for all Canadians who have already paid for the contract of these artists. Unfortunately, this act is coming soon to your home. Check your local listings for time and date. I am sure you will enjoy the dummy's empty rhetoric and his acute psychological need to embellish the truth.

* * *

REGIONAL INDUSTRIAL EXPANSION

AWARDING OF GRANT IN SASKATCHEWAN

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, an April 23 announcement of a federal grant of more than $40,000 to Sherwin Peterson, a Saskatchewan MLA and also legislative assistant to the Premier of Saskatchewan, prompted inquiries from some of my constituents about the method used for awarding these grants as they apply to fertilizer blending operations. I wrote about this matter to the then Acting Minister of DRIE who is now the Deputy Prime Minister (Mr. Mazankowski). He passed it on in July to the new Minister. I was told by the new Minister that answers to my questions on this matter would be forthcoming some three months ago. We have waited four and a half months, Mr. Speaker, and I am still wondering.

• (1115)

Can the Government assure me specifically that this grant had nothing to do with Mr. Peterson's position as a legislative assistant to the Premier or as a Member of the Legislature? If not, why was his application the only one, of more than a dozen such applications, to get approval?

* * *

[*Translation*]

SPEECH FROM THE THRONE

DIVERSE SOCIAL AND ECONOMIC INITIATIVES PROPOSED BY GOVERNMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my constituents and Canadians in general will welcome the

various economic and social initiatives proposed by our Government in the recent throne speech. Considering the irreparable harm being done to our youth by drugs and alcohol, the people of Témiscamingue will be very pleased with our Government's intention to take effective measures against drug trafficking and to set up an action plan to deal with alcohol abuse. People in my riding will also certainly agree with my Government's plan to take effective action againt child sexual abuse, child prostitution and violent forms of pornography.

I can assure my constituents that their Member will be taking very active interest in these initiatives and that he will fight diligently against these scourges of our society.

ORAL QUESTIONS

[*Translation*]

TRADE

FREE TRADE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the Speech from the Throne, the Right Hon. Prime Minister made an about-face on free trade.

My question is directed to the Right Hon. Prime Minister. After heading off in the wrong direction, he doesn't know where he is going anymore. He has just abandoned the cornerstone of his policy. What is going to be left of his credibility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there has been no about-face at all. The dialogue on trade is now under way with the United States. I believe five major meetings have already taken place. We are now entering a new phase and recently Ambassador Reisman expressed confidence in the ultimate outcome. As far as we are concerned, the Canadian Government remains convinced this is an important and welcome initiative for Canada.

[*English*]

LUMBER EXPORTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister should never have allowed his Minister for International Trade to knuckle under to the Americans on lumber at the very time that the American tribunal was seized with the case. This morning the Americans are laughing at us because we conceded the case before it was decided. Why did the Prime Minister allow his Minister of International Trade to make such a naive offer to the Americans at this time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there was no knuckling under at all by the Minister of International Trade. If my right hon. friend wants to call Mr. Shultz, he will find out that that was the case.

An approach was put together by the provinces and supported by the labour unions. The Minister of International Trade, also a British Columbian, took this position to Washington and a lobby group rejected it. The ultimate answer will come in due course. As Premier Vander Zalm and Jack Munro indicated yesterday, I think we are all satisfied that the result will be a good one for British Columbia and Canada.

Mr. Turner (Vancouver Quadra): Mr. Speaker, unlike the Prime Minister, George Shultz may be my friend but he is not my boss.

Some Hon. Members: Hear, hear!

AUTOMOBILE AND STEEL INDUSTRIES

Right Hon. John N. Turner (Leader of the Opposition): Now that the Prime Minister has knuckled under to the Americans on lumber, what is next, the Auto Pact or steel? Will he assure the hundreds of thousands of Canadian auto workers and steel workers that he will not cave in to American interests in the same way as he did at the expense of our lumber workers across the country?

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I say with respect to the Right Hon. Member that, if George Shultz is not the leader's boss, he had better check with Keith Davey.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The trade negotiations are being conducted vigorously and we believe very well by Simon Reisman and his excellent team.

On the political side, I think the ability of the Minister for International Trade and her representations are well known to my right hon. friend. I am sure he will be satisfied that Canada's case, be it Canada's brief in steel or any other industry, will be extremely well defended by the Minister for International Trade who, I think he will recognize, did an enormous amount as Minister of Energy to correct serious problems in the energy field. She will be doing extremely good work in this area as well.

CANADIAN LUMBER OFFER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. Last Tuesday she made a final offer which she said the Americans could not refuse. The American industry has refused that offer. Now the British Columbia Premier and the Ministry of Forestry are saying that we must make another offer and have the negotiations continue.

What does the Canadian Government intend to do? Will it make another final offer, or will we return to the previous position and go before properly constituted trade tribunals to argue the merits of the case?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member is fully aware that our case is continuing before the trade tribunal. He should be aware that that process has not resolved the problem in the past. This issue has been constantly before fact-finding committees, trade tribunals, other institutions and it has not resolved the problem.

We made our only offer to the Americans and, as expected, that offer has been rejected in part by the American producers. At the same time they have said that they wish further information. It is a package supplied by the four provinces concerned. Today our officials are meeting to find out exactly what concerns were identified by the U.S. producers who brought the action against us. We are willing to supply further information to the industry but we are not prepared to enter into negotiations on this issue before October 9.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would only say that the Hon. Minister has just compounded her initial confusion by saying that it was a final and only offer, but now we are back negotiating another final and only offer. What in God's name is she trying to do? Where is the trade strategy of the Government? Why are we going outside the general trade talks to negotiate these separate issues? When will the Minister establish a clear and cohesive approach to trade for this country?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, there is no confusion about the Canadian position. The Canadian position is aimed at saving thousands and thousands of jobs in our biggest industry. We are taking that position with the firm support of the provinces, the firm backing of the industry involved, and with the support of the labour union involved. This has been made clear to the Hon. Member.

CANADIAN PROPOSAL ON SOFTWOOD LUMBER EXPORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister and also concerns the matter of jobs in the same sector. Not many months ago in Washington, with great fanfare the Canadian Government released hundreds of pounds of documentation allegedly proving beyond any reasonable doubt that our softwood lumber was going into the United States without any subsidy whatsoever. At that time the Secretary of State for External Affairs properly cautioned Canadians not to comment, not to discuss, not to change the proposal because it would undermine what was being argued before the tribunal. Is the Prime Minister aware that when the Minister for International Trade made her proposal on Tuesday of this week, it completely contradicted what the Secretary of State for External Affairs said should be done, and risked 25,000 Canadian jobs?

• (1125)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, what changed between the position in June and the position in September was the industry's position. In June the industry was prepared to maintain the position it had in 1983. In August and September it was not. It is worried about the job impact of possible tariffs against industries and their towns, as a lot of New Democratic Party Members know. So what has changed in the position between June and the position in August and September is that the industry, with the support of the union involved, asked us to try to seek an out of court settlement. That is what we are doing. It is not helpful for the NDP to be undermining jobs in British Columbia.

Mr. Broadbent: I say to the Minister that it is she who changed her position, who undermined her case that we were assured in this House not many months ago was completely irrefutable. She has now sent another signal to the tribunal which is considering the case that she no longer has confidence in the case put by the Government of Canada. She is undermining once again the case she should be putting.

IDAHO SENATOR'S STATEMENT

Hon. Edward Broadbent (Oshawa): I could provide a whole list of Americans who have said in the last 24 hours that the Government's case now lacks any credibility. Specifically I want to ask the Minister about this comment put forward by the Senator from Idaho who said:

> Their proposal is a *de facto* admission that they are engaged in unfair trade practices.

Does the Minister agree with that? If so, I ask her again why she is risking thousands of Canadian jobs?

Hon. Pat Carney (Minister for International Trade): We are moving to save thousands of Canadian jobs, a lot of them in British Columbia. I make the point that the Hon. Member does not seem to understand, that when we won this case before it did not resolve the problem. We have had this case before us for about five or six years, creating a lot of uncertainty, a lot of harassment, affecting investment decisions and worrying a lot of people in Canada.

What we have done, with the support of the provinces, the industry, the labour union, and the U.S. administration, which is also trying to seek a pragmatic response to this problem, is to resolve the problem on a permanent basis and to protect this industry and these jobs from continual harassment.

[*Translation*]

DETERMINATION OF CULPABILITY

Hon. Edward Broadbent (Oshawa): I have a supplementary, Mr. Speaker. I would like to know exactly what the federal Government's policy is on this very important issue. The American senator said that the Government's decision on Thursday represented an admission of the Canadian Government's guilt. And now for my question.

Does the Minister agree with this view? Is the Government of Canada guilty, is our industry guilty, yes or no?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member may speak for the Senator from Idaho but I am speaking for the Government of Canada.

Some Hon. Members: Hear, hear!

Miss Carney: I can only repeat the point I have made in this House that the position—as I say, it is our only offer—which has been presented to the Americans has the support of the provinces involved, the industry involved and the union involved, and was taken forward to the American administration to see if it could persuade the lumber producers who brought this action not only to withdraw the action they have taken against us but to stop the harassment. That is the position that I think is the only reasonable, realistic, and pragmatic position that any Government can take when it is being asked to move on behalf of Canadians in an industry under attack.

* * *

• (1130)

AGRICULTURE

GRAIN PRODUCERS—REQUEST FOR DEFICIENCY PAYMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. Wednesday's Speech from the Throne contained a number of platitudes about the Government's commitment to agriculture. However, to the amazement of Premier Devine, and almost everyone in western Canada, there was not one word about deficiency payments to our western farmers. Will the Minister stand in his place and make amends for this great omission by announcing a deficiency payment of at least $2 billion to western Canadian grain producers?

Some Hon. Members: Hear, hear!

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we need not make any apologies for the strong commitment given to the agricultural industry in the Speech from the Throne.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Wise: I challenge the Hon. Member to seek the help and advice of the Library of Parliament. I am certain he will find that this is the first time in the history of Canada that the agricultural industry was mentioned first in a Throne Speech.

Some Hon. Members: Oh, oh!

Mr. Wise: Something which the Hon. Member cannot deny is the statement that, in terms of agriculture, "my Government will spare no effort".

That is a very firm commitment to the agricultural industry.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

GOVERNMENT COMMITMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, will the Minister of Agriculture spare no effort to ensure that the commitment is made known to the farmers? Will he tell us that he has failed in his battle with the Minister of Finance, that there is no money for farmers and, therefore, they will not receive the kind of commitment about which he has been telling us for the last ten months?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Government has spared no efforts since the day we were sworn into office. I ask the Hon. Member to check the record, and the facts will bear this out. The Government made 16 campaign commitments: we have fulfilled 15 of them. To date we have delivered some 320 achievements and commitments, transferring over $5 billion to the agricultural industry and, ladies and gentlemen—

Some Hon. Members: Oh, oh!

Mr. Wise: —and, Mr. Speaker, we have only just begun.

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EXTERNAL AFFAIRS

U.S.S.R.—TREATMENT OF CANADIAN BROADCASTING CORPORATION CORRESPONDENT

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is for the Secretary of State for External Affairs. It would appear that CBC correspondent Michael McIvor was the target of a Daniloff-style set-up in Moscow. Will the Secretary of State tell the House whether he summoned the Russian Ambassador to his office to protest strongly this extraordinary and incredible action? Will he tell us whether or not he has instructed our ambassador to deliver a note of protest to the Kremlin?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, naturally we are deeply concerned about the reports relating to the CBC correspondent in Moscow, as I am sure are all Members of the House. This morning the Soviet Ambassador to Canada was called into the Department of External Affairs. Our deep concern about this matter was registered to him. We have asked for an immediate explanation. As soon as we have further details, naturally, I will make them available to the House and to the country.

CANADIAN REPRESENTATIONS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, is the Secretary of State for External Affairs telling us that he himself has not spoken to the Russian Ambassador about this incident? Can he also tell the House whether steps are being taken to protect Canadian journalists in the Soviet Union against harassment of this type?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, excuse me, this is a rare difficulty I have in the House of Commons, as Hon. Members will know.

Mr. Axworthy: Being choked up?

Mr. Clark (Yellowhead): No, I am rarely choked up.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I have not seen the Soviet Ambassador myself. I instructed officials to do that this morning because I thought it urgent that it be done immediately. I was not in a position to see him myself, and it was done urgently. My impression is that he was not informed or advised of the circumstances. He is seeking information which he will give to us. We will take every action that is necessary, including every precaution that is available to us, to protect not only the safety but, more important, the rights of Canadian journalists in the Soviet Union.

* * *

AGRICULTURE

REQUEST FOR ANNOUNCEMENT OF DEFICIENCY PAYMENT FOR FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. The Minister knows that due to low prices grain and corn producers throughout Canada are facing the most devastating year since the 1930s. Prairie Premiers have been calling for a deficiency payment for months. Can the Minister say when the Government will announce a deficiency payment?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Government is well aware of the economic problems facing the Canadian farmer. The Government has always stood by the Canadian farmer, and we intend to do so in the future.

SITUATION OF GRAIN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister of Agriculture talked about sparing no effort. What the farmers want to know is when the Government will spare over $1 billion for a deficiency payment.

Last month the Government was able to find over $1 billion for 25 of the largest oil companies in Canada. Why can the Government not find the money for a deficiency payment for 140,000 grain farmers who are facing not only the loss of their farms but the loss of their homes and their livelihoods? Prices in Canada are half what they are in the United States due to the deficiency payment system in place in that country.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not so sure from where the Hon. Member obtains his information or his idea that we have denied the implementation of a deficiency payment. Before the House adjourned for the summer recess we said, in response to questions posed primarily by members of the New Democratic Party that, indeed, a deficiency payment was an option. I am sure the Hon. Member is aware that ensuring fairness and equity when making some type of compensation payment is a very complicated and complex issue. If the Hon. Member understands the complications, then I am sure he will realize that it will not be dealt with fairly and equitably simply by means of a deficiency payment but, rather, that it might take a program made up of three or four parts.

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PENITENTIARIES

CONSTRUCTION OF PRISON IN PORT-CARTIER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister. This morning Canadians learned that the Prime Minister announced the building of the prison in Port-Cartier, which is in his riding, two weeks before the decision was approved by his colleagues in Treasury Board. In view of the fact that the Prime Minister has said that this was a government decision, when will he admit that every Canadian knows that this was but a blatant pork-barrelling move to his riding undertaken following the direct involvement of himself and his office?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be happy to answer my hon. colleague's question. As the Hon. Member clearly indicated, the announcement was made on June 18. It was an announcement of government policy. A policy decision which was fully consistent with over-all government policy, and fully consistent with the Correctional Services capital budget, had been taken. It came to Treasury Board for the required approval of detailed estimates of cost. That approval was granted on July 3 on a preliminary basis and it was given effective project approval on April 10, 1986, which is very normal in capital projects of this type.

REQUEST THAT PRIME MINISTER APPEAR BEFORE COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, what the Minister is saying is that the Government is prepared to spend $60 million of Canadian funds without it being authorized in advance by the Treasury Board. That is pretty shameful.

My supplementary question is addressed to the Prime Minister. In view of the fundamental question of credibility with regard to this issue is the Prime Minister prepared to appear before the House of Commons Standing Committee on Justice and Legal Affairs and answer all questions, under oath, and bring with him all relevant documents concerning this important decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, for the benefit of hon. colleagues I would like to explain that the initial decision to build this penitentiary was given by Treasury Board on February 23, 1984, well before we were even in office.

Mr. Turner (Vancouver Quadra): Where?

Mr. Broadbent: In what location?

Mr. de Cotret: Treasury Board Decision No. 791796—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Member for York-Scarborough.

* * *

BANKS AND BANKING

CONTINENTAL BANK—ACQUISITION BY LLOYDS BANK CANADA

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of State for Finance. It was announced yesterday that Lloyds Bank Canada would be acquiring the operations of the Continental Bank. Since the 10 per cent maximum foreign ownership limitation on Schedule A banks has no effect, because a foreign owned Schedule B bank is the purchaser, and since the Government has not yet published its comprehensive ownership position on financial institutions, will the Minister seek a commitment from Lloyds similar to that obtained from Imasco which consented, in advance, to obey any restrictions on ownership announced in the future?

• (1140)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I know the House is as pleased as I am with the increasing health and stability of our financial system. Of course this deal is vivid illustration of the world-wide confidence which is held in the Canadian banking system. I think it is clear to all Members of the House that because of this deal customers and depositors will be well served. The international service which will be delivered will be second to none. In answer to the Hon. Member's question, we have a ceiling on how far Schedule B banks can grow, and that answers any particular concerns he may raise.

[Translation]

REGIONAL ECONOMIC EXPANSION

REQUEST FOR CLARIFICATION CONCERNING PROJECT TO MOVE DRUMMOND II PENITENTIARY

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister, and I would ask him not to hide behind his Ministers and to have the courage to stand up.

I would like the Prime Minister to tell me how he can justify the irresponsible decision he made—notwithstanding sound advice to the contrary and regardless of the additional expenditures involved—to switch the Drummond II penitentiary project to his own riding.

Right Hon. Brian Mulroney (Prime Minister): As I had the opportunity to indicate in other circumstances, Mr. Speaker, it was a decision made by the Government of Canada, the duly elected Government. As other governments have done in other circumstances, this Government decided to build federal facilities in remote regions of the country, particularly those which are hard hit by very high unemployment. Therefore I consider that the decision of the Government of Canada, faced with the situation in Port-Cartier where the unemployment rate was about 37 or 38 per cent, if I am not mistaken, and where the community has sufferred great economic hardship, I consider that it was, in my view, a wise decision consistent with our traditions which dictate that Government decision take the regional economic expansion factor into consideration.

GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): A supplementary question, Mr. Speaker. The Prime Minister is saying that the decision had to do with regional economic expansion. Does it mean that other penitentiaries will be built in Newfoundland? The Prime Minister is telling us that it was a Government decision. How can he reconcile his remarks with those of his Minister of nothing who stated that it had been his personal decision, that neither the Prime Minister nor the Government had anything to do with it, that he took full responsibility for it? Here is what I want to know from the Prime Minister: Can he stand up and justify his decision to waste another $15 million, plus $3 million more every year?

[English]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as the Prime Minister has already stated, this was a government decision. We always take into consideration, in making government decisions, socio-economic conditions and regional disparities throughout the country. This has been the practice of Governments since Confederation. It is the practice of this Government, and I know it will continue to be the practice and consideration of Governments for the next many years to come. We make no apologies for trying to relieve economic disparity in the country.

PENITENTIARIES

CONSTRUCTION OF PRISON IN MANICOUAGAN RIDING

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Prime Minister. The decision to build the prison in his riding is wrong, and he knows it. It cannot be justified. It makes no sense—no economic sense, no moral sense. Does the Prime Minister really expect Canadians to believe that he did not personally interfere in the decision to build the prison in his riding, contrary to all the Canadians who opposed the decision?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I find it hard to believe that they do not espouse the position of trying to relieve economic disparity. As far as I know, this was always the position of the former Government. If I may, I should like to quote the Hon. Member for York Centre, the then Solicitor General, when he appeared before the Standing Committee on Justice and Legal Affairs in May, 1982, as reported in Volume 84 at page 48. In dealing with the siting of the Remous facility, he said:

> The site was chosen bearing in mind considerations of regional development, as well as considerations of corrections, but the funding will come from my Ministry. In fact, I think every Department of the Government of Canada ought to take account of regional disparity in dealing with its own priorities.

Some Hon. Members: Hear, hear!

REQUEST THAT CONSTRUCTION BE HALTED

Mr. John Nunziata (York South—Weston): Mr. Speaker, I have a supplementary question. The Prime Minister knows that one does not build prisons in order to relieve economic disparities.

Some Hon. Members: Oh, oh!

Mr. Nunziata: I should like to direct my supplementary question to the Prime Minister. I would hope that he has the courage to stand up and answer.

Mr. Speaker: Would the Hon. Member put his question, please?

Mr. Nunziata: In view of the fact that the Auditor General is reviewing the decision to build the prison in the Prime Minister's riding, I would ask him whether he is prepared to halt the construction of the prison at Port Cartier, pending the tabling of the report of the Auditor General in the House later this month.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as we have already advised, the Port Cartier prison plans are well advanced, and the grounds for advancing them are sound for socio-economic reasons. Again, if I may, I quote from the then Solicitor General when he appeared before the same committee on the same date wherein he said: "I think our basic sense of justice"—

Mr. Speaker: Order, please. I think the House would want me to comment. Of course Ministers' responses are essential to the conduct of the business of the country and of the House. However, I would ask that Ministers refrain from giving too lengthy quotes from other sources.

Some Hon. Members: Hear, hear!

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TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister for International Trade. Prior to making her final offer, her take it or leave it proposal, did the Minister not do her homework and obtain assurances from the American forest industry that it would be prepared to entertain this offer before actually putting 25,000 jobs at risk and undermining the Canadian case?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I asked the U.S. Secretary of Commerce to do his homework and ensure that U.S. lumber producers were willing to negotiate or to hear an offer, and that is what he did. After I met with him, he met with U.S. lumber producers and had a conversation in which five times they said they wanted to settle.

STATEMENTS MADE BY BRITISH COLUMBIA PREMIER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the same Minister. Would the Minister confirm that it was the first public utterances on the need to review stumpage fees of Premier Vander Zalm which led to the undermining of our case and thereby forced other groups to come onside and support the Minister in her eleventh hour attempt to rescue our bid before the Americans?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I realize that there is an ongoing election campaign in British Columbia, but I assure the Hon. Member that he is entirely wrong. Premier Vander Zalm and I have worked together from the very start in discussing the problems of the lumber industry and forestry industry in B.C. Premier Vander Zalm has moved in his own jurisdiction to deal with his own forest industry in a manner which is consistent with that adopted by the other provinces involved and by the Government of Canada.

Oral Questions

LABOUR RELATIONS

GRAIN HANDLERS' DISPUTE—REQUEST FOR LEGISLATION TO END WORK STOPPAGE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question concerning the Thunder Bay dispute is for the Minister of Labour who will know that prairie farmers already devastated by low international grain prices can ill afford to pay while the grain companies and the unions play. Will the Minister consider today giving the required notice of intention to bring forward legislation putting an end to a stand-off which has the potential to cost Canadian farmers millions and to undermine Canada's export reputation?

• (1150)

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, it is because of my colleagues' concern and the concern of all other colleagues in this House on the Thunder Bay situation that I appointed the best person in the land to go to Thunder Bay to get the parties together and mediate the issue. It would be premature for me, I think, to comment on that option at this point since there is progress.

* * *

FINANCE

TAX REFORM—GOVERNMENT POLICY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Finance. The Speech from the Throne suggests a program of comprehensive tax reform. Will the Minister of Finance shortly be producing a White Paper outlining the Government's proposals for this comprehensive tax reform? If so, when will the paper be available and will the Government be expecting the Standing Committee on Finance and Economic Affairs to conduct public hearings across the country to get public input to the reform?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the direct answer to the Hon. Member's question is that at some time during the course of this month I propose to make a speech on the question of tax reform to try to give some guidance to the country on the direction we want to go as a Government in tax reform. I hope this will generate a good deal of discussion and debate which will help in the course of the normal consultations that I have during the fall. Following that I will be preparing some specific proposals to put before the House.

Mr. Shields: Mr. Speaker, may I have a supplementary?

Mr. Speaker: It is unusual, but in the spirit of generosity, which I hope will be noticed, I shall allow a supplementary.

Some Hon. Members: Hear, hear!

Mr. Shields: May the spirit forever remain in the House, Mr. Speaker.

My supplementary question is for the Minister of Labour, Mr. Speaker. Was the mediator given a deadline to resolve the dispute?

Ms. Copps: Wrong question.

Mr. Speaker: My generosity has had to be brought abruptly to a close.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Member's supplementary question should have been addressed to another Minister.

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[*Translation*]

TRANSPORT

REQUEST FOR EXPLANATION OF DECISION CONCERNING CN SHOPS IN MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport.

How can the Minister justify supporting a decision that puts 650 workers at the CN workshops in Moncton out of work, without having read the internal study on CN's repair facilities? How can he justify supporting this decision?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I have made no decision in connection with the matter to which the Hon. Member refers. That was a painful business decision made by the Canadian National Railway Company which, in 1978, was directed by the then Liberal administration of this country that it had to get on its own. It was going to be relieved of certain debts at that time and from then on it had to operate to make a profit, break even, or generate its own cash resources itself.

The CN Railway Company has come to a decision based on the fact that it has certain heavy car shop facilities. Of the three facilities it has in Canada only one is needed in future, the one that is located in the west where most of the business now is. That decision was CN's. We are, and CN is, doing everything to ameliorate that decision in Moncton. We will continue to do that and to encourage the re-employment of as many people as possible of those who must be laid off.

[*Translation*]

PEOPLE OF THE ATLANTIC PROVINCES—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I have a supplementary for the same Minister.

The Minister says that he does not support the decision, but his failure to act confirms that he does support the decision by CN. Does this decision to put 650 workers out of work reflect this Government's policy on regional development? Is that how this Government intends to treat people in Atlantic Canada, where at this time we feel we are being treated like Third World countries?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman knows that I am simply continuing the policy set by the previous administration. There were many thousands—

Mr. Broadbent: You are supposed to change it.

Mr. Riis: We are supposed to have something different.

Mr. Crosbie: There were many thousands of CN employees laid off across the country during 1980 to 1984 at which time the then Government did not intervene, thousands of them in Atlantic Canada. This is a great pity.

If CN has to compete against U.S. railways and other modes of transportation and must make it on its own, that is the way it has to be. I cannot overrule the board of directors and management of CN in business decisions that they had to come to themselves. We will do, and we have done, everything we can to ensure that the workers affected are assisted. It is a pity at the present time there are some impediments in the way, but we are hoping they will be overcome.

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AGRICULTURE

GRAIN SALES—REQUEST FOR QUOTA ANNOUNCEMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board. Although we are some two months into the new crop year most prairie farmers have not been given any permission to deliver grain into the new crop year because there have been no quotas. Since quotas generally follow sales commitments, are we still making sales? Why are there no quotas?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. I have to point out to the Hon. Member that yesterday we had extremely good news for Canadian farmers concerning sales. Our best customer saw fit to renew a five-year grain agreement that calls for a minimum of 25 million tonnes of grain over five years.

Some Hon. Members: Hear, hear!

Mr. Mayer: I should also point out that that is the minimum amount. Over the last five years the Soviet Union bought 36 million tonnes. That is certainly good news. The sale is worth somewhere in the neighbourhood of $1 billion a year, even at today's prices. Hopefully over time prices will improve so it will be a multibillion dollar deal.

I am well aware of the concern which the Hon. Member raises. We have been moving grain and some quotas will be announced very shortly.

SALES CLEARANCES INQUIRY

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Minister knows that there are really only two major grain buyers left in the world, Russia and Japan. My question is more specific. What has happened to our sales clearances and our clearances for the first two months of the crop year in comparison to previous years? Generally we have had quotas offered much sooner than this. This is a near record in not being able to deliver grain as far as the farmers are concerned. How are our clearances compared to previous years?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member is a former member of the Wheat Board Advisory Committee and I would have thought he would have had his facts together. The Canadian Wheat Board sold grain last year to something like 60 countries. When he says that we have only two customers, he insults Brazil, Japan, and all of the other customers—

Mr. Althouse: I said major customers.

Mr. Mayer: —that buy a tremendous amount of grain from us.

We are making sales. As evidence of that, at the end of the crop year last year we went into it with the lowest on-farm carry-over on record. The Canadian Wheat Board has been doing an extremely good job of marketing and with the support of this Government—

Mr. Speaker: Order, please. The Hon. Member for York East (Mr. Redway).

Mr. Mayer: —it will continue to do a very good job.

* * *

ENERGY

PRICE OF GASOLINE

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. The Minister is aware that the price spread between leaded and unleaded gasoline is substantially higher in Canada than it is in the United States. Will the Minister give the House his undertaking that he will ensure that this substantial difference is eliminated?

Point of Order—Mr. Mazankowski

• (1200)

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, because of differences in the tax structure of our two countries—I am referring both to the federal governments and to the provinces or states—plus the matter of marketing structures in the various regions, where outlets may be more or less numerous, plus the matter of how far people are from the refineries and the pipelines, so because of all these factors, the price of gas differs from region to region inside Canada and from one country to another on the North American continent, and I am referring to the United States and Canada.

* * *

RAILWAYS

LAY-OFFS AT CN MAINTENANCE SHOPS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Transport. I would like to remind him that in addition to the 650 maintenance employees at the CN workshops in Moncton who have been put out of work, there are 2,000 at the workshops at Pointe-Saint-Charles in Montreal whose jobs are at stake. I would also like to remind him that history tells us about a man called Pontius Pilate who decided to wash his hands—

Since the Minister claims that CN made this decision on its own, is he prepared to table here in the House CN's internal study on the maintenance of rolling stock?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is slow in exhibiting concern. Over 7,000 CN employees were laid off during the term of the last Liberal administation.

With respect to Pointe-Saint-Charles, there are no plans of which I know for any lay-offs there, though there may be temporary lay-offs from time to time. CN plans to utilize that facility and to continue utilizing it to do all the kinds of work that it can do with outside third parties. That is the plan for it, and CN has no reason to doubt that it will be a successful plan. There is no plan to close that facility, and CN and we will make every effort to ensure that it continues in full production in the coming years.

[*Translation*]

REQUEST THAT STUDY BE TABLED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am delighted with the Minister's good intentions and his assurances that the workers at Pointe-Saint-Charles do not have to worry. However, I am going to ask him to answer my question, since he failed to do so.

Is the Minister prepared to table before all Canadians the study by CN on maintenance of railway cars and locomotives, so the Canadian public can see for itself whether there is any real justification for laying people off—in Moncton that is already the case, and it may happen in Pointe-Saint-Charles—because I am not entirely convinced by the assurances that I have just been given?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I cannot table in the House confidential reports prepared by CN or any of our other Crown corporations in connection with their work, reports that their competitors would dearly love to see, including U.S. railways and others. The suggestion is jejune and juvenile.

* * *

POINT OF ORDER

QUESTION PERIOD—ACCEPTABLE TENOR

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order and I hope that you will find it consistent with the spirit of goodwill and generosity on which you had elaborated earlier, particularly within the spirit of the desire on the part of, I believe, all Members to set a new tone in the House of Commons consistent with the rules, traditions and practices of parliamentary procedure.

I simply want to draw to your attention, Mr. Speaker, the type of questions that were put by the Leader of the Opposition (Mr. Turner), the Hon. Member for York South—Weston (Mr. Nunziata) and the Hon. Member for Saint-Jacques (Mr. Guilbault). They were, I believe, inconsistent with the standard rules of procedure as outlined in Beauchesne's Fifth Edition. I would draw your attention, Mr. Speaker, to Citation 359 which reads as follows:

> "(1) It must be a question, not an expression of an opinion, representation, argumentation, nor debate.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: That is fine. Furthermore, Mr. Speaker, the questions—

Ms. Copps: The answer must not be a lie.

Mr. Mazankowski: Mr. Speaker, furthermore the question must be brief. Second, a supplementary question should need no preamble.

I merely draw these points to your attention, Sir, because I think it would be in our interest to try to conduct ourselves consistent with the rules of parliamentary practice as outlined in Beauchesne's Fifth Edition.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, the Citation raised by the government House Leader refers only to guidelines which the Speaker who made out those guidlines decided to use in exercising his own discretion with respect to Question Period. If I am not mistaken, those guidelines were given some 20 years ago. Since that time, successive Speakers have recognized over and over again questions, of the very kind about which the Deputy Prime Minister (Mr. Mazankowski) complains, when they came from Conservative Members.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): I say that it does not sit well in the mouth of the government House Leader now to raise these points when, through the questions of his own side, he and his colleagues have established this precedent.

I ask you, Mr. Speaker, in the spirit of the goodwill which we all accord to you, that you recognize what has developed in past years through questions accepted by the Chair from Conservative Members and use that point of view in carrying out the discretion given to you by the House. To do otherwise at this point would certainly undermine the spirit of goodwill and co-operation which I think we all want to have from here on in.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I regret that this has taken place today. This is our first day back and a new Speaker is in the chair.

Some Hon. Members: Hear, hear!

Mr. Riis: The government House Leader has a responsibility to act as an example and to set a tone. We have regular meetings of House Leaders. If he had some concerns to raise today, there is an appropriate forum in which to raise those concerns. This first day in the House with a new Speaker in the chair is certainly not the place.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, consistent with what has already been said and the reference made to the precedent, I think we all understand that those guidelines have been set down and we all try to follow them. We are talking about now, and I appreciate that the Chair admonished cabinet Ministers to keep their answers short; that is fair ball. However, I would particularly draw your attention, Mr. Speaker, to the second question put by the Leader of the NDP, the Hon. Member for Oshawa (Mr. Broadbent), to the Minister for International Trade (Miss Carney) which included two argumentative preambles, a reference to the Minister undermining Canada followed by a quotation from a U.S. Senator in a U.S. newspaper. Then the question was asked.

We are saying, Mr. Speaker, that this is within the spirit of reform and I am not being argumentative at all.

Mr. Riis: This is the new civility, I take it.

Mr. Murphy: Maybe we can have the PMO leak something.

Mr. Lewis: I can handle that too. This Question Period is for all Members of Parliament to hold the Government accountable. Short questions and short answers allow more Hon. Members to do so. More members of the Opposition can participate, as well as more members of the Government. I would ask you, Sir, to consider this representation when you make any sort of a ruling.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, this is an important question. I would ask you to take note of the fact that in Parliament, adequate time must be given to opposition Parties to properly present their points of view. To make a suggestion such as this in a Parliament which has the greatest majority in favour of government Members is completely ridiculous. When those Hon. Members were on this side, in a Parliament which was much closer in numbers, they asked questions which were even further out of order and longer and did not respect the points made by the House Leader today. If there is to be a change, it should never be made in a Parliament in which opposition Parties have as few Members as they have today. I would like you to consider that in making a decision, Mr. Speaker.

Mr. Speaker: Order. I want to thank Hon. Members for bringing their concerns to my attention, and I accept with a certain amount of satisfaction the expressions of goodwill that have been made during those representations. I will, of course, be having regular meetings with representatives of all Parties of the House and I will be making special efforts to meet with individuals, groups of individuals and private Members. I will take into careful account the representations that have been made here today. I welcome the comments and the suggestions, and we will gather together to discuss what seems to be differences in approach which are properly expressed, especially to your new Speaker.

Some Hon. Members: Hear, hear!

• (1210)

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I rise today to introduce for first reading three separate Private Members Bills dealing with the subject of capital punishment. Each Bill addresses different aspects of this important matter. For instance, one Bill focuses on first-degree murder and treason, while another establishes capital punishment for acts commonly known as terrorism.

In addition, the most recent Bill which has just been drafted provides for execution by the method of lethal injection as

opposed to hanging. Finally, all three Bills reflect the appropriate provisions of the Young Offenders Act.

I present these Bills on behalf of the 80 per cent of my constituents as well as the majority of Canadians who support the return of capital punishment for first-degree premeditated murder as a reasonable form of justice.

MEASURE TO AMEND

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post) moved for leave to introduce Bill C-201, an Act to amend the Criminal Code (capital punishment).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

MEASURE TO AMEND

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post) moved for leave to introduce Bill C-202, an Act to amend the Criminal Code (capital punishment).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

MEASURE TO AMEND

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post) moved for leave to introduce Bill C-203, an Act to amend the Criminal Code and the Young Offenders Act (capital punishment).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

RADIO ACT

MEASURE TO AMEND

Hon. Flora MacDonald (Minister of Communications) moved for leave to introduce Bill C-3, an Act to amend the Radio Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

RAILWAY ACT

MEASURE TO AMEND

Hon. Flora MacDonald (Minister of Communications) moved for leave to introduce Bill C-4, an Act to amend the Railway Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

REINSTATEMENT OF BILLS C-92, C-94, C-95 (C-5, C-6, C-7)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions with the other House Leaders with respect to the reinstatement of certain Bills. I think that you will find unanimous approval for the reinstatement of Bills C-92, C-94, and C-95 as follows:

That, notwithstanding any Standing or Special Order of this House, the following Bills introduced in the First Session of the Thirty-third Parliament be reinstated forthwith in this Session as follows:

An Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be deemed to have been introduced, read the first time and ordered to be printed, read a second time, referred to and reported by a Legislative Committee with amendments, and ordered to stand on the Order Paper for consideration by the House at report stage on or after Tuesday, October 7, 1986 (Bill C-92);

An Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing and to make related and consequential amendments, be deemed to have been introduced, read the first time and ordered to be printed, read the second time and referred to a Legislative Committee (Bill C-94); and

An Act respecting the Archives of Canada and Records of government institutions of Canada and to amend the Copyright Act, be deemed to have been introduced, read the first time and ordered to be printed, read the second time and referred to a Legislative Committee (Bill C-95);

And that the evidence adduced and documents received by any Legislative Committee of this House in the First Session of the Thirty-third Parliament in relation to these Bills be deemed to have been referred to a Legislative Committee in this present Session.

Hon. Herb Gray (Windsor West): Mr. Speaker, what a contrast between this motion and the previous remarks of the Government House Leader (Mr. Mazankowski). With respect to this motion, there were consultations with his predecessor before the Hon. Member became the Government House Leader. We discussed it further with the Government House Leader when he assumed that position. There have been extensive discussions. This is quite a contrast, as I have said, with his unwarranted assertion with respect to the Question Period based on outmoded guidelines which were totally superseded by guidelines issues by the immediate predecessor of—

• (1220)

Mr. Speaker: Order. I am sure the Hon. Member would want to address the particular matter that is before the Speaker. I can assure the Hon. Member that I got his point earlier.

Mr. Gray (Windsor West): In any event, Mr. Speaker, as I was saying, there have been consultations with respect to this motion. I must say that, after listening to the Government House Leader on his point of order, I was having second thoughts about the way we should deal with his motion if he happened to present it. However, in the spirit of good will and co-operation, we will give unanimous consent to the motion.

Mr. Riis: Mr. Speaker, in the spirit of co-operation and in an effort to facilitate the business of the House, we agree.

Mr. Speaker: Does the Hon. Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) have the unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, October 2, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, first, in keeping with the traditions of the House, may I congratulate the mover and seconder, the Member for Capilano (Mrs. Collins) and the Member for Restigouche (Mr. Girard), on their speeches in support of the Address yesterday. They were well delivered, full of verve and style, and I admired them even more because they had to defend a hopelessly empty document that is now before the House.

In rising to respond to the Speech from the Throne, first I would like to pay my respects to its author. Of course, we had expected a higher standard from Dalton Camp after reading his column for many years, first in the Toronto *Sun*, then in the Toronto *Star*. In those days we used to get it for 25 cents. Obviously Mr. Camp has had to surrender some of that style to the rigours of committee authorship. The rhetoric is attractive, the phrases are flowery. There is even a touch of humility here and there. It raises vagueness to an art form.

Of course, Canadians have one question to ask: was it really worth waiting one extra month for this document, this speech? I think citizens right across Canada will say no, it certainly was not worth the wait.

Nobody quarrels with the intent. There is a sentence, a phrase, and sometimes a paragraph for every group in the country, every interest and every region. But where is the plan? Where is the working agenda? There is nothing new.

It is a recycled speech from a recycled government that is two years old and already tired. The Government spent the last two years breaking its promises, and obviously, from this document, it will spend the next two years making new promises. It is an invitation to Canadian voters to embark on a second honeymoon when Canadians are already talking about a divorce. This explains why the Government had to call in the three puppeteers— Dalton Camp, Lowell Murray, and Norman Atkins—three powerful non-elected backroom boys who are now supposed to act as marriage counsellors to the Government and the Canadian people.

The Throne Speech is supposed to be the Government's new platform. We know what happened to the last one. The Conservatives tore it down so quickly and completely that there was only enough wood left to build a presidential style podium for the Prime Minister (Mr. Mulroney). That is the

only thing that he really kept from the platform of two years ago.

If the message is not getting through to the Prime Minister from his pollsters, I hope he listens to the message given to him by the voters of Saint-Maurice and Pembina on Monday. When he and his advisers sit down and analyse the results of those by-elections they will see that that support was cut in half. I believe that reflects the view that in just two short years the Government has forced Canadians to grow weary of a Government that limps from scandal to scandal, a Government that is preoccupied with its own image and polls and is unable to present to the country a clear and consistent direction.

This new Throne Speech is based upon what the Prime Minister loves to term the four pillars: national reconciliation, economic renewal, social justice and constructive internationalism. The problem is that we have heard it all before. We heard it during the election campaign and we heard it in the first Throne Speech. Canadians are rightly asking why they should trust the Government now. They see words like "national reconciliation" coming from the same person who called strikers in Alberta separatists. They see words like "economic renewal" coming from the same Government which has dramatically cut its aid to the regions of the country and abandoned farmers, fishermen and miners. They see words like "social justice" coming from the same Government that has drastically cut social programs when it once called them a sacred trust. It tried to deindex the old age pension and succeeded in deindexing the family allowance. The Government shattered those commitments.

Canadians see words like "constructive internationalism" from the same people who now have gone into locked step with the current U.S. administration on almost every issue. The expression used to be that when the U.S. sneezes Canada catches cold. That has been given a whole new interpretation under this Government. It seems that when Ronald Reagan has a drug problem Canada gets an epidemic.

The Prime Minister should not wonder if Canadians are cynical about the latest attempt to sell them a new image.

We understand that part of the strategy is to keep the Prime Minister under control, to keep him out of the House. It is called damage control. The theory is that he will do less harm to his Government if he is out on the road doing "what he does best"—we are still waiting to see what that is—than he would be if he was in the House of Commons. Perhaps the events of the last two weeks will force the Prime Minister's advisers to reverse that strategy. Some observers have even come to the conclusion that he is running for my job as Leader of the Opposition. Why not? Everyone else is.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): All I can say to the Prime Minister is that he is my favourite candidate and I am pulling for him to be the next Leader of the Opposition.

As much as I respect the Deputy Prime Minister (Mr. Mazankowski) and wish him well in his new role, I was not encouraged by his intervention this morning to try to curtail your discretion, Mr. Speaker. We will vigorously resist any attempt to bridle this House on either side. We rely on your judgment because you are the collective decision of the House and we will stand with you.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): However, the Government House Leader, who is also the Deputy Prime Minister, ought never to confuse those two roles. When he speaks as Deputy Prime Minister, we will listen. He is the Government representative, the chief operating officer, the Prime Minister calls him. When he is in the Chamber as House Leader he is trying to achieve a better reconciliation, a better tone and a better mood. He will have a great responsibility in setting that mood and I hope he will not forget that.

• (1230)

However, despite the new exaltation of his role, and he is entitled to relish it, he is not the Prime Minister. Canadians did not elect him to be Prime Minister and the office and responsibility of the Prime Minister cannot be delegated in this House or in the country. We are going to ensure that the Prime Minister is here to answer on behalf of the Government, despite the high sounding title of the Deputy Prime Minister. This House is the forum of the nation. It cannot be bypassed and we will see, to the best of our ability, that the Prime Minister remains accountable to this Chamber and, through the Chamber, to the people of Canada.

The Prime Minister said: "We do the big things well. We do some of the small things poorly". That is how the Prime Minister looks at his Government's record in mid-term. What were the small things? What were the big things? We happen to think that some of the small things, on which the Prime Minister admits failure, happen to count for a lot. We do not think they are that small.

We do not think, to begin with, that trust and integrity in government is that small. The Minister of National Defence is forced to resign in questionable circumstances. Is that small? The Hatfield affair, the administration of justice thrown into disrepute, is that small, Mr. Speaker?

The former Minister of Regional Economic Expansion is accused of violating the conflict of interest rules and is now under inquiry. Yet he was defended by the Prime Minister and the former Deputy Prime Minister for weeks in this House by way of stonewalling. Is that a small thing? The former Deputy Prime Minister himself admitted to this House that he tapped Liberal caucuses some years ago. Is that a small thing?

The bungling of two Ministers precipitated not one but two bankruptcies in our banking system costing the taxpayers over a billion dollars, and the repercussions are still being felt. The Continental Bank had to be bailed out yesterday because of a

lack of confidence. That lack of confidence is still there. I do not call that small change, although the Minister of Finance (Mr. Wilson) might.

The former Minister of the Environment resigned after spending thousands of tax dollars on a questionable trip to Europe. Is that a small thing? A Minister of Fisheries is forced to resign over a tuna scandal not, Sir, because you let the tuna go on the shelves but because you disagreed with the Prime Minister as to who took them off the shelves.

Mr. Speaker: Order. I would hope that in debate, which must be vigorous and, of course, very far ranging, Hon. Members might leave the Speaker out of the midst of the controversy because, I must assure all Hon. Members, there are some things your Speaker would just as soon put behind him.

Mr. Turner (Vancouver Quadra): I will take that point, Mr. Speaker, because the House decided two nights ago what it thought about that particular dispute, and decided firmly in your favour.

So much for the small things, so called. What about the big things such as the economy, trade, national reconciliation and tax reform?

Let us look at the economy. Where are we on the deficit? Deficit reduction was going to be a major thrust of this Government. In his last Budget the Minister of Finance projected that his big accomplishment would be to reduce the deficit this year to $29.5 billion. We told him that his projections were wrong. We told him that his assumptions on oil prices and interest rates were way off. I think most commentators in the country would recognize that, but the Minister did not admit it because the number was put there for political and cosmetic reasons, to keep big business happy and to get an initial approval on that particular Budget from big business. Now, just seven months later, the Minister has a new projection which is $2.5 billion higher and we are back up to $32 billion. How is that for targeting?

Despite massive intervention in foreign markets our dollar has dropped during the course of this Government from 77 cents U.S. to somewhere between 71 and 72 cents U.S.

The economic recovery has been uneven. It has centered mainly in urban Ontario and urban Quebec. Western Canada is in recession. Atlantic Canada has been cut adrift. The Minister of Transport (Mr. Crosbie) says: "Don't complain. You are better off than Bangladesh". That is one of the most insensitive comments ever heard in this country, even from that Minister. All the people of Atlantic Canada want is equality of opportunity with the rest of Canada, not with the Third World.

In its Throne Speech, the Government is proposing an Atlantic Canada Opportunities Agency, adding more levels of bureaucracy when what Atlantic Canadians want, and what they need, is more jobs.

[*Translation*]

The Prime Minister likes to brag about the number of jobs he has created, but for thousands of Canadian men and women the sad truth is that there has been a net loss of almost 17,000 jobs since January this year, and those jobless Canadians wish the Prime Minister would stop uttering misleading statements about previous administrations and would implement policies and programs designed to guarantee they will be able to rejoin the labour force.

[*English*]

Let us look at another big thing, trade. Free trade with the United States was the major economic thrust of the Government. It has been botched and bungled right from the beginning in a very big way. Negotiations have been ill-timed, ill-managed and ill-prepared. Instead of quiet effective diplomacy in pursuit of concrete, clear objectives, the Government has set us on a hyped-up comprehensive bilateral treaty negotiation with the United States without any debate in this House of Commons and with inadequate consultation with our provinces.

It is now clear that the Prime Minister launched these talks in that cosmetic joint declaration with the President of the United States in Quebec City without understanding either the initiative or Canada. He is now trying to extricate himself by blaming the Americans, but Canadians are seeing the truth. They know that the Prime Minister did not know what he was doing when he began this whole affair. Now the words "'free trade'", those ringing words in the joint declaration, have become, to use the words of the Throne Speech "the pursuit of a mutually advantageous trade agreement with the United States". The Government is bailing out, Mr. Speaker. I thought we were going to stop bailing, and fix the boat. Was that not what Dalton said?

Where does that leave us? We are unlikely, in my view, to achieve an agreement with the United States which adequately protects Canadian interests. Equally, to walk away from these negotiations now may produce countervailing measures against us. Goodness knows, we are getting countervailing action unilaterally from the United States even during the course of the negiations. What has happened is that the Prime Minister has painted Canada into a corner. Let us take yesterday. Through the Minister for International Trade (Miss Carney) we knuckled under on the lumber issue. We admitted the American case on stumpage. We submitted the offer during the deliberations of the American tribunal which is going to decide in a few days. We conceded the case. We have now given the administrators south of the border the evidence to decide the way they want to decide. All I can say to the Prime Minister is, what a negotiator! He boasted in Saskatoon, when the new Minister received her portfolio: "Pat Carney has the ball now. Hold on to your hats". Despite that unhappy metaphor, the Minister fumbled on our two-yard line, that is what she did.

Some Hon. Members: Hear, hear!

• (1240)

Mr. Turner (Vancouver Quadra): I continue the metaphor. She must now understand what the words "level playing-field" really mean. So far as the Americans are concerned in their negotiations with our Government they can sense weakness. They can sense stumbling and lack of preparation. For the United States "level playing-field" has always meant better rules, a better referee and a better ball. Our Minister does not know how to play the game.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): A number of our major economic sectors are now experiencing difficulties which are not about to vanish. Most of them, such as agriculture, energy, mining and forestry, are based in Western Canada. Then there is the fishing industry on Canada's east and west coasts. Concerted efforts on the part of the two government levels and the private sector are a must if this country is to come to grips with the challenges facing these industries.

[*English*]

Regionally balanced economic growth matters to Canadians in a way that it does not matter to Americans. As I have said, they talk about a level playing-field. A level playing-field to Americans means no special regional incentives. To us it means the exact opposite. To us attacking regional inequality is part of a key role that any Canadian Government has to play.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I want to say this to the Prime Minister and to his colleagues. Free trade is not a substitute for a comprehensive national economic policy. I say it is about time for the Government to start to understand and recognize that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I would now like to deal with another one of the big topics. I would like to talk about national reconciliation.

[*Translation*]

One of the major commitments made in the previous Speech from the Throne had to do with measures aimed at paving the way for Quebec to endorse the Canadian Constitution. The Government had then promised, and I use the words of the first throne speech, to "—work to create the conditions that will make possible the achievement of this essential accord". We were promised a new era of harmony in federal-provincial relations. But what are the intentions of the Prime Minister? What are his proposals in response to Mr. Bourassa's initiatives? Why is he shifting into reverse in this Speech from the Throne, and I repeat the words of the speech, by stating that "... should there appear reasonable prospects for agreement, formal negotiations will proceed ... "? In other words, Mr. Speaker, give us the answers and we will provide the questions. Is that leadership?

[*English*]

Another big commitment of the Government was in terms of tax reform. In 1984, in its first Speech from the Throne, the Government said the objective was to make the tax system simpler and fairer. The reality is that in two successive Budgets the Minister of Finance attacked lower and middle income groups and gave tax breaks to the rich. Those Budgets widened the gap between rich and poor and, moreover, encouraged a concentration of economic power. Those Budgets were sneaky and unfair. And in the Speech from the Throne which is before us the Government talked about concentration of economic power. Why did it not do something about it last spring when the competition legislation was before the House? I raised the issue fully in a one-hour speech before the House. I have talked about it inside and outside. Now, we finally have some recognition of it in the Speech from the Throne. I want to say again to the author of the speech: "Dalton, wherever you are, give me a split on the royalties before the day is over".

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Under the present Government, individual tax rates have gone up while corporate rates have gone down. Fairness was not the overriding principle in the last two years. Why should Canadians really believe that the next two years will be any different?

[*Translation*]

We agree that our tax reforms must take into account those implemented by the Americans. However, the Minister of Finance (Mr. Wilson) has not taken the same route. Where the Americans propose taxing capital gains, the Minister is making the rich in this country a present of $500,000. Where the Americans are reducing the tax rate, our Minister of Finance is imposing a surtax.

The Speech from the Throne does not even mention the transaction tax, which would constitute a massive tax on consumption and would replace the sales tax. This kind of tax is not only regressive, it is almost invisible. Canadians would pay this tax without knowing it.

What effect would the tax have on low-income Canadians? On small businesses? On the construction industry?

The promise to reduce the income tax rate is very attractive, but the Minister has a duty to inform Canadians about the deductions he will eliminate to replace the lost revenue. Will it be the basic personal exemption? The exemption for senior citizens? The exemption for dependent children? The registered retirement savings plan deduction?

Tax reform is a very attractive measure, but I would not want to see us fall into the trap of simplicity at the expense of justice.

[*English*]

The Prime Minister was also going to usher in a new era of pristine non-partisan appointments. Gone would be the days of political patronage. That was the shortest-lived promise on record. Some 20 minutes after he and his colleagues were sworn in the Tory patronage parade got underway, and it has been gathering speed ever since.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Yet the Prime Minister wonders why he is now criticized for packing government boards, agencies and tribunals with his cronies and Tory friends. I can only tell him that he did not have to do it; he could have kept his word. He had an option.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): While I am at it I will give him another option. Please give up the presidential style. I do not believe Canadians want their Prime Minister to have all the superficial presidential symbols, the flying wedges of mounties with the earphones, the motorcades, the official seal on the podium, the Hercules aircraft to carry the video equipment, the self-promoting embassy publications, and now the personal valet and maid on all foreign trips.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): It seems it would not do to have any wrinkles on the emperor's new clothes.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Through you, Mr. Speaker, I say to the Prime Minister, if you cannot tie one of those black ties I will send you a clip-on one. The Prime Minister hopes now that his political valet, Dalton Camp, will do the same for his policies that his personal valet does for his shirts. He now has one to press them and another one to stuff them.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I returned to public life for two reasons. The first was to help to rebuild a great national party.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): That is coming along just fine.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The other reason was to lead. I am trying to respond to a feeling which I think will be shared by all Members of the House. I know that it is shared by most Canadians, after having spent another summer on the road. The feeling is that as a nation, somehow, despite all the benefits and the great heritage, we have not reached our potential as a nation. We have inherited the most bountiful heritage on the face of the globe in terms of land, water and resources. We have a sense of space, a spirit of the frontier, two languages, many cultures, a respect for the rule of law and a flourishing parliamentary democracy. We have seen bravery in four wars. I believe we live in the freest country in the world. Yet despite that we have not reached our potential. Our children feel it; they sense it. They feel that when they get out of school or college they will not do as well in life as we have done. They also feel that somehow we have let them down.

• (1250)

The Throne Speech proves that the Government has no agenda. I want to share some of my beliefs with the House and with the country. We must stand up for our country. We must reassert our patriotism and we must reassert our sovereignty. Some of us may wince when we see an American stand up in the morning and salute his flag or when we see an American stand with his hand over his heart when the national anthem is sung, but I think we need a little of that in this country. We need to stand up for Canada, to say that we are proud to be Canadians, and to assert that sovereignty. Nowhere should we assert that sovereignty more than in the current trade negotiations with the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We must think smarter and work smarter. We must focus on education, training, retraining, and research. I am flattered that the Government has stolen the proposal which I made months ago for a conference on post-secondary education; it is a good idea. However, if it continues to cut funding at the rate it has been cutting it, there will not be anything to talk about. When those discussions come up with the provinces, we must negotiate national standards on post-secondary education with them. We must marshal a national campaign against illiteracy. I am pleased that the Government is at least giving lip service to a program which I mentioned months ago. But, where is the program?

We need a national apprenticeship program to train our young people on the job so that they will have skills for tomorrow. We need to redefine our unemployment insurance scheme so that we have room to train and retrain Canadian men and women who have been laid off their jobs because of technological advances. We must learn to encourage and to reward excellence.

[*Translation*]

Third, we must achieve true equality of opportunity in Canada. The last two federal budgets widened the gap between rich and poor instead of narrowing it. We must reform our tax system and make it fairer, simpler and more equitable. We must look at the concept of a guaranteed annual income, to help the neediest in this country live with dignity. We must

also make every effort to end the welfare cycle. We must fight discrimination in every form. We must restore the liberal policy of regional equality to ensure that all Canadians are given the same opportunities, wherever they may live in this country.

[*English*]

We need equal pay for work of equal value. We need affirmative action for women. We need a national child care program, not just further studies, as the Throne Speech indicates. I say to Ministers opposite: why do you not just get going? We have studies coming out of our ears; let us have a little action.

If we read the Throne Speech carefully, we find that they are backing down on pensions for women. We also need to become more competitive as a nation, concentrating on research and development, but also providing more harmony in the workplace. We need joint labour-management goals in terms of quality of work, profit sharing, and equality on the job. We need a more competitive economy. Competition is the best fuel of excellence.

Finally, we need to restore confidence and trust in Government and in our public institutions. We need to restore faith in the integrity of those we as Canadians elect to transact the public business of the country. I want to say to the Government and to the Prime Minister that people's trust has to be earned, that people's confidence has to be gained, not by improved rhetoric or flowery phrases in a speech, but by what we in every corner of the House do.

The Prime Minister is now asking for a second chance to show Canadians that he can be trusted. We are skeptical because the Government has violated that trust so blatantly and so brutally for the past two years. We are skeptical because this is a Government which has shown itself incapable of rising above pettiness and manipulation to confront the real issues we in Canada face. We are skeptical because we do not believe it has the competence to run the country as it should be run. It is for all those reasons that I should like to present an amendment to the Speech from the Throne.

Canadians have no confidence in the Government. Canadians have no confidence in the Prime Minister. Therefore I move, seconded by the Hon. Member for Windsor West (Mr. Gray), that the following be added to the Address:

> The House regrets, that at a time when 1,250,000 Canadians are looking for jobs; when the Canadian family farm is threatened; when the oil and gas industry is trying to hang on; when regional inequalities are being worsened by government inaction; when young people, elderly women and single mothers face extraordinary hardship; when average Canadians face huge tax increases while giant corporations get tax breaks; and when Canadians, from one end of the country to the other, are crying out for leadership and direction, the Government is trying to tackle the nation's problems with empty words and aimless rhetoric.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I find the amendment to be in order, and debate is now on the amendment. The Right Hon. Prime Minister (Mr. Mulroney).

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I noted that my friend, the Right Hon. Leader of the Opposition (Mr. Turner), had no substantial references in his speech to the plight, for example, of western farmers, but he had time to comment upon my clothes. The Leader of the Opposition made reference to the problems he was having with regard to the leadership of the Liberal Party. I just want to tell him that he can count on our unwavering support.

I want to commend you, Mr. Speaker, on your election. I could tell on that night when we all spent 10 hours or 11 hours here, that it would have a positive effect upon the mood of the House. As I was going around for one of the votes, I overheard a Conservative Member of Parliament say to another: "Do you spell Copps with a C or a K?" I think the Right Hon. Leader mentioned that he had the opportunity to vote for some Conservatives. Perhaps some Conservatives voted for others as well, and I think that was healthy.

• (1300)

[*Translation*]

Mr. Speaker, the Report of the Special Committee on the Reform of the House of Commons contains a quote that is particularly interesting, in fact there are several, but I am referring to the one that appears on page 11, in which Bill Blaikie, the Member for Winnipeg—Birds Hill, says the following:

> I think one of the reasons why a lot of people run for Parliament is that they feel they have something to say. I always thought that if I could just get to say these things in the House of Commons, that would be significant, it would matter . . . However, since I have come to Ottawa, everything I say is suspect, if it is listened to at all. So there is this incredible fustration. What ought to be the pinnacle of exchange of ideas is in fact the black hole in which nobody listens to anybody.

That was a statement by an Hon. Member from Manitoba, a cry from the heart that did not fall on deaf ears, and I had the privilege of designating a committee on parliamentary reform, chaired by the distinguished James McGrath, ably assisted by the Members for Papineau, Winnipeg—Birds Hill, Argenteuil—Papineau, Peace River, Prince Edwards—Hastings and Surrey—White Rock—North Delta (Messrs. Ouellet, Blaikie, Mrs. Bourgault, Messrs. Cooper, Ellis and Friesen).

Mr. Speaker, I believe that even if there are times, and we had that experience the other night . . . personally, when I was listening to the Members, specially the backbenchers who were all present and who resisted every temptation to quietly leave the House at one or two o'clock in the morning or to cut the procedure short—the fact is Hon. Members were anxious to affirm their sovereignty over this House. It was the Members of this House who exercised their authority as Members by

electing you, Mr. Speaker. To me it was a historic gesture and a wise reform that will serve Parliament and Canada well.

I was proud to be able to appoint this committee, and as Prime Minister, I endorsed all its recommendations. The new procedure whereby the Speaker is elected, the scrutiny of appointments by Governor in Council by the standing committees—here we have a major opportunity for the Opposition to question Government appointees. We have had appointments where the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) had the dignity, the great dignity to say that although perhaps partisan, the appointment was a very good one, in referring to Mrs. Windsor.

It was an opportunity to bring these people before the parliamentary committees, and to do so instead of making acrimonious statements in the House. We are using this new procedure to ask Canadian men and women to appear before the Members of this House.

I urge the Opposition and in fact all Members to make use of this instrument, which enhances the independence, powers, resources and responsibilities of the standing committees of the House. Private Members will have greater influence and independence as a result of these changes in the powers of committees and in the way private Members' Bills are dealt with, and also through opportunities for representations to the Board of Internal Economy.

This Government had made a commitment, in fact several . . . we are getting there, a basic commitment which may not be headline news, but it directly concerns the core and cornerstone of our democracy, namely the House of Commons, and as Prime Minister, I had the privilege of appointing this tripartite committee and endorsing each of its recommendations, and I think that perhaps not today, but in the years to come, when we look back . . . I think parliamentarians and Canadians will look at the McGrath Report and say: We had then a Prime Minister, a Government and a Parliament who were trying to improve our parliamentary system, and I think that is something to be proud of, Mr. Speaker!

[*English*]

It is true, Mr. Speaker, that two years ago we set objectives for national reconciliation, economic renewal, social justice and constructive internationalism. These are matters of great substance. If you are successful with regard to these, you conclude with a noble vision of Canada. It means you have done a job for Canadians. What could be more noble than those four principles that we set out? I will admit, Mr. Speaker, that in the minds of some it lacks the panache of a big society, a just society, a good society, a good deal, a fair deal or a big deal. But what this does is, it represents solid and substantial accomplishment for all Canadians.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My Right Hon. friend is quite right when he says that we ought to take a look at the record. I agree with him. We have never said that the record would be perfect. We never campaigned on a platform of perfection. The Liberals had that market cornered. All we said was that we would work hard in a serious, sustained way to try to improve the lot of all Canadians.

National reconciliation deals with federal-provincial relations. What have we done? We have annualized First Ministers Meetings; we have quarterly meetings on trade with provincial participation. For the first time the Secretary of State for External Affairs (Mr. Clark) arranged to have provincial representatives along with him in a federal delegation at the meetings of GATT in Uruguay.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As to historic ERDA agreements, over 100 have been signed. Four billion dollars has been put together in joint programs with federal and provincial governments; the Western, the Atlantic and the Nova Scotia Accords.

[*Translation*]

The final solution to the problem, the ultimate solution to the eternal problem of French-speaking people—and I come at the right time to say more about this—which problem has been disturbing Quebec and Canada for two decades because Quebec was told: You Quebec Francophones will heed only the guidelines laid down by Ottawa. We, the Government in Ottawa, will tell you what to do. As a result our relations with one of our mother countries, France, nearly broke up. The Government which I have the honour to lead with the Secretary of State for External Affairs (Mr. Clark) and others found a formula not only to solve the eternal problem of French-speaking people but to do so with every consideration for Canadian unity, and so we attended the first summit of French-speaking people and the second will take place here in Canada, in Quebec City.

[*English*]

Federal-provincial relations are very important, Mr. Speaker. In my judgment they are the laboratory of a federal state within which great things can happen; economic progress, social progress? Nothing can happen when the well is poisoned. Anyone who stands up here and tells you he has all the answers has a real problem. Anyone who tells you that he can run this country by issuing directives from 24 Sussex Drive has a very poor understanding of Canada. It is tough. It is difficult. The easy way is to issue directives. The easy way is to say it is going to be Ottawa's way and that is it. The tough way is to take the time to listen, to take the time to meet, to understand the regions and to respect their points of view. It lacks the panache. It lacks the headlines of the brutality of saying you are going to do it my way. It takes patience, it takes respect and it takes skill. That is what we are doing because it works and it is good for Canada.

Some Hon. Members: Hear, hear!

• (1310)

Mr. Mulroney: On his trading mission in Japan the other day, Premier Peterson of Ontario told prospective investors that we had created in Canada a new and positive working relationship. I want to tell Premier Peterson that I am grateful for his words and his support because that is important to building Canada. So, Mr. Speaker, we have made progress in the area of federal-provincial relations.

The next item we touched upon was economic renewal. These are facts. My right hon. friend can check them out if he disagrees with them. I think he would agree that today the bank rate is the lowest it has been in eight years. Interest rates are down significantly across the board from the prime rate to mortgage rates. Unemployment is at its lowest in five years. The deficit is down for the first time in six years. Program spending is down substantially for the first time in 40 years. Clearly, we are on track. Clearly we are going about it the right way. Perhaps it lacks some glamour and pizzazz but it is tough, hard, brutal work trying to put one's arms around government spending that was out of control, bringing it back—

Mr. Broadbent: Trying to put your arms around it?

Mr. Mulroney: I must say that when the Leader of the New Democratic Party (Mr. Broadbent) admitted the other night that his father was a Conservative, I was tempted to put my arms around him.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Now, Mr. Crosbie, is that legal?

Mr. Broadbent: You are supposed to ask Ray now.

[*Translation*]

Mr. Mulroney: Therefore, Mr. Speaker, contrary to what happened in other countries—and Canada ranks among the 24 leading industrial nations, those where the employment rate has been rising most rapidly—last year our economy grew at a rate which only Japan was able to surpass. I should think that this is a spectacular performance on the part of Canada. Our competitors are now beginning to realize that Canada is growing stronger still. I think that such a success does all Members of the House very proud.

[*English*]

I suppose that if one wants to get an idea of how we are doing, and if one does not want to listen to the Government or to the Opposition, then perhaps one should listen to our competitors, the people against whom we do business in a friendly way around the world. According to the 1986 report of the European Management Forum, Canada has moved in two years from eleventh to sixth place in improving our competitive position among the 24 leading industrialized nations.

Some Hon. Members: Hear, hear!

Mr. Mulroney: When the assessment involves attitudes to Government, political stability and general wellbeing, Canada jumped from thirteenth place a year ago to seventh today. In categories examining such things as research and development, so vital to the welfare of our children and their future, the possibilities of regional expansion—

[*Translation*]

For instance, in certain regions of Quebec where research and development are so important, as is our commitment to universities through federal-provincial co-operation, people are wondering how our competitors who also focus on research, development and productivity can be in a position to appreciate what we are doing. So there you are.

[*English*]

In the category examining such things as research and development and adaptability to future requirements, the ranking of our abilities to innovate and look forward, Canada climbed to ninth place from fourteenth two years ago and that is solid accomplishment for Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I do not know. Maybe I am wrong and maybe I will hear a less flattering impression from the Leader of the NDP, but who knows? He said he voted Conservative 11 times the other day. I was a little concerned because, as we found out in Pembina, with votes like that, with the NDP voting for us, when the Conservatives get a majority of 232, the NDP declare a moral victory and go home.

Mr. Riis: You lost 33,000.

Mr. Mulroney: I want to be careful.

Mr. Broadbent: Don't count on it. We will see you in two years there.

Mr. Mulroney: I do want to be careful.

Mr. Riis: Thirty-three thousand down the tube.

Mr. Mulroney: Was that someone from B.C.? Did I hear from a socialist from B.C.? I thought he would be out there helping the cause.

Mr. Riis: The way you helped in Pembina?

Mr. Mulroney: Where are they all, anyway, those NDP'ers? I think they are all knocking on doors out there in B.C. and, you know, that was a smart move. I think the boys need the help.

So this is how others see us and judge our performance, on vital, objective international standards. Clearly, as the OECD pointed out, and as the EMF pointed out, when we are judged according to international objective criteria, Canada is in a position of strength and is growing stronger.

Oh, yes, one thing about which some Hon. Members like to talk and regurgitate, with good reason, is the phrase: "jobs, jobs, jobs". We have created 560,000 of them since we came to office.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And no less important is the fact that— and this gives one an indication of the fundamental differences between the approaches—85 per cent of that record number of jobs are full-time jobs whereas, of the small number of jobs created by our predecessors, only 19 per cent were full-time jobs. That is the fundamental difference between the Conservative and the Liberal approaches.

Also important and consistent with our commitment is that, of the jobs that have been created, 318,000 jobs went to women. That too is important.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I will not waste much time with regard to comments made by the Leader of the NDP or the Leader of the Opposition, but I would just point out to those who will hear criticisms of us today and will hear predictions of gloom and doom and catastrophe around the corner, just remember that when we brought in our Budgets and economic statements, the Leader of the NDP said that in terms of jobs, the net effect of the change in programs the Prime Minister promised would unquestionably be a net loss during the next fiscal year of between 50,000 and 100,000 jobs. Wrong again, Mr. Leader of the NDP. We created jobs.

The Leader of the Opposition indicated that we would lose 125,000 jobs as a result of the Budget of May, 1985. Not only have we not lost 150,000 jobs, not only have we not lost 50,000 or 75,000 jobs, we have created in excess of 550,000 new jobs for Canada and that, I think, is good news for all Members of the House.

Some Hon. Members: Hear, hear!

• (1320)

[*Translation*]

Mr. Mulroney: With respect to social policy, I am referring to the social policy for our fellow Canadians and the quality of life in this country, well of course we are going to maintain our social programs which all of us consider as vested rights, the fruit of a social consensus, they are an integral part of the very fabric of our society.

Our programs can be improved and adapted to meet new requirements, of course. The problem, if we want to be reasonable and serious, still lies in the fact that we must find the money to finance these programs. It is not easy. If we print money, it has a direct impact on the debt and on inflation. If we make cut-backs, then we create social problems. If we borrow, our young Canadians will be burdened with a heavier debt to repay. This is a complex and formidable dilemma for any Government.

We are trying to proceed by widening our economic base and creating more jobs, creating enough jobs so that the number of contributors will increase at the same rate as the number of beneficiaries.

For one thing I can say, Mr. Speaker, is that post-war Canadian men and women who have built Canada as we know it today are entitled to enjoy peace of mind, and financial security, and enjoy it they will.

We also raised the issue of women during our election campaign, and I think that the Speech from the Throne highlights a whole series of challenging possibilities to promote justice at long last with respect to the status of women.

We had also indicated that we would quite simply double an element of a wide-ranging program in favour of women, that during our first mandate we would double the percentage of jobs held by women on boards, agencies and federal councils, including as I said later the positions of deputy ministers in the upper echelons of the Public Service of Canada. I can tell you that our objective to double such numbers has almost been reached, and we will be doing even more in the course of our mandate. Considering our performance, you will see that we have already done better than our predecessors in two years and we are well on our way to setting records in this vital sector.

[*English*]

In the area of social justice we are all trying to build a society which is more tolerant and more caring. There is important news on this. We know that in Canada important news does not always make it to the front pages. However, last year the average income of Canadian families increased in real terms for the first time since 1980 and the incidence of low income among families declined for the first time since 1980. That is not a miracle, but it is solid progress.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have tried as well to serve the men and women who have served our country so well—our veterans. I pay tribute to the Minister of Veterans Affairs (Mr. Hees) who does an outstanding job on their behalf.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Wait till you see him in this job in 10 or 15 years. He is getting better every day. Thanks to the Minister, pension applications are now being processed in half the time previously taken and the percentage of favourable decisions has doubled. Greater pension benefits are being extended to veterans and their spouses. Age limits for dependent children are being extended and educational assistance to eligible orphans has been increased. More generous financial arrangements for former prisoners of war have been made. The Aging Veterans Program has been expanded. An additional 18,000 veterans have become eligible for this program. May I say,

Mr. Speaker, that this is a tribute, not only to the Minister, but to his record of service to Canada in times of war as well.

Some Hon. Members: Hear, hear!

Mr. Mulroney: All widows and widowers aged 60 to 64 are now eligible to receive spouses allowance benefits. A program of older worker adjustment is being negotiated with the provinces. Those are a few items in regard to our commitment to social justice and a more caring society.

The fourth pillar, which is no less important given the value traditions of Canada, involved our commitment to constructive internationalism wherein we undertook to conduct Canadian foreign policy with respect for our valued traditions. The traditions of other Prime Ministers and other Secretaries of State for External Affairs who have served Canada have profiled the kind of nation that we are and we have tried to enhance that around the world.

For example, in the area of African relief in which the Secretary of State for External Affairs led in Canada and in the west with commitments that galvanized support—with the help of the media and others it is true, and I am honoured to say that—the response of Canada was tremendous. That is a salute and tribute to the leadership of the Secretary of State for External Affairs and that of Ambassador Lewis at the U.N. in the special U.N. session on Africa.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have strengthened our NATO contribution in Europe. We have accepted new peace-keeping responsibilities in the Sinai. We finally gained admission for Canada into the G-7 at Tokyo. Afterwards a famous Harvard professor observed in his *Toronto Star* column that "Canada won an important economic victory". He added that "establishing the G-7—may be the most constructive international economic development since Breton Woods in 1944". I want to thank Tom Axworthy for that.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In the family it was always known that Tom was a man of discernment and judgment. Spend more time with the kid. It will do you good.

On the question of leadership on South Africa, from Nassau to London, Canada played a vigorous and constructive role. Canada picked up from the leadership provided by the Right Hon. John Diefenbaker. We have continued to wage a struggle against the evil of apartheid. We have waged a struggle on behalf of all Canadians against racism, against the concept that if you are black you are inferior. This is fundamentally unacceptable to Canada and to Canadians and we shall persevere.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Our position, as set out by the Secretary of State for External Affairs here and at the United Nations, in London, in Nassau and around the world, is that we will be persuasive, principled, and victorious. This country never has and never shall accept the notion that an evil, rooted in a political concept, gains any legitimacy with the passage of time. On the contrary, we take the view that non-white South Africans have been abused for decades. This abuse and this corruption of the word "democracy" must come to an end, and Canada stands with all those who want to bring it to an urgent end.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: We want to play a more important role in international affairs. As we did in my view concerning the *Francophonie*, after developing with the Governments of Quebec and New-Brunswick and others a formula for allowing that major French component of our Canadian personality to finally express itself on the occasion of the first Summit of the *Francophonie*. We want to play a larger role in international affairs, but a role that is realistic, related to this country's rank in the world. We want to strengthen our links with international bodies in which in my view we play a significant role—the Commonwealth of Nations, the United Nations, to pursue the fight against apartheid. And within the *Francophonie*, we want to go on exercising our vital French-speaking dimension—in NATO, to honour our defence commitments, and in the OECD and the Economic Summit, to behave as loyal partners and to win acceptance for freer trade.

[*English*]

In the U.N.'s first committee on arms control a resolution of the importance of verification of disarmament agreements was adopted for the first time ever. It was a Canadian resolution. This month Canada will host an international symposium on improving techniques for verification of nuclear tests. The meetings which the Secretary of State for External Affairs has held around the world, the meetings which I have been privileged to attend with President Reagan, NATO leaders and Secretary Gorbachev, have been committed to the proposition that the greatest goal of this Parliament and any parliament in any jurisidiction must be the procurement of a durable peace. Our children and the children of the world insist that parliamentarians come up with nothing less.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is a brief summary of the record of a lot of hard work and a lot of effort for two years. It is not perfect. The facts are there and the Canadian people will judge. They will make their value judgments on how hard we have worked, how well we have tried and if we have succeeded. That is what it is all about.

In the next two, two and a half, three, four, five or six years, we will continue our work. Some urgent matters attract our attention absolutely immediately. For example, the problems affecting Canadian agriculture. I believe that no Government in recent history has been as sensitive to the needs of Canadian

agriculture. We know that our grain farmers have been hit with a double whammy—low international commodity prices and the unfair subsidies of other grain producing countries. The Government of Canada has doubled cash advances under the Advance Payments for Crops Act. We have amended the Western Grain Stabilization Act to allow for payments prior to spring seeding when farmers need it the most. We promised to cut farm fuel taxes and we did.

• (1330)

The Government knows that Canadian farmers expect Brian Mulroney and the Government of Canada to sell their grain and, by God, we are going to do it. That is why we were pleased to sign yesterday a five-year grain deal with the Soviet Union to sell 25 million tonnes of wheat and feed grains over the next five years. That is the answer to the problems of western Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Canadian grain farmers are hurting through no fault of their own. We always said that Canada is a country that would respect and reward productivity. Our Canadian agricultural community, through the devotion and hard work of our farmers has grown to become one of the most productive elements of our society, and is now being penalized through no fault of its own. They are not being rewarded for their productivity, they are being penalized. They are being hurt but have done nothing wrong.

There is a trade war going on in agricultural subsidies which we are in the process of helping to resolve. While that is for the long term, farmers need help and action now. I am pleased to announce today that we will be working closely over the next month with Premier Devine and other provincial Governments to devise an effective financial assistance program to enhance the cash flow of Canadian grain farmers. Initial estimates of the assistance required are that it will amount to approximately $1 billion.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The work of defining the dimensions of the problem has already started and will continue in the coming days and weeks. We will be working closely with provincial Governments and farm organizations to devise an appropriate assistance package.

Our Treasury is not deep or rich enough to compete with the subsidies being thrown at farmers in western Europe and the United States. That is exactly what is taking place. This point was made by the Secretary of State for External Affairs (Mr. Clark) in Tokyo, by the Minister of State for the Canadian Wheat Board (Mr. Mayer) in Cairns, Australia, and it is the point that we made in Vancouver and Edmonton the other day when we met with farm organizations. They know full well that this war will deplete both Treasuries and, if allowed to go unchecked, could devastate the notion of more liberalized trade around the world. This invidious way of undermining traditional markets and subsidizing farmers to produce something for which there is no market at a cost that no one can afford must stop. It is unacceptable. This is the problem that the Secretary of State is dealing with so effectively in the long term. We are operating on those two fronts and we will participate with others in bringing about an ultimate solution to this extremely complex and debilitating problem. In the short term, however, I am telling western farmers and farmers in general that they have made sacrifices, have done nothing wrong, and we will not allow them to pay the bill for a problem over which they have no control and which they did not create in the first place.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have also taken action in regard to western energy. In the last campaign we made some very specific commitments. I ask people to examine them objectively. We said that we would dismantle the National Energy Program, and we did. We said that we would remove the 25 per cent back-in, and we did. We said that we would abolish the PGRT, and we did. We said that we would defend western Canada's interest in energy, and we did. I am confident that because of this and the co-operation between the Government of Alberta, the Government of Canada, and the industry, it will come back and there will be a better and more promising day for energy in western Canada. Once again it will be the engine of growth that we know it can be.

We place great emphasis on family values and the institution of the family. The instruments that we have used range from legal reforms to tax measures designed to protect parents and children and provide income security. Our social policy agenda is to build on the system of social programs that have been developed in Canada.

[*Translation*]

Our Canadian family is the cornerstone of all decent social initiatives. The Canadian family will be defended in this Parliament by this Government, at all times and in all circumstances.

[*English*]

In a changing society, approaches to social issues must change along with it. With an increasing number of families in which both parents are working, it is only logical that we as parliamentarians must move on child care. With more threats to the fabric of our family life, it is the Government's duty to act in response. That is why we will be moving in this session against pornography, child abuse and drug abuse. I know that certain elegant eyebrows were raised when I referred to the drug problem as an epidemic. As the Edmonton police chief, Bob Lunney, stated, anyone who does not believe that there is a drug epidemic in his city "must be living on another planet".

I do not know what else to call it when we have a $10-billion-a-year illegal drug industry, when the total value of illegal drugs seized by Canada Customs in 1985 increased by 142 per cent over the previous year, when seizures of illegal

drugs in the first six months of 1986 exceeded the total value for all of 1985 by some $90 million, when the cocaine conviction rate doubled between 1980 and 1984, and when dangerous new drugs like crack are becoming prevalent in the United States and are now readily available in Canada. I do not care what some fancy Dans think, I am telling you that drugs are a problem in the workplace, in the schoolyards and on the street corners, and it is time that Canada recognized the gravity of this problem.

We will move in a number of areas, including education and enforcement. We must reduce both the supply and the demand. All of us in public life must provide the leadership, from the community level to the national level.

We are also confronting social challenges, including day care, battered women, drug abuse, missing children, child sexual abuse and pornography. I was dismayed to hear the Leader of the New Democratic Party suggest that there was nothing new, nothing of importance in the Throne Speech when, in fact, I believe I heard some other commentator say that if the Government is able to follow through and find the money for a number of these programs, the Government has put its finger clearly on the most debilitating problems confronting Canadian society, the Canadian family and Canadian women. The commentator states: "Bravo, if you can do this or do part of it, you will have done a great deal for Canada".

[*Translation*]

But there is still much to be done, Mr. Speaker, in other areas such as small businesses and entrepreneurship, science and technology—and I think there are more practical references to that in the Speech from the Throne—competitivity, deficit reduction, tax reform, international trade strategies, the Canada-US trade initiative, and regional developement.

[*English*]

We talked about Arctic sovereignty and regional development. The Government of Canada, on behalf of the people of Canada, very simply asserts complete sovereignty over the Canadian Arctic and will take the appropriate measures to ensure that we can implement that. We recognize that it is not easy. We recognize it is an enormous area, that sovereignty requires a visible, national presence. Canada will begin by constructing one of the most powerful ice-breakers in the world to enhance our sovereign rights and to contribute to the development of the North.

• (1340)

Other measures include more research on polar conditions, defence training exercises in the Arctic and the establishment of a national park.

[*Translation*]

In the area of regional development, federal Governments have for too long applied their policies as they pleased. The result has been lengthy delays, undue waiting periods, a mountain of frustration and probably many good opportunities wasted.

[*English*]

One way in which we can do this is to improve upon the decision-making process. The best way we can do this is to give more responsibility and authority to our officials who are working and living, for example, in the Atlantic area. We happened on a situation which I am sure my friend, the Leader of the Official Opposition (Mr. Turner), encountered when he was in the ministry. We put together a package with regard to the Atlantic Enterprise Fund a few months ago. A few weeks ago at Cabinet when I made my regular inquiry as to how it was going, how it was helping small business in the area, I was told—and these are the kinds of problems which have nothing to do with partisanship, but have to do with life—that a small businessman in Atlantic Canada who was seeking that kind of assistance to create jobs was told that he needed 14 signatures by 14 different levels of government before he could get the money to create a few jobs in Chatham, New Brunswick. That is what is killing regional development. We have to go to the regions and let the people in the regions begin to decide what is good for them.

What regional development has lacked, I think, is flexibility, accessibility and sufficient authority on the ground in the region to get the job done. To achieve that, our response in this area and elsewhere is the Atlantic Canada Opportunities Agency. I know there have been other agencies. I know there have been other tries. There has been a lot of money thrown at the problem. We acknowledge without partisanship that it has not worked. If money solved the problem, there would be no one unemployed. If the other agencies worked, there would be prosperity in the Atlantic Provinces. If traditional formulas had any benefit whatsoever, everybody would be at work. We just listened to the Member of Parliament for Restigouche (Mr. Girard) who is from a riding where 20 per cent or 25 per cent of the people are out of work and have no hope.

[*Translation*]

But there is no hope in Northern New Brunswick. However, it is not because of a lack of officials. It is not because of the programs themselves, of the financing or of dishonesty, but rather because people do not understand that the best results will come from the regions themselves in co-operation with the provinces, the municipalities and the various other groups in our society, and no true federal Government would say:

[*English*]

You are going to do it our way. The federal Government is now going to say: "Let us devise a way together. You take the lead. We will create the atmosphere and co-operate with you to create jobs".

I know that one of the most daunting challenges we still face as a nation is the issue of trade. It is daunting for us and daunting for the Leader of the Official Opposition who has the Hon. Member for Winnipeg—Forst Garry (Mr. Axworthy) as his trade critic. But it is important. Canada is a trading nation.

We export nearly 30 per cent of all we produce as compared with only 10 per cent for the U.S. and 15 per cent for Japan. We are the only major industrialized nation without secure access to an internal market of 100 million people. We are told we are going to lose our culture. That should be explained to Charles de Gaulle. Does one think that Charles de Gaulle

[*Translation*]

—the President of the Republic, the great defender of francophony and universal France—

[*English*]

—would have taken France into a common market, into a liberalized trading bloc, if he thought there was any doubt as to the defence of the French language and French traditions? I say it is nonsense. Canada's culture and dignity are strong enough to stand up in international trading blocs, create jobs at home and strengthen our culture and identity. We are not afraid to get out and try our best to compete with the best in the world. We know there is not a market big enough to provide the jobs we need.

The Government has managed to bring unemployment down since we have been here, but not enough. How are we going to do it? Trade is not a theory. Trade is not something that some professor goes on *The Journal* to talk about in abstract terms. Trade means jobs. Trade comes from investment, foreign and national investment. Trade enhances our productivity. It makes us more competitive. It strengthens us and gets us into new markets.

There is the diffusion of technology. It strengthens the cash flow of companies. There is a reinvestment factor which creates employment as well. Trade means jobs.

There is nothing exclusive about it. We are not talking about trade with the United States to the exclusion of trade around the world. On the contrary. The initiatives we have launched with Japan, with the Pacific Rim, with China, Korea and around the world, with the leadership, if I may say, provided by the Secretary of State for External Affairs at the GATT, indicates we are on two tracks, international, multilateral initatives at the GATT, where we hope further to liberalize international trade and create opportunities, and a new deal with our largest trading partner, the most dynamic and richest market in the world on our doorstep. We say we can make a good deal for Canada which will bring benefits to Canada and provide new opportunities for growth and jobs for Canadian youth.

Let the timorous and the fearful fret. Let them say that Canada cannot compete internationally. Let them talk about the protectionism they want here. "Protect us", they say, "we are not big enough. Protect us against *les méchants de l'extérieur*. Give us the protection. Build tariff walls". This is for the weak and for those who care not about Canada. I tell you, Mr. Speaker, that Canadians are competitive. Canadians are courageous. Canadians are daring, and I tell you, Mr. Speaker, that when the history of this day is written, it shall be recorded who the daring were, and the daring were those who had confidence in Canada and in themselves.

We are moving as well in the area of comprehensive tax reform. We want a system which is more equitable and comprehensible.

• (1350)

[*Translation*]

As regards the Constitution, we have begun preparation for a new round of discussions which could bring Quebec finally to sign our Constitution under completely acceptable conditions. We all agree that this is a serious gap in our national life and that the situation must be remedied. The Constitution is the supreme social contract of our nation; it is, in fact, the deal made by the Fathers of Confederation. We all have a responsibility, which I readily accept, to convince the Premiers to consider the claims of Quebec with understanding and flexibility.

We are not going, as I mentioned in my speech in Sept-Îles and as I have been saying continuously since then, to reopen everything, and the Quebec Premier is in complete agreement on this point. We must proceed with care and Senator Murray, federal Minister Murray, together with his counterpart Mr. Rémillard, is taking positive steps in this direction. Unless we feel there is a reasonable chance for all parties to carry out the negotiations to a successful conclusion, we will not reopen the constitutional debate. There is no doubt that Canada will have ultimately to find an acceptable formula for Quebec, for the Quebec of today. It is indeed a province with a difference. We have different roots, a different culture and the French language which is different... Thank goodness, it is a language which contributes to our Canadian identity.

All First Ministers who are now unavoidably involved in the constitutional game and negotiations should consider this new formula positively, with open-mindedness and generosity, because all Honourable Members would certainly agree that we have a strong, noble and even moral obligation to try and find a proper formula which would make it possible for Quebec to definitely return to the Canadian fold.

[*English*]

On behalf of all my colleagues in the Government and on behalf of our Party I say something that I suppose is obvious. We have never claimed in this Party or in this Government to have any monopoly on virtue or wisdom. I suppose that is clear. We came into office, as we said at the time, with our imperfections. We did not ask for a lifetime contract; and I suppose it is unlikely that we will receive one. However, we are striving day in and day out for a better Canada. We are the trustees of those things which our people hold dear, the aspirations of one generation for the next. Our Government's Speech from the Throne, like the legislation which the distinguished Deputy Prime Minister (Mr. Mazankowski) will set out before the House, has but one goal, that is, to build a

stronger, fairer, more united Canada to face the great challenges of the next century.

Our program for renewal is about change, about catching up for time lost, for rebuilding our economy, our regions, to boost competitiveness, productivity, technology and new market opportunities. The Government does not accept a second rate approach or a second rate Canada. Our record shows what we can do as Canadians—opening up the North, strengthening our regions, building our cities, and developing technology and communications for all Canadians.

Canada must continue to grow to be able to give comfort to those who need it. That is the nature of our citizenship. We do not turn people away; we give people help. Canada needs the kinds of new industries and new technologies which break the old patterns of regional disparities and social inequalities so that Atlantic Canada, northern Canada and western Canada have the same kinds of unrivalled economic possibilities that we now see in Ontario and other regions of the country. We are happy for that prosperity in central Canada.

I am concerned and convinced that we can do better by working together, management and workers, our scientists, our farmers, our forestry workers and our industries which are ready to meet the challenges which await us.

[*Translation*]

Mr. Speaker, I indicated and I say so without hesitation that we are not the sole and quiet possessors of the truth. We know that we can count on the most formidable resources: Canadians themselves. Together with them, we will build a country which is stronger, more united and just, more daring in its ideals and more dedicated in its efforts to achieve them.

[*English*]

As we build the new wealth the country requires we shall expand the hopes and dreams of our citizens for a new Canada. I speak of the health care system that protects us when we are sick, of the pensions that help us when we are old, of the social system that supports us in times of difficulty, of equalization payments that ensure that in Canada a disadvantaged region is never a second class region, of a commitment to women who deserve a fair shake and to new Canadians who arrive at our shores and who deserve nothing less.

As we proceed into the next century we seek, as I am sure do all Members of the House, advances in health care technology which hold the promise of controlling disease and easing the pain and suffering which afflict so many here and around the world. We seek the ability to begin the process to feed a hungry world and begin the eradication of poverty and racism from this planet. We seek a world united in its approach to space exploration and development. In our Speech from the Throne we indicated Canada's desire and willingness to play an even more comprehensive role in the peaceful pursuit of space. We seek a better quality of life, a cleaner environment, a renaissance of the arts and the learning. We seek an end to arms escalation, and we seek the pursuit of a more durable peace.

We are embarking upon a national endeavour to try to prepare this nation for the new world of the 21st century. It is an undertaking no less important and no less grand than the carving of this nation out of the wilderness and the bonding of it by a narrow strip of steel, the bringing in of western Canada, the building of the heart of Canada. Like any great undertaking it will require sacrifice, steadfast resolve and a clarity of purpose from us all.

As a former Prime Minister and a distinguished Member of this House, the Right Hon. John Diefenbaker, enunciated over 30 years ago:

> We have but one love, Canada; one purpose, its greatness; one aim, unity of Canada from the Atlantic to the Pacific.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, there have been discussions among the Leaders of the three Parties and I think you would find agreement to provide, as we have in the past, sufficient time for the Leader of the New Democratic Party to complete his speech, notwithstanding the understanding with respect to the length of speeches.

Mr. Speaker: The Hon. Member is suggesting that the speech of the Hon. Member for Oshawa (Mr. Broadbent) be allowed to continue beyond the normal time. Is there unanimous consent?

Some Hon. Members: Agreed.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to observe at the outset that I heard the Prime Minister (Mr. Mulroney) quote very early on in his remarks favourable comments about the performance of the Government of Canada, all of which originated outside of Canada. He then went on to quote none other than Tom Axworthy of *The Toronto Star*. I wish to say to the Prime Minister that the last time I heard only foreign sources quoted about a favourable performance of the Government of Canada and then heard Tom Axworthy quoted it was by Pierre Elliott Trudeau when he spoke just before the 1979 election. I am not sure that the direction of his thought is the most constructive for the longevity of his Government. However, I now wish to get on to the serious matter before us, which is the debate on the Speech from the Throne which we heard here in Ottawa two days ago.

• (1400)

Canadians heard, as indeed they did again today, the words "national reconciliation", "social justice", and "economic renewal". The Prime Minister not only used those words again in the House today, but he said that they were laudable in terms of establishing goals for Canada. I should like to say in terms of my Party that we as well think they are quite laudable goals. And if we did a survey on all streets in Canada, the people of Canada would agree.

[*Translation*]

If we talk about this with Francophones in the Province of Quebec or with people in British Columbia, they will all agree with the Canadian Government's objectives.

[*English*]

However, if one wants to look beyond general phrases which men and women of good will in all Parties can accept, one must look at the substance of the detail which is intended to flesh out such laudable goals. If one looks at the Throne Speech for the substance of details which concerns the ordinary person in the land, one finds things lacking.

I will come back to some favourable things I want to say about the Government in terms of foreign affairs, reconciliation, and its attitude in discussions with the provinces. Indeed I say to the Prime Minister in this context that I am on record as admitting that I was wrong in the past in my forecast about job creation. I say right now that the Government has not been all bad. However, if one looks at what most concerns the average person in the land, man or woman, senior citizen or young person, if one looks at the details intended to flesh out those general goals in the Throne Speech, one will find them remarkably deficient.

Let us look at the question of jobs. We find no commitment on specific levels of job fulfilment or unemployment reduction. We find no job targets. That is indicative of what the Government is all about. The deficit targets were repeated by the Minister of Finance (Mr. Wilson). We find deficit reduction targets but no targets in terms of reducing unemployment levels.

Let us look at the question of income and taxation. Just a moment ago the Prime Minister boasted that in 1985, for the first time in a number of years, real incomes had actually risen. However, he forgot to mention that net disposable income went down. Why did it go down? It was because the Conservative Government imposed some $1,300 in taxes on the average Canadian, the worst increase by any Government in modern history. This is why disposable income went down.

Let us look at the issue of women's equality, which is profoundly important to Canadians of our generation. What they are most notably pressing for, apart from affirmative action programs with teeth upon which the Government reneged, is a specific commitment to child care—day care services. We did not get a commitment in the Throne Speech to the kinds of minimum spending for which men and women and groups across the country have called. Once again we got a commitment simply to talk further about the possibility of establishing child care.

I come now to the question of farmers, particularly grain producers. In his speech the Prime Minister said something about the idea of a deficiency payment. I want the farming people of Canada, particularly those of western Canada, to note with care what the Prime Minister said. Grain producers in this land, second to none in the world, are facing intense competition with an American Treasury which is subsidizing American farmers and with European Treasuries which have been bailing out European farmers. They wanted a deficiency payment. They wanted a commitment. What did they get from the Prime Minister today? Did they get a commitment of an additional $1 billion in funding from the federal Government to go into a deficiency payment? Not at all. If we listen to the words with care, we find that we got another commitment to talk about the need to provide financial assistance to grain producers in the neighbourhood of $1 billion. Again it raises all the questions about the credibility of the Government. Is it new money? Is it to be coming in the form of loans? Is it to be coming in the form of existing programs? Is it to be cost shared with the other prairie Governments? All these questions must be asked. If the Government wanted to deliver, as the Government of Canada ought to want to deliver in terms of the agricultural crisis, the Prime Minister ought to have risen to his feet and said: "Here is the money. It is new federal funds and farmers will get it", not that it will be talked about.

We can now expect—and I will be very blunt in this—all through the coming days in the election which is taking place in the Province of Saskatchewan that the Government of Canada will negotiate. That is what it will do. It will negotiate. It will talk about its package. Maybe we will have some new money; maybe we will not. Maybe it will be loans; maybe it will not. Then, after the election is over, we will find out the truth. The people of Canada found out the truth about the Government and about how many promises it has broken in the past two years, and the people of Saskatchewan will not be taken in by this.

Mr. Hnatyshyn: Oh, oh!

Mr. Broadbent: The Minister of Justice (Mr. Hnatyshyn) is doing some heckling. I hope he returns to Saskatchewan on the weekend and explains what the Prime Minister has said. More concretely, I hope he goes back to Saskatchewan and says on behalf of the Government of Canada: "Here is the money, here is the cheque, made out by the federal Government". There should be no negotiations. He should say: "Here is the money"; that is what he should do.

Mr. Hnatyshyn: I will be there.

Mr. Broadbent: I will believe it when I see it. At this point I want to say, because I think it is appropriate in the Address in Reply to the Speech from the Throne, something about what we in our Party understand the people of Canada really want from their Governments. It seems to me that it is not too complex. I think the people of Canada, not unlike democracies elsewhere in the world, want honesty. They do not want miracles. They do not want false expectations provided by Parties of the left, right, or centre. They want some straightforward talk and some straightforward promises. Then they want the Government to live up to them. Also I think the people of Canada want—and they share this aspiration with people of other democratic lands—access on the basis of equality to all the means which a rich land such as ours has at

its disposal for them to develop their capacities and talents, for them to have a qualitatively rich life, and for them in their private pleasures or their co-operative endeavours to have a higher level of human existence.

I should like to refer to something which is key or fundamental to the notion of equality. Our young people, whether they be in Cape Breton or on Vancouver Island, in southern Ontario or anywhere else in the land, ought to believe that they have the same chance of fulfilling their aspirations as anyone else.

When we read a novel or a short story by Alice Munro, watch Wayne Gretzky, listen to Angela Hewitt, or see a new movie by Denys Arcand, we as Canadians are proud of the high level of creativity in our land. I have simply named four people in diverse fields who have achieved not only high Canadian standards but high standards in the world. Canadians are proud of such accomplishment. In this context I say particularly for those who have come of age since World War II, that what they expect is for all of us in this land to have equal opportunity to reach such high individual standards of performance. That is key.

Finally, I think what the people of Canada anywhere in our land want is fairness. They do not want a free trip. They do not want something for nothing. A distinct minority wants that, just as I think it is a distinct minority who is greedy. The average person simply wants fair treatment. He or she wants fair pay for a fair day's work. People want a fair chance to get ahead to be whatever, a good plumber, a good hockey player, a good violin player, a good novelist, whatever they can be on the basis of that broad and pretty understandable criterion of fairness. If we take these broad goals, Mr. Speaker—and I do not think they are nebulous because they are broad—I think that we should apply them to the Throne Speech. We should have a look at our nation and ask the question, where have we been going? Have we really made progress in the implementation of these kinds of values without miraculous expectations or have we been going in the opposite direction? I think that when you look in a hard way, without gloom and doom but without rose coloured glasses either, but look honestly at what has been happening, it is not encouraging of the notion of equality and the concept of fairness.

• (1410)

Let me digress just for a second. If you say that the real test of a government ought to be what it was while in the 19th century when democratic governments first came into being, what was talked about then was that the goal of a democratic government ought to be to maximize the wellbeing of what then was called the common man. We have made some improvements, thank God, since then. We no longer use the phrase "common man". We are more likely to say the average man, the average woman or the average family. Without doubt the goal of democracies has been to use power fairly. The appropriate goal has been to use political power not to preserve elites, not to extend special benefits for those who already have them, but to use political power to break up some of those unfair advantages, to change the law which gives an unfair distribution of power and income in society to make it possible for the ordinary person to realize himself or herself.

It is for this reason that one asks such basic questions of a Throne Speech. Is it more likely that a farmer is going to continue farming as a result of this? Is it more likely that a young couple starting out in this land of ours is going to be able to buy its own home? Is it more likely now than 10 years ago that the son or daughter of a cab driver is going to be able to afford to get to university? Is it more likely that the gap between the rich and the poor, not only between the rich and the poor but the growing gap between the rich and the average in Canada, is going to be reduced? I think that if you ask these questions, Mr. Speaker, in looking either at the performance of this Government over the past two years or at the specifics, more particularly the absence of specifics in the Throne Speech, I regret to say the answer to all of these questions is in the negative, that the cab driver's children are facing a situation totally different from that which existed when I graduated. They can hardly afford the fees to go to university. If they come out of university, not only are wages in the manufacturing sector 5 per cent lower now than they were a few years ago but it is almost impossible to get a job. Women, contrary to some of the mythology that a lot of well-meaning people believe, still have the lowest paid jobs. Regrettably, the tendency is getting worse not better. The gap, as I indicated a minute ago, has not been changed yet by this Government. It is not even committed to change in the Throne Speech. The gap between the rich and the average in the country, not to mention the gap between the rich and the poor, will widen and not narrow.

I say that any test of fairness about Government—what democratic government is all about, especially in this very rich land of ours—that comes up with this conclusion should cause a government to move quickly and profoundly in concrete detail to change this pattern. But the truth is that Canada is becoming not more fair but less fair. The truth is that this need not be the case. The truth is that we had better start going in the opposite direction, let me say to the Prime Minister.

I just want to spend a few minutes on each of these particulars, to minimize in this context, if you like, the rhetoric but to raise what I think are appropriate questions that ought to be raised at this point in our history, such as about jobs and wages, for example.

I have already indicated that the recent trends are not encouraging. Wages in manufacturing are going down not up in comparison with the past. Women continue to be overwhelmingly working in low paid jobs. But what about jobs in general, without making the distinction in some circumstances that we ought to be making between men and women, and we must always keep in mind the inequality that women are experiencing?

I always ask myself when I see this kind of Throne Speech or Budget brought down by Ministers of Finance in the past,

as I have seen in previous Liberal Throne Speeches and Budgets, why is it that this nation of ours at the federal level can set targets for inflation reduction, but not for unemployment reduction? We had a six and five program on wages and we set targets for deficit reduction. I will be polite; I do not know what kind of preoccupation the Minister of Finance has. We can set targets for deficits and for inflation, but we cannot set targets for jobs. If we can set targets for inflation and for deficit reduction, it is time in Canada that we set targets for reductions in unemployment levels and live up to them. I say that now, Mr. Speaker, particularly in the national context.

My home is the Province of Ontario. I grew up here, but I think that I now have a pretty good feeling for my nation as a whole. I have been relatively pleased that in the Province of Ontario, at least there has been economic growth, which is encouraging. But I noticed that there were 45,000 men and women lined up the other day trying to get jobs at an auto plant. Forty-five thousand in a line up. This is the 1980s, not the 1930s. If that is Ontario, think of the rest of Canada in recent years.

Think of Atlantic Canada which for so many years has been neglected economically. I know it is not easy to change that reality and I will come back to that point in a minute. I am just saying that the reality in Atlantic Canada is very bad for job opportunities. What about British Columbia our most western and most beautiful province? British Columbia took it for granted that among the top three in this land it was economically well off. Persistently now B.C. unemployment levels are the same as in Newfoundland. B.C. has been going downwards economically, and persistently so.

What do we get from this Government, Mr. Speaker? We get a new agency for Atlantic Canada. I even forget the name of it. It is a new bureaucratic structure. I do not knock bureaucratic structures as such. Bureaucrats if they do a job, do a good job. What I am saying here is that we have the name of a new agency whose job will be to provide jobs or organize for jobs in Atlantic Canada, but we did not get a penny of money committed to it. We are saying to the people of Atlantic Canada: "Here is a new agency, but do not ask us for any direct input or financial wherewithal to make it possible for more young people in Atlantic Canada to get jobs".

This attitude has to stop. We cannot just allow one part of Canada to continue to grow solidly while the rest sort of drift off as a result of unfortunate incidents in international market forces. A Government that cares has to intervene and do something about this. I say to the Prime Minister to put his fantasy of free trade behind him and make regional job strategy the number one priority in Canada.

Then there is the issue of income distribution and taxation. Anyone is naive if he or she argues at some time that there will be a complete equality in incomes. In other circumstances, I would be prepared to offer a moral argument as to why in fact that is not even desirable. However, what no one on either side of the House would contest is that the gap between the rich and the poor ought to be narrowing.

• (1420)

Because the rich are getting richer, we see interesting market trends. On the one hand, there are shops exclusively designed for people whose family income is around the $100,000 range. There has been a great growth in gadgetry, in the clothing industry and in very expensive automobiles on the one hand, and on the other hand, stores for the poorest of markets are developing. There are new markets at both ends of the extreme. This is commercial development that reflects the increasing polarization in the distribution of income. That, Mr. Speaker, is not desirable.

I could put it in quantitative terms. Some 20 years ago, the bottom 40 per cent of Canadians in terms of income distribution had only 16 per cent of the income and the top 40 per cent at that time had 65 per cent of the income. Now, 20 years later when surely to God we ought to have been making progress on this, we find out that the middle-income family has dropped back somewhat in terms of its share of the income, the top or richest Canadians have increased their share by 3 per cent, and of course the poor have less. I add right away that while this trend was going on in the last half a dozen years, it has been exacerbated in the past two years. Since the Conservatives have come to power, rather than reversing this increasing inequality in Canada, things have gotten worse because of very specific policies introduced by the Conservatives. I say to the Prime Minister that instead of worsening the situation and giving increased benefits to upper-income Canadians, it is time we stopped this drift to a more unfair society and made fairness the fundamental goal of Canadian politics.

[*Translation*]

Mr. Speaker, in the Speech from the Throne, the Government said it wanted to improve the revenue balance between personal income and other taxes. If we look at the figures, Mr. Speaker, we see that the two conservative budgets this Government has already given us have put a heavy burden on the average family, as I said before.

The average family with two children, for instance, will experience a considerable drop in non-taxable income within the next five years. A family with an income of $40,000 will lose almost $4,000 as a result of the fiscal policy of the Conservatives. A low-income family will lose more than $2,000. And meanwhile, Mr. Speaker, the incomes of the rich are increasing. We have here a perfect example of Conservative justice: the rich get richer and the poor get poorer. Mr. Speaker, my party and I cannot accept this Government's version of reality.

Mr. Speaker, what do the words: "improving the revenue balance" mean? They are in the Speech from the Throne. They don't mean that the average family's taxes will be reduced. They mean that the family will pay more by way of indirect taxes. That is what is happening. The Conservative Government, according to the Speech from the Throne, intends to reduce personal income tax, but at the same time, it is quite clear that this Government intends to increase all other

taxes for these same families. It isn't fair, Mr. Speaker, and it is not acceptable to our party.

[*English*]

If we leave the question of personal income tax aside, there is another important aspect of the equity of the tax system that Canada has ignored for so many years, and that is, corporate taxes. My Party has talked about this for the last couple of years and recently we have produced some documentation. Perhaps it is having some influence at least on the vocabulary of the Government, and perhaps because Ronald Reagan has started to do something along these lines in the United States, the Conservative Government just might be prepared to do something in terms of serious tax reform in this country.

In the last 20 years, corporations have been paying a smaller and smaller percentage of the income taxes coming to Ottawa and individuals have been paying more. Once again, if one looks at the effect of the two Budgets we have received from the Conservative Government, one will see that instead of reversing this trend, it has been exacerbated. For the first time in Canadian history, in just a couple of years with the present tax structure being in place, corporations will pay something like only 18 per cent of the tax burden while individual Canadians will have to pay some 82 per cent of it. That, Mr. Speaker, is not acceptable.

I ask you, Mr. Speaker, to consider the matter in this context. I say to my honourable Conservative and Liberal friends in the House that they should consider the implications of the document produced by two of my colleagues a week ago. This document was based on Statistics Canada information and showed the following: 79,000 profitable Canadian companies are paying no income tax. I emphasize that. If a company is not making a profit, no one objects to its not paying taxes. Of course not. However, men and women who will be following this debate and who pay their taxes are more than a little curious to discover that there are 79,000 profitable companies that are not paying any taxes. Beyond that, they will discover that 64 of these companies had profits in excess of $25 million and did not pay a penny in tax.

There are a whole number of such corporations. The Power Corporation had profits of $152 million. The Argus Corporation had profits of $52 million. It paid no taxes. The Royal Bank has done very well. Profits to the Royal Bank just a couple of years ago were $358 million and it did not pay any tax. Not only that but it actually threw another loophole into the tax system and received revenue from the federal Government. The Royal Bank did not do badly. However, I do not want to make a joke of this because it is not a joke. It is not a joke at all.

Poor people are paying, average people are paying, pensioners are paying, fishermen are paying and auto workers are paying taxes. A bank clerk who works at the Royal Bank pays more taxes than the Royal Bank itself. That has to change, Mr. Speaker.

Again there is no commitment. This is what I am addressing myself to. In the Throne Speech, all we got was a commitment to change the distribution of tax benefits for individuals. I have not the slightest doubt that we are moving toward a form of value-added tax in the business sector, a tax that will be passed on to individuals, so the net effect of tax changes in Canada will not be that the average Canadian is going to pay less but that the average Canadian will pay at least the same amount or more. We think it is time the Government said that the average family should be paying less taxes and the Government made sure that that happens.

I want now to turn to the issue of equality between the sexes. I am not going to rattle off a whole lot of very specific items that I think ought to have been in the Throne Speech. However, as I mentioned earlier, there is one item which has immense symbolic significance because of what it says about the future direction of the Government and the future direction of social policy, that is, the child care issue.

● (1430)

If one goes across this land and looks at families of varying income levels and looks at studies that have been done about how so many children in our land are being left with inadequate care while both parents work to bring home income, it becomes very clear that we need a national child care program with lots of flexibility to meet the varying needs of various families.

The Government has so often moved close to making a commitment but again has not done so in the Throne Speech. It has committed itself to continuing discussions about the possibility of establishing a day care or child care program. The people who have come together in a national association to advocate a child care program have advocated the most minimal kind of spending. They asked for $320 million as a commitment in principle to this by the Government. That works out to approximately $68 per child in Canada. It is time for the Government to stop talking about child care and start delivering the goods by making a commitment to that kind of spending.

[*Translation*]

Mr. Speaker, Canadian men and women want the Government to be honest and equitable. That is clear. They want a government that will meet its commitments and not waste public funds. The Prime Minister promised as much during the election campaign two years ago. I agreed with him at the time. It was necessary to get rid of Liberal practices. And he promised as much two years ago. However, the Conservative Government continues to take action which casts doubts on its integrity in this matter.

The Government has decided to relocate the site of a prison from Drummondville to Port-Cartier, in the Prime Minister's riding. That was a bad decision, Mr. Speaker. This kind of practice must stop. Instead of eliminating wasteful spending and increasing the efficiency of the public service, such a decision results in needless expenditures and raises some doubt

about the honesty of this Government. It means that the taxpayers' money will continue to be wasted. It will cost $16 million more. This decision goes against the advice and the work of the officials who have been involved in this matter for some time. It is completely unacceptable, Mr. Speaker!

[*English*]

I want to turn briefly to international affairs. I think I have been appropriately critical in terms of the domestic policy of the Government. However, in terms of international affairs the Government has done many constructive things. With regard to the Prime Minister's attitude toward South Africa, I have not the slightest doubt about the depth and sincerity of his conviction expressed once again here today and about how much he loathes the institution and practice of apartheid. I heard from sources other than the Conservative Party about his performance at the Commonwealth Leaders' Conference. I heard nothing but praise for the tough-minded in-fighting which our Prime Minister did at that meeting on behalf of the people of Canada. I want to thank the Prime Minister for that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In the same context, when the Prime Minister was recently in British Columbia I was there at the same time. I was not in the same room, but I saw a report of the speech which he gave on the situation in Central America. The sentiments, values and goals expressed in that speech about the position of the Government of Canada are the goals, principles, and attitudes which my Party and I am sure the people of Canada endorse as well. I will add one specification to that, however. It seems to me that it is very important to recognize the importance of the Contadora process as the Government has done. The Government has repeated that, and I am sure it is totally sincere. However, to put it bluntly, and I regret this profoundly, the Americans are breaking international law no less seriously than the Soviet Union did in Afghanistan.

In terms of the World Court decision, we must go further. In terms of our role in this hemisphere, we cannot stand back and watch a very small nation like Nicaragua brutally assaulted by the present American administration. Whatever one thinks about the priorities of Nicaragua, they are their priorities and they have a right to establish them. I am pleased to see that surveys in the United States show that most of the American people do not support that kind of activity by their own Government.

I make a special appeal to the Prime Minister, who has spoken well on this issue. Having given support to the Contadora process I now urge the Government to follow the lead of the Governments of France and Sweden and embrace in principle the Contadora Treaty, which is an important extension of supporting the process of Contadora. In so doing we will make it increasingly clear through public statements that what the United States is doing is offensive to the belief of Canadians with regard to the imposition of the will of superpowers on others as well as being offensive to the whole notion of international law.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I was pleased to hear the Prime Minister reassert today his concern about disarmament, particularly nuclear disarmament. I share the view that Canadian politicians of our generation should be doing all we can in this world to leave behind us a world in which kids, wherever they may be living, do not have the threat of a nuclear holocaust hanging over them. Our generation of politicians, whether American, Russian, Swedish, Australian or whatever, have a deep obligation to rid this planet of nuclear weapons.

In this context I want to ask the Prime Minister and the Secretary of State for External Affairs (Mr. Clark) to consider most seriously the report made last June by the special joint House-Senate committee which urged the Government of Canada to support the moratorium on nuclear testing. That would be a concrete move fully consistent with what the Government has said in the past and fully consistent with the values the Prime Minister expressed in the House today. I urge the Government of Canada to take this other step forward so that one day our world will be without nuclear weapons.

• (1440)

[*Translation*]

Mr. Speaker, I would like to conclude by saying that, as all Canadians are well aware, ours is one of the greatest countries in the world. However, it is possible to make our country more equitable and it is our responsibility to do so. We know what should be done. Let us do it!

[*English*]

I would like to move the following amendment to the motion moved by the Leader of the Opposition (Mr. Turner):

That the amendment be amended by adding the following words:

"and specifically that this House condemns the Government for failing to indicate its intentions with respect to,

1. protecting the interests of Canadian workers in bilateral trade negotiations with the United States, particularly in the forest industry;

2. positive initiatives to encourage economic growth, improve employment prospects and provide for greater fairness for Canadians in those economically depressed areas of Canada; and

3. improving the accessibility of affordable day care for all Canadian working parents.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is Friday afternoon and you and I, as experienced Members of the House of Commons, are well aware of the tranquility of Friday afternoon in the House of Commons. A quotation which comes to mind is: "the tumult and the shouting dies, the captains and the kings depart".

I am very pleased to participate this early on Friday afternoon and want to compliment the mover and seconder of the reply to the Speech from the Throne. The Hon. Member for

Capilano (Mrs. Collins) and the Hon. Member for Restigouche (Mr. Girard) indicated the very great depth of talent that the Government has in the House. I do not recall in many Speeches from the Throne ever hearing two of the calibre that we were pleased to hear yesterday.

I also want to compliment you, Mr. Speaker, on your electoral success of the other night. I believe that some provinces can hold provincial elections faster than we were able to proceed, but the results justify the length of time that was taken. I am sure that you assume your heavy duties with the best wishes of everyone in the House.

I am pleased to participate in this debate as our Government embarks on the second half of its term. It is a time when our policies are well into the implementation phase. The economic and social indicators are sending back positive signs, as well as identifying which matters need further adjustment.

The people of my riding of Victoria have sent me to Parliament five times over the last 14 years. I believe that this is because my interests and views coincide very closely to the needs and views of my constituents. A large number of people of Victoria are senior citizens—I believe about 22,500. Others are retired individuals, both civilian and military. Many of them are from other parts of western Canada.

The diversity of those in the working age group in Victoria always astonishes me. However, it reflects the basic fabric of Canadians everywhere. Much of my time and effort in Parliament has been directed toward ensuring that the social benefits of the retired population are enhanced to the extent possible and are safeguarded. I have been fortunate to have made some contributions in the areas of pensions and veterans' legislation through debate, through representation, and through a Private Members' Bill. Among my constituents, those who are retired as well as those who are still in the workforce, are many who are or have been involved in the military. I count myself in this group, having served in the Armed Forces for a considerable time. Consequently, I have always had a keen interest in our forces and in the Department of National Defence and the Government's priorities in this area, which I will expand upon later.

Every Member of Parliament must be concerned about the economic health of his or her riding and will therefore keep a watchful eye on any measures taken by the Government which affect the constituency's ability to create or sustain employment.

Victoria has had some difficult times since I have been a Member. The rate of growth of the area reflects this because, despite the benign climate, the finest in Canada, and the seaside location, the growth rate of Victoria's population in the past 15 years has been only 1.25 per cent compared with Canada's growth rate of around 14 per cent. Unemployment is very high in Victoria, at 13.3 per cent, which is above the provincial average, which is also far too high. The slow growth indicator signals a need for more employment opportunities in Victoria. I have given a high priority to assisting the riding in that respect.

One of the problems we are facing in the direction that our future growth should take is the choice of industries that we wish to have in a city such as Victoria. We are severely disadvantaged in attempting to have any heavy industry on an island on the West Coast. The freight rates for finished products from the East and the industrialized part of eastern Canada to the West Coast are much cheaper than the freight rate from western Canada to eastern Canada for the same products. This places us at a real disadvantage. Furthermore, the shipment of heavy goods to Vancouver and the subsequent shipment to Victoria by water vessels only increases our difficulties.

That leaves us with some industries that are well suited to Victoria. Tourism is probably our best asset at the present time. Educational institutions are gradually growing and developing in Victoria, and we are becoming known for the high quality of educational institutions in our city. High technology is another area on which we can concentrate because high technology generally does not require heavy equipment and expensive freight rates.

Finally, the provincial Government is located there and we seem to have a plethora of municipal Governments. There is a continuing debate as to whether or not we should consolidate them. We have many government workers there, and I was amazed at the size of the federal contribution to government workers in Victoria, particularly when one includes Esquimalt and the naval base. It makes for a substantial payroll, which is of considerable help in our province.

In the area of tourism, we were fortunate to receive a grant from the Department of Regional Industrial Expansion, which represented a keystone for our convention centre which, believe it or not, was first considered as a project in Victoria some 80 years ago. Eventually, everyone within a considerable distance of the site of that convention centre were able to agree that it should be built. This included four municipalities which gave up their rights to grants that were being allocated by the provincial Government as an offset for Vancouver getting Expo 86, which has been so successful. However, talking four municipal Governments into giving up grants for the benefit of one municipal Government indicates the depth of co-operation that existed. One incredible gentleman, Alderman Frank Carson, spearheaded it all with the co-operation of all the municipal councils and the provincial Government. The first of the earth has been turned and we expect to have the convention centre finished sometime in 1988. We feel certain that this will be a great help to our employment problems.

• (1450)

There has been a very co-operative attitude on the part of the federal Government, not only with respect to the convention centre but with respect to other incidents with which I am sure all Hon. Members are familiar. In Victoria the Victoria Machinery Depot, which has been in business for over 100

years, got caught in the draft when the research tax credit scam was on, and ended up being bought by someone who over-mortgaged it, with the resulting collapse of the company. Through the good offices of everyone we could co-opt but, most particularly, the then Minister of Transport, now the Deputy Prime Minister (Mr. Mazankowski), we were able to work out a deal whereby the employees took over the firm. Now the company has started up again and is on its way to its former greatness. We all wish it well.

I would like to speak about another project in the Victoria neighbourhood which is so ably represented by my distinguished colleague, the Hon. Member for Esquimalt—Saanich (Mr. Crofton). The graving dock, which is located at the Victoria naval yard in Esquimalt, has been there for decades and decades and is a great centre of employment. However, for some strange reason, in the last year it was decided that the Polish fishing fleet should have the servicing of its ships transferred to Vancouver where there would be less of a security risk. This facility's workload was dramatically decreased and studies by the Department of Public Works indicated the facility should be sold off or closed down with the resultant loss of several hundred jobs. Representations were made, and I am pleased to say the Minister of Public Works (Mr. McInnes) has said that it is not contemplated that the facility would be closed down in the foreseeable future. It is to stay open, and I hope some day that we will be able to rethink the question of whether it is dangerous for us to service the Polish fishing fleet that close to the Navy yard. Perhaps, then, we will once again service these customers whom we have already serviced for over nine years.

I would like to speak about our defence problems and achievements, as I see them. First, I would like to state that I am very pleased with the new Minister of National Defence (Mr. Beatty) who was appointed this summer. I know him well. He has been a Member of this House the same length of time I have in spite of the considerable difference in age. He has a very fast brain and another characteristic, which is much rarer than a good brain around here, that is, he has a lot of common sense. I look forward to some very good years for the Department under this new Minister of National Defence.

I have been concerned that Canada's defence is all it could be with the resources available. We must always try to see that the resources for that Department are spent as efficiently as possible. The Department has suffered from money malnutrition for a very long time. In the 1970s, a number of factors led to the downgrading in priority of defence, and the result was a steady reduction in the number of Armed Forces personnel, severe deterioration of equipment and demoralization of personnel, both civilian and military. Real defence spending was also hampered by the ever-increasing inflation rates of the time. Constant questioning of these issues elicited little positive response from the various Ministers of Defence or from the then Prime Minister.

Major programs were delayed year after year as resources dwindled. Our Government, with a higher priority for defence, has done considerably better, although the available resources have not increased as anticipated due to financial constraints imposed by a deficit not of our making.

The Government has adjusted its previous commitment of 6 per cent real growth in the defence budget to a more realistic 2 per cent for the next few years. While this will no doubt create some hardship for realizing programs, I have confidence they will be implemented, if over a longer time frame. A review of the 1986-87 defence Main Estimates reveals that over 40 additional major capital projects have been identified since the previous year's Estimates. Yet, strangely enough, this did not include the one project which has received most public attention, namely, the low level air defence, or LLAD, as it is more commonly known. It would provide sorely needed weapons systems to protect air bases and deliver area air defence. At the present time, our bases overseas are vulnerable to attack, having only inadequate and ancient guns which are really left-overs from World War II. The LLAD program is a fine example of two aspects of defence policy which will benefit all Canadians, industrial benefits or offsets and high technology development.

With this program, along with the frigate program, Canada has acquired new industries which have created jobs all across Canada. A new system, the ADATS, Air Defence Antitank System, will be manufactured in Canada, which gives us an opportunity to supply this system to other countries which choose to purchase it for their own defence operations. If offsets are involved when procurement is done offshore, the companies involved must present a package of proposals which would ensure that an equivalent amount of money spent on the equipment will accrue to Canada by putting money back into Canada's economy through the manufacture of goods here, or the provision of other economic benefits.

The size and location of Canada adds many complexities to the formulation of defence policies. Besides our domestic defence priorities, including sovereignty protection, we are members of the North Atlantic Treaty Organization, NATO, and with the United States, we participate in North American aero-space defence, NORAD. At a time when many Canadians had ceased to consider that sovereignty over our own land, waters and air space was an issue, that sovereignty was brought into question by the use of the Arctic passage by the American ship *Polar Sea* in the summer of 1985. That incident brought to the fore the continuing need to ensure that our rights to this area of Canada remain firm and that further use of the passage would require prior consultation and approval of the Canadian Government.

The Department of National Defence has increased overflights of the Arctic, and we now have a firm commitment that we will build a powerful ice-breaker to patrol Arctic waters. It is not yet clear which Department will provide the resources for this costly ice-breaker or whether the Department of National Defence will task it adequately. However, the need for such a vessel is unquestioned. I would only add my plea on behalf of my province, together with a reminder of an

earlier Government's promise in June of 1983, that an ice-breaker would be sent out for West Coast tendering only. The West Coast shipyards have not had an opportunity to participate in a major shipbuilding project emanating from government for many years. I hope this fact will be kept in mind when proposals for an ice-breaker are before the Cabinet for evaluation. The crisis in the shipbuilding industry is a real one but the country would be poorly served if all the expertise and economic benefits such an industry brings were to be concentrated in one area.

I would like to compliment my colleague, the Hon. Member for Capilano, for her splendid campaign to ensure that everyone in this Parliament understands that the West Coast needs and deserves the Polar 8 contract.

Since the election we have increased our troops in Europe. One of the first activities of the Government was to send 1,200 additional troops to Europe in compliance with an agreement made during the campaign. The CAST exercises have taken place. CAST, the Canadian Air Sea Transportable group, is scheduled to go to Norway if there is an emergency. I point out that this has been the subject of a great deal of puzzlement and worry on the part of serious strategists. They do not know whether we can deploy Canadian forces to Norway in a crisis, whether it would be possible or practical, or whether it might even be destabilizing. The practical aspects were certainly considered by former Defence Ministers. In an article in *The Citizen* in October, 1977, Jo Anne Gosselin, quoted the Hon. Barney Danson who said:

• (1500)

He did not want Canadian troops left in an exposed position that is not reinforcible or supportable.

She went on:

The time lapse involved in moving Canadians into position and ensuring their ongoing support was, in his estimation, neither satisfactorily defined nor militarily practical.

I feel that it is time that Canada admitted that there is a question here. I for one am glad that we now have the experience of this recent exercise, Brave Lion, to help in coming to the proper solution. It should have been undertaken ten years ago. We shall now want to examine the lessons learned. This examination should take place before the Standing Committee on National Defence as soon as possible.

There are four items about which the standing committee will want to inquire. The first is whether or not the commitment is viable. The second is whether in this real world there are any specific situations that would automatically require this commitment to be undertaken. Third, did the exercise indicate that Canada could reinforce and resupply the CAST force and the brigade at Lahr, Germany at the same time? Fourth, was there any indication that the movement of CAST to Norway in a crisis might of itself be destabilizing?

I can tell Hon. Members from personal knowledge that in 1979 there was a very uncertain situation obtaining in the world. The U.S.S.R. had moved into Afghanistan. Iran was in revolt and the Shah had fled. With few exceptions the Americans in Iran were being held hostage. Many people were wondering if, indeed, the U.S.S.R. might be moving down toward the warm water ports which it had envied for ever so long. Surely, in a crisis such as that it would think that that would have been the time to start talking about when we should move our CAST forces to Norway. The truth of the matter is that it took us all of ten seconds to determine that that would be the most destabilizing action that Canada could possibly take in a situation such as that. The rest of the world looks to Canada for sober and intelligent judgments, not to destabilizing situations.

I wish the Minister well. I look forward to seeing him, his colleagues and his senior officers in front of the standing committee as soon as possible. I must say that if anyone can carry out the CAST operation, Canadians can.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, as always, I listened with great interest and attentiveness to the Hon. Member for Victoria (Mr. McKinnon). I have the greatest respect for him and for his knowledge, particularly with respect to defence matters. I have been aware for some time of his great experience and expertise regarding that time dating back to the Second World War. I was interested in his comments with respect to the area of defence and, in particular, two aspects of it.

The first aspect related to the Canadian commitment to NATO in Europe, both in continental Europe and in Norway. There has been a good deal of discussion of late concerning the possibility of a revision to our NATO commitment which would transfer those troops and the Air Force arm of them out of Europe altogether. I refer not just to those in the Norwegian commitment but to our whole commitment to NATO in terms of maintaining forces in Europe under NATO and to shift that, perhaps, in the direction to which the Hon. Member referred.

He referred to our Arctic and to our North and the maintenance of our own sovereignty and perhaps the defence of it in the Arctic and northern regions. The Hon. Member may want to leave this question with the standing committee. However, does he have any views which he would like to put forward this afternoon which might enlighten us with respect to changing our NATO commitment in such a way that we might shift our focus from Europe to our northern Arctic?

The second area in which I am interested has to do with the North and the Arctic. It deals with the recent suggestions of two recently retired generals of our forces that the location of the proposed northern warning system is wrong. They have said that, in fact, we should station the northern warning system bases farther north on the Arctic islands rather than along the continental shore of North America. They have said that in that way we would have an earlier warning. If enemy

forces were intercepted in the North, they would be intercepted not over northern Canada but in the Arctic archipelago. Will the Hon. Member give us the value of his experience and views on these two matters?

Mr. McKinnon: Mr. Speaker, at one stage of the Hon. Member's remarks he asked whether or not the standing committee should take up this matter. That was very well put. However, I would like to comment on that point. One of the great things about the reform of Parliament is that under able leadership standing committees are able to decide for themselves what they will investigate and on what they will make reports. As soon as the appointment is official I will be in touch with the Chairman of that standing committee. I do not expect to have to go too far to find him.

The question with respect to whether we should have the Air Force and the Army both in Europe has been around for years. This is compounded by the CAST obligation to go to Norway and whether or not it will detract from our ability to reinforce our troops at Lahr. I think this matter should be the subject of an intensive study to determine just what are our options. We managed CAST. It drew its guidelines and went at the appointed time. However, it was peacetime. There was a year of warning. It could not be said officially whether anything took place until a certain date. However, the force did not have to be resupplied and reinforced. This raises the question of whether or not we will take our best trained troops and send them all overseas at the start, leaving no way to train the troops that will need to be trained. Some people may consider this a 40-year-old dogma with respect to training reinforcements. Some people may say that that day is over, and they may be right. However, we have two different scenarios to consider. The first is with respect to conventional war, and the other is with respect to nuclear war. Today, I have only considered conventional war.

As far as the retired generals are concerned, I know one of them quite well, General Beattie, who is a very thoughtful person. He has a very good record in terms of being the type of general to whom attention should be paid. He makes the simple point that if we were to mount the early warning line along the edge of the archipelago, we would be in a much better position. He does not emphasize the cost with respect to this proposal, which would be considerably higher than what was actually proposed. That is another subject on which I do not think people who just read newspapers should express too many opinions.

• (1510)

Mr. Riis: Mr. Speaker, I have two questions for the Hon. Member for Victoria (Mr. McKinnon). As usual, I enjoyed his interesting and thoughtful presentation to the House. I appreciated many of the points which he made. However, I guess my two questions are directed to him more as a Member of Parliament from British Columbia. Like the rest of us, I am sure he shares in the many concerns of that province in terms of difficult economic times.

One point on which he did not elaborate very much in his Address in Reply to the Speech from the Throne was the pending decision to construct the Polar 8 ice-breaker. I know his colleagues in his Party, like all of us from British Columbia, have been lobbying in whatever way possible to encourage the federal Government to consider the hard-pressed shipyards on the West Coast and therefore to give consideration to their bid in the issuance of this contract. I would like to ask the Hon. Member about his views on the chances of this contract being approved so that we will see the construction of at least the major part of the Polar 8 ice-breaker being done in West Coast shipyards.

Also, while he is on his feet, I wonder whether he could respond to something which I am sure concerns us all in terms of identifying and understanding the sequence of events. The Minister for International Trade (Miss Carney) was required to make an offer to the United States forest industry in an effort to head off what appeared to be a pending decision which would go against Canada. My question to the Hon. Member would be: What precipitated this process and the calling of this eleventh hour meeting or this eleventh hour overture? From what I have read and from what I understand, it was the public musings of the Premier of British Columbia a few weeks ago, saying that it was time that we re-evaluated our stumpage fees in British Columbia. In my estimation this in a sense pushed the IWA and the forestry industry to have to agree with the Premier, which in turn led to the federal Government having to make this last minute overture. I would appreciate the Hon. Member's thoughtful views on that question as well.

Mr. McKinnon: Mr. Speaker, I find the second question to be rather unusual, coming from my distinguished friend and colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis). I should like to compliment him upon his new position in the NDP. I am sure that he will carry out his functions with an ability which we have become quite accustomed to expecting from him.

However, my understanding of the rules is that a question should be about my speech, not about the Speech from the Throne. I do not recall having become embroiled in the ongoing discussion of this matter between the Minister for International Trade (Miss Carney) and people from the Hon. Member's Party. I recall that some two or three months ago, Mr. Munro, known in union circles on the West Coast, came out with the same idea about stumpage fees needing to be increased.

Turning to the Polar 8 about which I spoke, I am sure that we share the same hope that the work will come to the West Coast. If I might boast a bit, in answer to one of my questions in the House in 1983 about contracts for six frigates all going to the St. Lawrence Valley and the East Coast and nothing going to the West Coast, the then Minister of Supply and Services promised that the Polar 8 would be tendered on the West Coast only. I think that was one of the strongest arguments we had in favour of it. It is our turn and we deserve it.

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to express my congratulations to the new Speaker. Certainly his election the other night was a unique occasion for all of us in the House. I compliment him on that achievement. His experience, know-how and goodwill were instrumental in his elevation to that position. I must say that all Hon. Members who participated, including the Deputy Chairman of Committees of the Whole House, played a very active role in choosing a new Speaker. I hope the House will operate very well under this system. Whenever the time comes to fine-tune the system, I am sure we will have a mechanism in place to reduce the 11 hours to something less.

As well, I should like to congratulate the mover and the seconder. Although the Hon. Member for Capilano (Mrs. Collins) represents a B.C. riding now, she used to live in Sudbury in northern Ontario. She and the Hon. Member for Restigouche (Mr. Girard) made excellent speeches in the House of Commons.

The Throne Speech of Wednesday afternoon clearly lacks any indication of what the Government wants for the country. It seems to demonstrate the Government's focus on short-term political problems rather than contain any clear vision or direction for the country. This week we read in the newspapers that the Speech from the Throne was based upon polls. I suppose we can give Allan Gregg and Dalton Camp some of the credit for writing the Throne Speech. It seems that that is what is wrong with it. It covers all bases. It has a little bit for everybody but no specific commitments with regard to funding. At least it mentions a pot-pourri of items. It referred to the establishment of councils, national conferences, and consultation, without spelling out the exact action the Government wishes to take. Because it does not focus sharply upon those items, the Government really tends to lose credibility in the whole exercise. It does not have a specific plan of action.

In fact, the Speech from the Throne seems to change dramatically the Government's direction. We learned from its first Budget that the primary direction of the Government was toward the whole energy sector where hundreds of thousands of jobs would be created. A year ago last spring the then Minister of Energy was committed to this. Today, instead of seeing hundreds of thousands of jobs created in the energy sector, we see that sector being more devastated than it was in the early 1970s. That is not only the case in communities in Alberta and Saskatchewan. It is also evident in communities like Sault Ste. Marie where we see 800 people laid off from a tube mill. We see a brand new $370 million tube mill ready to go to work but with no work to do. As I said, the thrust of the first Budget seemed to be in that direction.

However, during the past year the whole emphasis has been upon free trade negotiations. The Government alleged that hundreds of thousands and millions of jobs would be created by putting together a free trade agreement with the United States. In fact, when we read the Speech from the Throne, that seems to be downplayed. Now they are talking about a mutually beneficial trade agreement with the United States. The whole concept of a massive free trade agreement with the United States seems to have been lost in the Speech from the Throne.

Let us look at proposed tax reforms. We on this side of the House welcome those tax reform proposals. We talked about fairness and a comprehensive tax system which were in sharp contrast to the initiatives in the first two Budgets. We saw regressive taxes imposed upon cosmetics, non-prescription drugs, fuel, and other items. Also we saw the deindexation of the income tax scale. If the Government is making a 180 degree turn in tax reform wherein it will shift the burden from low-income Canadians to big business, it will be a welcome turn of events. However, it will probably take a year or two to overcome the damage which has been done. Many studies I have read indicate that the average family will pay from $1,200 to $1,500 in additional taxes over a two-year to three-year period as a result of regressive tax moves in the first two Budgets.

• (1520)

I guess the other area I am very concerned about is the uneven economic development. Clearly many areas, such as northern Ontario, western Canada and Atlantic Canada have not benefited since 1983-84 from the economic recovery. This Throne Speech, although it talks about a new economic opportunities council in Atlantic Canada and talks about economic diversification in western Canada, clearly forgets and has nothing about northern Ontario. I can tell you, Mr. Speaker, that we face very, very serious economic difficulties in northern Ontario.

Before I go into that, I want to talk briefly about agriculture. This Speech from the Throne contains four short paragraphs about agriculture, which is better than the previous Speech from the Throne which had only one word in one paragraph about agriculture. Unfortunately, it does not spell out any specific actions for agriculture. There is no commitment about a deficiency payment, for instance. There is a great deal of talk or background about what the Government is alleged to have done, actions which might have been taken, but there is no specific commitment. This is at a time when we are facing the lowest grain and corn prices and prices for many other agricultural commodities since the 1930s.

I was especially concerned today in Question Period when the Minister of Agriculture (Mr. Wise) seemed to be skating around the whole question of deficiency payments. This idea of a deficiency payment at a time when Canadian grain prices are the lowest since the 1930s is something supported by all provincial Premiers in western Canada. It is supported by the pool elevators and by all farm groups. We have to satisfy ourselves with statements like: "The Government will spare no effort in seeking to protect the interest of farmers". The Minister of Agriculture skates around saying: "We have to negotiate this with farm groups and with provincial governments". Earlier this afternoon we heard the Prime Minister (Mr. Mulroney) speak. He talked about funding of $1 billion

for the hard pressed grain industry. He talked about negotiating funding with Premier Grant Devine of Saskatchewan. I hope this is not a total election ploy by talking about it in the House of Commons knowing that the topic will be carried into the hustings in Saskatchewan. Will it be negotiations on and on and on and after the election nothing happens?

It seems to me that the Prime Minister suffers from incredible lack of credibility. The vast majority of people simply do not believe him. If he really wants to be believed, he should have come out full and fair and proposed so many new dollars, stated whether the money is a loan or a grant, and said exactly what assistance is available from the federal Government. We know that he cannot commit the provincial Governments, but he can say what his Government is willing to put forward in the face of this tremendous crisis facing western Canada. We are very concerned with whether the Prime Minister is just eyewashing or giving us another smoke and mirrors show.

If we look back to the Government's performance up to 1986, the average Canadian, not a farmer, listening to the news and reading headlines would have understood that the Government had provided some $730 million in the February Budget. The average Canadian would have known a little later that the Prime Minister called a hurried press conference at the end of April and that another $350 million had been allotted to the hard pressed agricultural industry. But if you look behind those announcements, you will find that either there is nothing there or that the actual commitment by the Government is very small. I just hope that the kind of announcement the Prime Minister made today, the right to negotiate funding, is not as phoney as those in the Budget and in his press conference of April 30. If we look back at the Budget announcement of $730 million, there was no new money. It is just existing farm credit loans with some interest assistance to be provided under certain circumstances, but in the long run the farmer will get no subsidization of interest. Even in the short run, the total cost to the Government is in the order of $50 million or $65 million. That is the kind of *canard* that we worry about with the Prime Minister. We know that the Prime Minister's minions in the PMO know how to draft beautiful press releases which sound as if the farmers were getting something, but when you check into them you find that there is very little assistance there, if any.

I draw the attention of the House to the announcement of April 30 when the Prime Minister seemed to be giving several hundred millions of dollars to farmers when he announced that he was changing the range of the domestic price of wheat. He was not changing the domestic price of wheat, which would have provided additional funding by the consumers of Canada to farmers. He was changing the range. He made a big thing of it. It was going to involve several hundred millions of dollars. He did not actually change the domestic price of wheat. That money never went to the farmer.

The Prime Minister also announced at that time that he was going to remove the excise tax on farm fuel by 2 cents a litre. He actually said 5 cents a litre, but 3 cents had already been given. If you look closely you will find that a year ago now the Government put 2 cents a litre on gasoline effective September 1, 1985. That levy was kept on during the full harvest and during the spring when farmers had to fill their fuel tanks. Dramatically, the Prime Minister removed it around June 1. But during that period, September to June, he probably extracted $50 million or $60 million. What he should have done was not only take it off but take it off retroactively to September 1 and apologize for imposing it because the farmers could not afford that cost.

The third peg in the Prime Minister's announcement of April 30 was to freeze freight rates. That would save Canadian farmers $42 million. We checked that out with the senior grain transportation agency. We were told by its representatives that that was not freezing freight rates, just recalculating the volumes of grain to be shipped. Instead of shipping 32 million tonnes, only 28.5 million tonnes will be shipped, so no increase is necessary. This is the kind of phoney baloney we get from Mulroney which drives the agricultural sector wild. It drives the agriculture sector wild because not only does it get no benefit from it, the perception is left with Canadians that the Government actually did something. However, no actual cash ever comes to the farmer.

• (1530)

I just hope that there is some substance to the dramatic announcement made by the Prime Minister (Mr. Mulroney) that he will get together with Grant Devine to provide some kind of funding to assist farmers who are in the most difficult financial position they have been in since the 1930s. It is simply not fair to the farmers to fool the rest of the country into believing that the farmers have been provided with some assistance when in fact they have not been at all.

I want to share with you, Mr. Speaker, an interesting experience I had this fall. I had the opportunity to visit Alberta after the Deputy Prime Minister (Mr. Mazankowski) had just spoken to a farm group there. The Deputy Prime Minister and I, as were you, were elected in the famous Class of 1968, and we are all good friends at a personal level. One of the farmers at this meeting said to me: "You know, I went there and listened to Don and he told me how much they had done for us and how great everything was and how we should all be happy, and all I could ask myself was, you know, if they have done so much and everything is so great, why do I feel so bad?" I think that is what many western farmers feel as they face perhaps the most uncertain future they have faced in many years.

We know that the Minister of Agriculture (Mr. Wise) announced a $46-million program with the Department of Employment and Immigration designed to take farmers off the farm. He announced that there would be 9,000 farmers leaving the farm.

The Government has done very little to cope with the farm debt crisis. As I described it a few moments ago, the farm commodity based mortgage will cost the Government very

little and could probably cost nothing in the end because interest rates rise as commodity prices rise.

The same thing applies to the current trade war. The Government does not give the impression that agriculture is a priority. There are too many things said, like the Government will spare no effort in seeking to protect the interests of Canada. What farmers want is for the Government to show its commitment. We cannnot have Canadian farmers receiving something less than $3 per bushel Canadian for wheat while American farmers are receiving something like $6 per bushel for their wheat and expect Canadian farmers to survive for very long.

The Prime Minister made a speech in Prince Albert on July 7, 1984, in which he said that the Conservative Government, if it was elected, would make Canada a super power in agriculture exports. Because Canadian farmers have been abandoned by the Government, they are today paying the full cost of simply surviving. The Government is not providing export subsidies in the way the U.S. Government does. The Government is not providing deficiency payments. It is fiddling around, talking about some kind of funding mechanism.

If the Government really wanted to have credibility with agriculture in western Canada—and in eastern Canada as well, because corn producers in southwestern Ontario are facing the same reductions in the value of their commodities as are the grain producers—it would move forward and these little exercises in publicity. It should really put its money where its mouth is. That is what we are waiting for the Government to do. Agriculture is a very important industry, and it deserves the complete support of all Canadians including the Government of Canada.

Mr. Lewis: Mr. Speaker, I do this by way of comment rather than by way of a point of order because I know that the Hon. Member did not do it intentionally. I just want to draw to his attention that during the course of his speech he used the phrase: "phony boloney," and then followed with the Prime Minister's name rather than his position or riding. Once again, I say that I am doing this in the spirit of bringing it to his attention rather than trying to interrupt his speech. As you well know, Mr. Speaker, the reason we do not use each other's names is to depersonalize the debate and keep it on as high a level as possible. This is an explanation that I heard from the former Hon. Member for Hamilton Mountain, Mr. Ian Deans as he now is, and I think it makes sense. As I say, I am sure the comment was inadvertent, but if we could continue to refer to people by their positions or ridings it will raise the level of debate and the level of the speeches in this place.

Mr. Boudria: Mr. Speaker, I would like to take a few moments to congratulate the Hon. Member for Algoma (Mr. Foster) for giving, as usual, an excellent speech in the House of Commons. He has blessed us with an excellent speech again today.

Is it not ironic that on this very day that we are discussing agriculture and such very important issue as the export of agriculture, to which the Hon. Member for Algoma referred so eloquently only moments ago, the Government has tabled in the House of Commons that awful piece of legislation—pardon the language, Mr. Speaker. I know that is probably parliamentary, but I apologize for it anyway. The legislation the Government has introduced to abolish the Crown corporation Canagrex is awful. Would my colleague not agree with me that the Government should not proceed with the cancellation of Canagrex, particularly now that the U.S. Farm Bill is in place, with other legislation from other countries attempting to promote the export of agricultural products? Would the Hon. Member not agree with me that we in Canada should do our share for exports, and that a corporation like Canagrex could have been an excellent instrument for doing so, had it been given a chance?

Mr. Foster: Mr. Speaker, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has raised a very important issue, the question of agricultural exports. Clearly we are in a state of siege with regard to agricultural exports. We are faced with massive the United States instruments for assisting agriculture commodity exports. It is trying to take away our grain markets in Egypt and Syria. The United States has even put forward assistance to exports to China and Russia. Of course, many of those grain exports for which the Government is not providing any kind of assistance or subsidy are being captured totally by the farmer himself who puts his grain in through the Wheat Board at a lower price.

The Hon. Member refers to Canagrex, an agency which would be especially good for smaller commodities, those commodities that do not enjoy the same massive exports as dairy products or grain through the Canadian Dairy Commission or the Canadian Wheat Board. I refer to smaller volume commodities such as livestock, lentils, honey and a host of others. The value would not only arise from seeking out prospective markets, but in assisting in the co-ordination of activities with provincial governments. Often trade commissions include members from two provincial governments which sell the same commodity. A commodity-producer group could benefit through a national agency such as Canagrex.

• (1540)

I certainly agree with the Hon. Member. I hope the Government will not move to destroy Canagrex, because I believe it has a vital role to play in agricultural commodity export, especially at this time when we face tremendous trade wars in respect of agriculture.

Mr. Boudria: Mr. Speaker, does my colleague remember the election promises of 1984? The Conservatives made numerous promises. I think I brought to your attention before that they made 338 promises. One promise was to establish a system of agribonds. The Hon. Member will recall, as I do, that there was an all-Party agreement to have an agribond system. This was recommended to the Government, it was subsequently neglected in two Budgets, and I saw no reference to it in this latest Throne Speech. Does my colleague want to give us his

opinion on whether the Government has broken this promise as well?

Mr. Foster: Mr. Speaker, the Government has broken a number of promises made in the 1984 election campaign. Promise number 11 was to expand agriculture research and development by providing greater assistance. The Estimates for the Department of Agriculture for this year show that the research budget has been reduced by $23 million. I think this is unconscionable because research will not provide a pay-back this year or next, year, but several years in the future.

The Tories promised to establish a national marketing board for tobacco, and that promise was broken. The Tories made a commitment to revise Section 31 of the Income Tax Act to reflect the principles of equity. The Government, of course, has not acted on that. Promise number 14 was to allocate the necessary funding to assist producers in refinancing their loans at current prevailing rates. The current rate of the Bank of Canada is around 9 per cent. If the Government implemented that promise it would save farmers a lot of interest.

With regard to the agribond program, the committee studied this and came up with a very workable program but, unfortunately, it was not reflected in either of the two Budgets we have had since then, or in the Speech from the Throne on Wednesday.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. John Oostrom (Willowdale): Mr. Speaker, may I begin by congratulating you on your appointment. We were very pleased to have you for the past two years. I hope to see you there for another two years.

Some Hon. Members: Hear, hear!

Mr. Oostrom: May I also extend my heartiest congratulations to the Hon. Member for Vancouver South (Mr. Fraser) who was elected Speaker three days ago. I did not at all mind spending 11 hours here to elect the Speaker. The patience of all of us augurs well for the future. The manner in which our newly elected Speaker has conducted himself over the past three days, the wisdom with which he has spoken and the collective confidence that he has in us and we have in him also augers well for the future.

[*Translation*]

I also noted the presence of the NDP Members in the House this afternoon during the speech of our Prime Minister (Mr. Mulroney). Forty per cent of the NDP Members were here, but only 5 per cent of the Liberals. This gives me a good idea of which party provides the real opposition in this House.

[*English*]

I would like to compliment the mover and seconder, the Member for Capilano (Mrs. Collins) and the Member for Restigouche (Mr. Girard). They gave very eloquent and in-depth replies to the Throne Speech. My congratulations to both of them.

I represent the riding of Willowdale which is geographically located at the epicentre of Metropolitan Toronto. Willowdale is a very stable and hard-working community, the roots of which stretch back to the United Empire Loyalists. The community is now a multicultural mosaic and its people have become integral members of the community of Willowdale. I feel very honoured to represent them as their Member of Parliament because I am also part of that mosaic as I come from Holland. I am very proud to be their representative.

The constituents of my riding are very industrious, innovative and inventive. We need that spirit for the future of Canada. They are very proud to be members of the Willowdale community. Their pride is reflected in their residences, their strong community involvement and their ability to give of themselves unselfishly to many charitable causes.

Willowdale is the administrative and cultural centre of the City of North York and I am happy to say it is presently in the middle of an economic boom. The downtown core of the City of North York—the city with a heart, as our Mayor says—is beginning to rival that of Toronto in construction and economic activity. Willowdale, blessed with hard-working people and a favourable geographic location, is fast becoming the heart of Metropolitan Toronto.

Throughout the summer, as I have done in previous years, I went door-to-door in my riding asking my constituents what they thought of the Government and if there were any issues they felt should be addressed. I managed to visit personally over 6,000 households. The response by the people of Willowdale toward the Government and its policies was very positive. Although I got an earful on some issues, in general the response was very supportive.

The people of Willowdale were very impressed with the agenda put forth in our first Throne Speech. Our second Throne Speech will continue the Government's commitment to enacting legislation which will continue to benefit all Canadians. People remember the tough economic times they experienced prior to the 1984 election. They remember the high energy prices, the runaway inflation, the high interest rates, the high unemployment, the lack of economic direction, the massive deficit, and non-existent social justice.

In just two short years the Progressive Conservative Government has taken significant action toward rebuilding the Canadian economy. This is the best economic recovery that any western country has ever seen. Confidence has been restored and jobs have been created. Interest rates are down and the deficit is falling. Before September, 1984, 11.7 per cent of the workforce was unemployed. Today the rate is down two full percentage points to 9.9 per cent. This is the lowest level in four years. These are indeed big ticket items.

• (1550)

Let me illustrate. Between 1980 and 1984, only 404,000 jobs were created. The Progressive Conservative Government has created over 500,000 jobs in less than half the time. More significantly, more than 80 per cent of the jobs which were created by this Government have been full time jobs, as our Prime Minister (Mr. Mulroney) indicated this afternoon. This is concrete proof that the Government is keeping true to its pledge of providing employment to the Canadian people. This has been done at a time when our deficit has dropped by $4 billion while the deficit in the United States increased by $40 billion.

During the past two years I have had many calls from people in my riding representing restaurants, garages, small factories, offices and crating companies, crying for people to come and work for them. These jobs are not at minimum wage as the Leader of the New Democratic Party stated this afternoon, but some at double the rate of minimum wage. Jobs are being created because our policies have restored confidence in the Canadian economy.

Canada's inflation rate has been in the 4 per cent range for two years now, the most stable price environment since the 1960s. Again, our economic management has allowed the inflation rate to remain very stable. No longer is there double-digit inflation. This allows Canadians to maintain that purchasing power that they cherish and, therefore, contribute to the economy by purchasing more goods and services.

According to the Conference Board, consumer confidence is at its highest level in over 21 years and its second highest level on record in Canada.

As a result of renewed confidence and lower interest rates, housing starts have risen by some 40 per cent since September, 1984. This translates into 125,000 jobs in construction related industries alone. Today, mortgage rates are more than three percentage points lower than they were in September, 1984. The prime rate averaged just over 12 per cent in 1984, dropped to about 10.5 per cent in 1985, and today stands at 9.75 per cent. It is the lowest it has been in eight years. We can recall 1980 and 1981 when interest rates rocketed to over 20 per cent. How could Canadians afford to buy a home then? It is again possible to buy a home.

The facts speak for themselves. There is no real embellishment here because the facts I have quoted are real and are recognized, especially by other nations, if not at home. There is still more room for improvement. I believe that my Government can still do better. The economic direction of the Throne Speech will ensure that our election promises are fulfilled and that all our goals for a renewed vibrant economy are met and perhaps even exceeded.

Let me turn to the subject of taxes. It has been said that death and taxes will always be with us. I acknowledge, as do other Canadians, that our tax system is necessary in order to provide us with the wide range of social services that we enjoy. Through the years, the tax system has been allowed to become regressive and inefficient by previous Governments. The Throne Speech makes it clear that federal tax reform will be one of our top economic and social priorities.

An efficient and fair tax system will give Canadians more disposable income which will help to generate more beneficial economic activities. The principal objective of changes made so far has been to broaden the tax base in order to lower personal income taxes. We will also restore a healthy balance among the personal and corporate taxes and, specifically, reverse the trend which has resulted in greater reliance on personal income taxes. The Government will begin by making the tax system less complex and, wherever possible, structure the system so that the burdens are shared in an equitable manner. We are embarking on a comprehensive reform of our tax system, much the same as the American Government is now experiencing.

After our election we moved quickly in ensuring that no taxpayer would ever again have to pay taxes in dispute before an impartial hearing had been concluded. The declaration of taxpayers' rights was the first step in overhauling our tax system. It was a step that had been long overdue. It was the first time since our tax system became so complex that the individual was given preference.

The Throne Speech provides a refreshing attitude toward social issues. The Government has resolved to defend and strengthen the institution of the Canadian family. We recognize the importance of keeping the family unit strong. Families are the backbone of Canada. Cohesive families give Canada strength and character, which make problems easier to face and solve. We are moving rapidly to neutralize the destructive influences that drugs and pronography have on the family. The residents of Willowdale are very concerned over the proliferation of pornographic materials. They are concerned that pornography teaches sexual deviation, abnormal behaviour, and promotes violence toward women and children. I strongly believe that pornography is nothing more than vicious anti-women propaganda, the sole purpose of which is to degrade by making women nothing more than objects.

The Government is determined to take effective action against the serious and growing threat posed by the traffic of illegal drugs. Tough action is the only way to deal with this growing cancer of drug abuse which is destroying the lives of many Canadians. There should be no question of our resolve in this matter.

The Government moved quickly in the first session of Parliament to pass Bill C-18, which produced a considerable reduction in the number of instances of impaired driving, the leading cause of both fatal and non-fatal road accidents. The stiffer penalties have caused many people to think twice before getting behind the wheel after drinking. As a result, there were fewer road accidents during the 1985 Christmas season than at any other Christmas in many years. We demonstrated to all Canadians that we have the resolve to deal with tough social issues.

We will continue to reform the Criminal Code so that it accurately reflects the importance that Canadians attach to such as respect for the law and the protection of innocent citizens. I strongly believe, as do the overwhelming majority of the 6000 households in Willowdale that I personally canvassed this summer, that capital punishment is one item that should be brought forth and debated in the House. Protecting Canadians against all forms of criminal violence is a main priority of the Government.

We acted quickly when the Bill on mandatory supervision was stalled in the Senate and held a very rare summer sitting of the House to resolve the impasse. This shows our resolve and determination.

For too long, our immigration system has been abused. This was not the case when I came to Canada with my father, mother and 12 brothers and sisters. We patiently waited in line until our turn. While we may have wanted to proceed faster at times, it was impossible. Complex, ineffective legislation enacted in the mid-1970s has allowed our immigration system to become abused. We have been making major strides in correcting this situation. We have simplified and improved the present refugee determination system. Entry procedures will be streamlined and a case-by-case administrative review was begun in July in order to clear Immigration Canada's backlog of some 20,000 claims.

• (1600)

Our legislation has been firm and fair and still maintains our humanitarian reputation in immigration matters. Our Government has increased immigration for the first time since 1980-81. It had slowly dropped to about the 80,000 level but this year it has gone up to 115,000 and hopefully next year it will be increased to 130,000. I am also pleased that the Speech from the Throne made mention of the fact that we are going to make improvements to the illiteracy rate in Canada. Last week I met with the board and staff of the North York Library to discuss this very point. I am very pleased that that problem was mentioned in the Speech from the Throne.

In conclusion, I would like to emphasize the very strong leadership provided by our Prime Minister (Mr. Mulroney). Under his direction, Canada is once again becoming a very strong economic power. No one can deny Canada's economic performance under his leadership. Our Prime Minister has brought harmony to federal-provincial relations, and his vision of a strong, prosperous and united Canada is being brought to fruition. I am proud to be a Progressive Conservative. I am proud to be led by Prime Minister Mulroney, and I am proud of the very deep and dignified speech he gave in this House this afternoon. He will be remembered as the Canadian leader who turned this country around, as a Prime Minister with the courage to lead.

The Acting Speaker (Mr. Paproski): Order. I think I should bring to the attention of Hon. Members that we will abide by that one rule of not using the names of the Prime Minister (Mr. Mulroney) or the Leader of the Opposition (Mr. Turner). They should be referred to as the Prime Minister, the Right Hon. Prime Minister, the Right Hon. Leader of the Opposition, and the Hon. Member for Oshawa (Mr. Broadbent). I would like to recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis) and then the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) for questions or comments.

Mr. Riis: Mr. Speaker, I appreciate your intervention in drawing to our attention the fact that we are not to refer to our colleagues by their names but by their constituencies or titles.

I appreciated with interest the comments made by my hon. friend. He mentioned the whole matter of the Government's commitment to tax reform. I want to ask the Hon. Member for his views on four items of importance in comprehensive tax reform. Would he give us his view on whether or not we should retain the $500,000 capital gains exemption? I do not think any other country in the world has this. Does he think that ought to be maintained? Second, I would like his personal views as to the fact that there are now in excess of 79,000 companies in Canada in a profitable position which paid no income tax at all. In fact, many of those companies have profits in the $100 million, $200 million, $300 million range, so we are not talking necessarily about small corporations at the moment but about some of the giants of Canada, some of which one can find listed in the top brackets of the large 500 corporations of Canada.

I would also like to have the Hon. Member's view of the fact that the tax revenue the federal Government now collects, has over the years shifted so that now virtually 82 per cent of all tax revenue is derived from personal taxes and only 18 per cent from corporate taxes. Just a few years ago this was in fact split 50-50. Now it is split 82-18. Fourth, I would like to know whether the Hon. Member is a supporter of the introduction of the business transfer tax or, as I call it, a fancy name for a value-added tax or a sophisticated sales tax?

Mr. Oostrom: Mr. Speaker, the Hon. Member asked my views on the capital gains tax. Naturally, the capital gains tax as well as other measures will certainly be under review at the time the review takes place. We have instituted the $500,000 capital gains exemption, and the result has been 600,000 new jobs created in Canada. I think that is quite a performance. I am not sure whether this tax will continue. If we can create another 600,000 jobs in the future, by all means it should be continued. I would rather have Canadians working and contributing than have the high unemployment rates we have experienced in the past.

The second point was with respect to loopholes. As the Hon. Member may remember, during the past two years we have closed a number of loopholes in our tax system. Perhaps we have not closed them all. We would welcome the Hon. Member bringing these to our attention, perhaps in the Committee on Finance or to the attention of the Minister of Finance (Mr. Wilson), so that we can close these loopholes because I do not believe anyone should be able to evade due taxes.

The third question put by the Hon. Member was with respect to the shift of more taxes on personal incomes which has taken place over the years. As was mentioned in the Speech from the Throne, we would like to reverse that trend. I do not know whether it should be a 50-50 split. I am not that experienced in all matters of personal and corporate tax, but I think there will be a shift towards more corporate taxes.

Lastly, on the business of the transfer tax, there seems to be some success with this particular tax in Europe, and most of the industrialized nations have this particular tax. I do not believe we would go the same way as the European nations. I think, as usual, Canada will find a happy medium between the system we have today and the system currently in effect in the European Common Market.

Mr. Schellenberg: Mr. Speaker, I was very pleased to hear my colleague mention in his speech the possibility of bringing forth pornography legislation. He also mentioned pornography, and I would like to ask him about that in the form of a comment and a question. Pornography, of course, is a very subjective thing. One person's pornography is another person's titillation and another person's interesting reading. Is the *Maclean's Magazine* pornographic? Is *Cosmopolitan* pornographic? Is *Playboy* pornographic? Probably it is. Perhaps Hon. Members would agree that opposition press releases are pornographic if not downright obscene. Who is going to decide? I would ask my hon. colleague what pornography is. And who is going to decide how to enact it? It is such a subjective topic. Who is going to decide what pornography is in Canada?

Mr. Oostrom: Mr. Speaker, I believe that we in this House can put our collective thoughts together and come up with something which would please all of the Canadian population. I would like to state that when I came to this country 34 years ago, the amount of pornography present now was just not there. I believe that the quality of life has gone down over that period of time. I would like to reverse that trend. I was happy to see 34 years ago that I had come to a country which understood that pornography would not be good for the young generation. We must have freedom, surely, to read and to view things we like. On the other hand, we must have a social responsibility. I find that the social responsibility which goes with the freedom we deserve has been lacking.

• (1610)

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, it gives me great pleasure to participate in the Address in Reply to the Speech from the Throne. This is the first time I have had the opportunity to lead off a debate following our Leader's intervention. I suspect that this is because of the procedure which was started in the Speech from the Throne. This time around it approached Canada's economy in alphabetical order. It first dealt with the subject of agriculture. My name begins with an A and I am the agriculture critic of my Party. I suppose I am the A for the New Democratic Party.

The Prime Minister (Mr. Mulroney) and government officials have been attempting to point out that agriculture achieved a new high priority in that it is the A, the first in the alphabetical statement of items which they felt like dealing with in the Speech from the Throne. They have pointed out that the amount of space devoted to agriculture is the largest in any Speech from the Throne given by this Government. Indeed, when one looks at the first Speech from the Throne of this Government one sees that it did not have too far to go. In that Speech from the Throne the word was mentioned in the middle of a sentence dealing with some other matters. So one can honestly say that less than one sentence was used on agriculture in that first Speech from the Throne.

In its second Speech from the Throne the Government uses four short paragraphs to deal with the subject. It is interesting to look carefully at what is stated in those four paragraphs. The first statement is a blanket one stating that agriculture is important to our nation. That disposes of the first mention of the word. I think that is something which everyone in Canada knows. It is nice to see it mentioned in the Speech from the Throne. However, I do not think it shows anything insightful in terms of the Government's commitment to agriculture.

Mr. Riis: Maybe it does for Tories.

Mr. Althouse: My colleague says that perhaps it is a change of heart for the Tories. I point out that for most of us it is not anything new.

The second paragraph in which the word "agriculture" is mentioned is a one-sentence paragraph which points out what the Government did in the last session. Thus it is past history.

The third paragraph dealing with the subject matter talks about the past, past history, back when the Liberals were in government. That paragraph spends some time knocking the Liberals. I suppose that Speeches from the Throne can be political statements, and they usually are. I guess that is fair game. However, it does not give us much insight with respect to the direction in which the Government is going in terms of agricultural policy.

I have now disposed with three paragraphs and I have not yet found out from the Government what it is proposing in this session. We then get to the meat of the matter in the fourth paragraph. The Government reports that it has put agriculture on the agenda for the upcoming multilateral trade negotiations, or that it at least moved to put it on the agenda. After dealing with the agenda it gets into what will be coming. I would like to quote from that paragraph of the Speech from the Throne which reads:

> In meeting its commitment to Canadian agriculture, my government will spare no effort in seeking to protect the interests of Canada's farming community in the face of unfair pricing and subsidy practices conducted beyond our borders.

There have been many questions asked and much pondering with respect to what that statement means. It was really not clarified in the speech made by the Prime Minister. He talked about having meetings with farm groups in the provinces to

find out what sort of aid package could be given to agriculture. He made some rather vague reference to that accumulated package being something in the order of $1 billion. He did not say whether that was to be $1 billion of new money from the federal Government, whether it was to come from the provinces, or whether it was to come from a combination of provinces, farm groups and the federal Government. So we are still not much clearer than we were before, in spite of the fact that members of the Government from the Prairies created a big expectation that we would be hearing something about the almost $2 billion deficiency payment once the Speech from the Throne was delivered. I expect Members representing portions of rural Canada did the same thing. However, since I live in the Prairies I know what members of the Government were doing there. While Parliament was recessed nothing was done except getting ready for this statement. Expectations were high. I must be frank with Hon. Members, there is a great deal of disappointment in rural Canada because it is not known where the Government stands on this issue.

The Government made some strong statements in this Speech from the Throne concerning the subsidization of agricultural products. We are no longer clear whether it is carrying the criticism of other countries' subsidy programs to the point where it will start living up to the policy line it has been preaching abroad by refusing to extend subsidies to Canadian farmers. The Prime Minister has not made that clear. Nor has the Minister of Agriculture (Mr. Wise) been particularly helpful. I do not think he has been given any clues at all by his cabinet colleagues in this respect.

During the course of the Prime Minister's speech today I sent a note to the Minister of Agriculture in which I asked: "Does this mean that you have now $1 billion to put on the table in these talks with farmers' organizations and the provinces?" I have a good rapport with the Minister. He usually keeps me right up to date with respect to what he is doing and what he is able to do. He did not even look up and smile to indicate that he had received my note, although I saw him read it. He did not indicate that he had matters in hand. He did not even reply to my note. After the Prime Minister's speech I phoned the Minister's office and found that his officials were quite confused with respect to the so-called $1 billion statement that had come out of the Prime Minister's speech. They did not know anything about it. They had not had briefings in that respect. They had received no word about it. In fact, they knew absolutely nothing about it.

We know that provincial agricultural officials are meeting in Toronto today for the second time concerning this and other subjects. Those officials do not seem to have any knowledge of there being $1 billion on the table. The whole matter is very confusing. It is very well couched in fuzzy terms, which is something we expect from Speeches from the Throne. However, sometimes when we have explanations from the leader of the country we expect the fuzziness to clear up, particularly when it concerns an issue such as this, which is important to hundreds of thousands of farm families right across the nation.

One of the threads that runs through the speech is one that is usually found in any successful political statement given in Canada. I refer to the issue of regional disparity. I began my remarks dealing with agriculture since that is the first subject dealt with in the Speech from the Throne. I also began with it because it is one of my chief interests.

When talking about regional disparity I think that we must consider that agriculture, fisheries and forestry are areas of our economy which have been traditional bases and that they are now in trouble. They are sectors of the economy which have been having some difficulty. They have been lending to regional disparity, which has once again been showing itself in our land. When the Prime Minister spoke about my region of the country, western Canada, he said that he had steadfast faith that we can build that part of the country. I have always had faith that we can build that part of the country. My parents have always had faith that they could build that part of the country, as did my grandparents and a few of my great-grandparents. Many of them felt they had built that part of the country. They thought that they had pretty well completed it.

I received a phone call today from a gentleman who happens to live in my riding. He is dealing with this same problem. He thought that he had built up a rather successful farm. He is now middle-aged. He has served on a number of boards in his community, including the review boards put together by the Province of Saskatchewan to decide whether or not farmers should be allowed to face bankruptcy. He now finds himself in the position of having to go before a federal board to decide whether or not he has any future left in farming. This is a man who was using new, up to date technology. It is the kind of technology we would expect would keep one competitive on an export basis, but he is about to go down the tube. He bought his land, some 30 quarter sections or about 4,800 hectares, in the 1970s, just before valuation day. He told me that if he sells out or turns his assets over to the bank, under Saskatchewan law he would be able to take one vehicle and some household furniture. His vehicles are now quite old. If he is able to turn those assets into money and the bank is able to get its money, something like $1.5 million worth of assets will be turned over. The land part of those assets before 1970 had a relatively low price, and it will be valued for tax purposes at that original price. He has been told by his accountant that although he is entitled to receive a $500,000 tax free capital gains from his assets, he will still owe the Department of National Revenue something like $90,000 when it is all over and if he sells them for enough to pay off the bank. That is for a lifetime of work! This person has contributed 3.5 decades to growth in that part of the country. The message being sent out is that modern technology in his kind of expertise—and he is a very well trained agriculturalist—is no longer necessary. The marketplace will not sustain that kind of economy.

• (1620)

I think that has been the total problem with the energy and agricultural sectors of western Canada. They were almost too technically efficient to survive a downturn in the economy. I see the Prime Minister has decided to set up a bunch of new committees aimed at bringing us to the year 2000. There will be a national advisory board for industrial technology. There will be a federal science and technology strategy and a committee to advise on that. We will even have a Canadian space agency and an Atlantic Canada opportunities agency. Yet, here we are in western Canada sitting on some of the most up to date technology and watching it go down the tube because the market-place will not sustain that kind of technology any longer.

The technology which has been put into place is largely energy dependent, in agriculture at least. When I look at the energy sector, I think that could be said for its technology as well. We moved people off the farms to specialize in being machinists, welders, fertilizer and fuel manufacturers, and distributors; to provide us with research into chemicals and feeds; and to provide specialists to give us advice on how to use these products. We trained veterinarians and technicians to provide egg transplants for livestock so that we could use only top producing males and females. The foetuses were put into less productive cattle so that when they hit the ground they were top quality cattle. All of this required a lot of training.

The technology used for the production of crops and livestock requires a lot of energy and it requires a lot of energy to produce chemical fertilizers. The nitrogen portion of most fertilizers in western Canada comes from the natural gas industry. As well our chemicals come from the petroleum and gas industries.

Let us look at the agricultural technology which we in North America use and compare it with the technology being used elsewhere. We see some great variances in where priorities have been placed. With our high energy agriculture, we turn out a great deal of product per man. The man or woman on the farm, the so-called producers, can chalk up thousands and thousands of tonnes of produce for their efforts with their huge tractors and chemical fertilizers. Great amounts of energy are used by these huge machines. When we compare that kind of agriculture which appears to be producing surpluses with the kind of ongoing agriculture in Asia, we see a completely different approach. Such countries have concentrated upon looking for better cultivars, plants, seeds, better ways of combining those plants and seeds, and for creating a better environment with water and heat and by changing the soil. They put a lot of individual energy into agriculture; they expend a lot of human energy. When we take away the advantage we get from petroleum being put into agriculture and put it down to what is produced by individual farmers, we find that farmers in countries such as China and India are more efficient on a per person basis than we are. If we take away energy input, they are producing more product that we are. Because they have taken this approach, it is probably no surprise that India is now exporting wheat. China is self-sufficient and will be a competitor in wheat. In fact it has been exporting rice for years. Its first wheat imports from Canada were financed by rice exports to southeastern Asiatic countries.

I do not see any move in all the committees the Prime Minister will set up to expand the biotechnology to which we will have to adapt if in fact we are to become free traders in the sense of the recent free trade talks. We will have to find ways to make plants produce more without relying upon expensive energy. We will have to look at genetic improvements and at finding ways of using the earth, sun, and man's intellect to achieve that kind of production. The vision which the Prime Minister has given us of agriculture in expanding the country has missed that point entirely.

I see Mr. Speaker signalling that my time is coming to an end. As I said at the beginning of my speech, we seem to have heard an alphabetical kind of Speech from the Throne. If we revert to another area where the alphabet was used in our educational experience in school, I do not think I could give the Speech from the Throne an A; I think it is somewhere around an E.

Mr. Lewis: Mr. Speaker, in his speech the Hon. Member was very complimentary to the Government in that we put agriculture very high on the agenda of international meetings and that the Prime Minister (Mr. Mulroney) took the time to go to Alberta to meet with farm groups. Also my colleague was very complimentary about the $5 billion wheat deal signed this week, and he made reference to the $1 billion assistance for farmers announced by the Prime Minister today. However, I am concerned that he suggested there was some confusion in the office of the Minister of Agriculture (Mr. Wise). I wonder whether he would give us the name of the person to whom he talked who was so confused so that we can follow it up.

Mr. Althouse: Mr. Speaker, I do not have the name of the person. It was the Minister's assistant in his parliamentary office. The improvements which the Hon. Member cited are—

Mr. Lewis: Laudatory.

Mr. Althouse: They would be laudatory if they produced results. When the cheques are in the farmers' hands, perhaps they will begin to have an opportunity to produce results. I caution the House and the Hon. Member for Simcoe North (Mr. Lewis) that simply moving to have agriculture put on the agenda at the multilateral talks is not a particular victory. The subject has been discussed at previous multilateral talks. The general disposition of most countries involved in GATT is not to attempt to do anything about subsidies for agriculture because it is too close to home.

• (1630)

As a legacy of World War II and the pre-war period a great many countries suffered physically, resulting in starvation through a lack of food. Most voters remembering those days

are not willing to give up their right to produce as much food as they can within their own boundaries. They will consider subsidies to achieve that result. While the subject may be permitted to go on to the agenda, I do not hold any great hope that we will see coming out of those talks in the immediate future any addressing of the problem that subsidies raise for a country like ours depending on exports. I see the Europeans and even the Americans being anything but free traders as in the coming round.

Mr. Lewis: Mr. Speaker, I have a supplementary question. May I ask my hon. colleague whether he wishes the item taken off the agenda?

Mr. Althouse: I did not say that, Mr. Speaker. I simply raised a caution that having it there was not likely to produce any results in this round.

Mr. Halliday: Mr. Speaker, I was pleased to hear the Hon. Member for Humbolt—Lake Centre (Mr. Althouse) indicate the importance of biotechnology in the agricultural field and that that is what we should be pursuing. I was rather alarmed though that he did not give the Prime Minister (Mr. Mulroney) recognition in the establishment of a special board on technology and industrial innovation which will do exactly what the Member is saying is absent from the Speech from the Throne.

In my view, perhaps the most important single item in the whole Throne Speech was the announcement that the Prime Minister now views science, technology and innovation as being the key to our future. Surely the Hon. Member for Humbult—Lake Centre would agree within the ambit of items dealt with by that board that biotechnology will be one of them.

Mr. Althouse: Mr. Speaker, that is what I was attempting to get across in my speech. In that particular part of my speech I pointed out the four agencies to which my friend, the Hon. Member for Oxford (Mr. Halliday), has just referred. The technology we have been pursuing has essentially been an energy based technology. We have to wean ourselves from that kind of technology if agriculture is to meet the kind of competition which the Minister for International Trade (Miss Carney) and the Prime Minister have been talking about when they go into ecstasies about free trade talks.

I would be more comfortable about these boards being established if I were not seeing research into that kind of technology being dropped through the last series of budget cuts.

There has been no decision to replace the Poultry Research Centre at Kentville, Nova Scotia which burned down, even though it has been gone for a couple of years. That institute did a great deal of technological research into biological functions. It is not clear at all whether the Department of Agriculture and the Government are intending to replace it and to keep it out in that very important region of Atlantic Canada.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott-Russell): Mr. Speaker, I am pleased today to take part in this debate on the Speech from the Throne of the second session of the 33rd Parliament. First of all I should like to congratulate the Speaker as well as all other Members who will have the privilege of occupying the Chair during this session. More particularly I want to commend all Hon. Members for the great wisdom they displayed when they selected the Speaker of the House in the course of the quite different election we had this week. I believe it was a very positive exercise, very different from what we had in the past. We may have experienced minor difficulties, for instance the fact that ballot counts took too much time, but still I think it is a good system which might be slightly improved but not radically changed. It was a very democratic exercise, and it was obviously good since we have chosen, in my view, a Speaker of outstanding quality, and I want to repeat the congratulatory remarks I made a moment earlier.

[*English*]

As you know, Mr. Speaker, in September, 1984, the citizens of Glengarry—Prescott—Russell elected me to represent them in the Parliament of our country. I have said it before and I will repeat it again, that the greatest honour any Canadian could have is to be here in this place representing his or her fellow citizens. The constituency that I represent is not far from Parliament Hill. At its closest point it is some 12 miles and at its farthest point probably some 80 to 85 miles.

[*Translation*]

It is a vast rural riding. The western part of the riding is home to a large number of public servants, the region of Orléans, while the rest of the riding is primarily rural, except for a few urban centres such as Hawkesbury, Alexandria, Vankleek Hill and Rockland.

Mr. Speaker, I must say that the people who live in the rural reaches of my riding have suffered a lot in recent years. This is particularly the case of smaller municipalities in the eastern part of the riding, especially those where textiles and other industries were major employers. They had a hard time during the recent economic recession.

As you know, Mr. Speaker, the agricultural community has been particularly hard hit.

[*English*]

If agriculture has suffered, there have at least been some sectors of the agricultural economy that have survived better than others. Coming to mind, of course, is the area under supply management. It has had at least a degree of certainty of revenue in the past. It has done relatively well compared to other agricultural sectors. I would not want to leave this House

to believe erroneously that all people under supply management in agriculture are doing well. That would not be true, but by and large it is better than other sectors of the agricultural industry.

One area of agriculture that has suffered tremendously is cattle and beef raising and the cash crop business. Many farmers in my constituency had great expectations of this Government. No doubt you will remember the commitments made, Mr. Speaker, during the election campaign because you and I had to listen to those partisan promises which the Conservatives made. They were promising everything to the farming sector. In my view, the Government has failed miserably in that regard.

• (1640)

Why do I say that, Mr. Speaker? It is not because I want to be overly partisan. You know me better than that, Mr. Speaker. Of course, I want to bring a few matters to your attention, matters that lead me to believe the way I do.

First, the free trade initiative of the Government is one area which I think will particularly affect the agricultural sector. People under supply and management feel very much threatened. They do not know what is going to happen. Frankly, knowing how the Government operates, it is pretty hard to know where one is going because, as you know, Mr. Speaker, the Government is operating like a ship without a rudder.

Another issue of course that troubles the agricultural sector is the fact that the Government had made specific promises such as the promise to amend Section 31 of the Income Tax Act.

Mr. Riis: Have they done that?

Mr. Boudria: My colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis), asks if they have done that. Well, no, as unbelievable as it may be, the Conservatives broke that promise as well.

Mr. Riis: They promised that two years ago.

Mr. Boudria: They promised that during the election campaign and they promised it again in the first Throne Speech and did not do a thing about it. Conservatives also promised a system of agri-bonds to finance farms but they did not deliver on that promise either.

Finally, Conservatives promised that they would be aggressive in assisting agricultural exports. That is where they have failed the most. First, the Minister of Finance (Mr. Wilson), on November 8, 1984, a day that we now affectionately call black Thursday, the day the Minister of Finance stood in the House to introduce his book of cut-backs and inflicted those cut-backs on the people of Canada, announced that Canagrex, the newly formed agricultural export organization of the Government, would be shut down, dead in the water just when it had started. Not long after, of course, Canada was subjected to what was in my view a very offensive piece of legislation put forward by the United States Senate known as the U.S. Farm Bill.

The U.S. Farm Bill places $70 billion worth of subsidies directly against our agricultural sector because the strategy of the U.S. Farm Bill is to subsidize U.S. agriculture so that it can go out on the world market and take away our customers and the customers of other countries. We must remember, of course, that this is being done right in the middle of negotiations for the so-called free trade or freer trade or liberalized trade, depending upon which day of the week the Prime Minister (Mr. Mulroney) talks about it. During this same period, the U.S. Government perpetrated this act against Canada.

If that was not bad enough, what is even worse is that Canada did nothing in the face of these circumstances to even try to convince the U.S. Government that it was wrong in what it was doing. I see that the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) is here. He, of course, is very well versed in agriculture and is a very experienced Parliamentarian. I believe he has studied the U.S. Farm Bill as have I.

We asked the Canadian Embassy in Washington what kind of lobby Canada made to the U.S. Congress in order that it would not pass the U.S. Farm Bill. Who was the lobbyist hired? What was spent? What was invested in that lobbying activity? If we can hire Michael Deaver for acid rain, surely we can do something to assist the farmers. However, no lobbyist was hired. No special initiatives were undertaken. What is most unfortunate, of course, is that that legislation passed and we are now feeling its ill effects.

I would also like to speak briefly about the pharmaceutical industry. I would only say that in June, the Government tried to introduce a Bill in the House designed to give away the store to the multinationals in the pharmaceutical industry. It was designed to give to the multinationals this so-called protection that they pretended they needed and to abandon the Canadian consumer. What I want to know as a Canadian and what my constituents want to know is where is the mention of that in the Throne Speech. Does the Government still intend to proceed, yes or no?

I think Canadians have a right to know what is the plan of the Government. Surely the Throne Speech is the general outline of what the Government intends to do. Does the Government still want to follow through with this? I would like to know because I would like to mount a lobby against it as would my colleagues and my constituents.

[*Translation*]

But the Government still refuses to commit itself. It does not say a thing. Here we have a document, several pages long, which Her Excellency read for nearly an hour, but unfortunately, a document that is empty, that is full of generalities and that has very few specific references, while the important issues, and we may be for or against, are not even mentioned.

Mr. Speaker, I would like to take a few minutes to talk about regional development. As you know, the Government

said in the other place, through the Speech from the Throne, that it intended to help regional development. Why should they make an issue of this? There should always be help for regional development. In fact, the previous Government was aware of this and had set up various programs.

And who cancelled the programs? You guessed it, Mr. Speaker. The Conservative Government did away with the good regional development programs—

Mr. Valcourt: Which ones?

Mr. Boudria: Which ones? Mr. Speaker, here we have a Minister of something or other on the other side who wants to know, this Minister of something or other wants to know, and I forget the name of his Department, he wants to know which programs—

Mrs. Mailly: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: For three days we have heard Hon. Members waxing enthusiastic about having a new approach in the House and about showing respect for this institution. I don't think it is the Minister of something or other but the Minister of State for Small Businesses and Tourism (Mr. Valcourt). I think that if the Hon. Member has any respect for this House, especially since he himself worked here before he was a Member, he should show it.

[*English*]

The Acting Speaker (Mr. Paproski): I would hope that the Hon. Member would call the Minister by his portfolio and we should have a little more decorum. I appreciate what the Hon. Member for Gatineau (Mrs. Mailly) has just said. I think Hon. Members will take heed and do the proper thing.

• (1650)

[*Translation*]

Mr. Boudria: Mr. Speaker, I appreciate your comments and I intend to act on them, and I must say they are very wise, far wiser than those made by the Hon. Member for Gatineau (Mrs. Mailly).

Mr. Speaker, I was referring to the CIRB programs, in other words, the programs of the Canadian Industrial Renewal Board. At the request of the Minister, the Minister who asked me the question earlier, but who unfortunately is not in the House to hear what I have to say—the Minister was asking me which program was so good. For your information, the Canadian Industrial Renewal Board's program was beneficial to the Hawkesbury area in my riding, a disadvantaged area which needed this kind of help. The CIRB programs consisted of two stages. On the one hand, the textile industry received some help to modernize, to purchase new machinery, to become more competitive, and on the other, new industries were found for communities which were very dependent on the textile industry. As the Minister of State for Small Businesses and Tourism asked earlier: How useful was this program? It created 250 jobs in my constituency and brought $5.9 million in investments to our region from various companies.

Such were the very beneficial results of this Liberal program which was abandoned by the Conservatives when they came to power. The textile industry still needs help, Mr. Speaker.

I was just looking at a document which I received from Mr. Michel Drouin of the Canadian Textile Institute last week in which he tells me that textile imports are still increasing.

For example, sweater imports increased by 30 per cent last year, suit imports by 28 per cent and dress imports by 32 per cent.

As you can see, Mr. Speaker, the textile industry is still in danger and this Government is not doing anything, it has abandoned all programs. However, suddenly, in the throne speech, it points out that something must indeed be done to promote regional development.

Why is it that the Government took two years to realize this fact when we all knew it from the start?

Even the Minister of State for Small Businesses and Tourism (Mr. Valcourt) should know that, Mr. Speaker. But obviously this Minister did not know since he had to ask.

[*English*]

There are two or three more issues I want to raise with you, Mr. Speaker. First, I want to talk about the crisis of confidence that the Government is suffering. It is not a crisis of confidence that this House is suffering and it is not a crisis of confidence that anybody else has. It is a crisis of confidence that, by and large, the Prime Minister has inflicted upon himself. That is the problem the Government is suffering from. It has tried every way to change the image of the Government and it is not working. Do you know why? It is because it is not the image that should be changed. It is the substance that needs to be changed. The Government is without substance. I ask the Deputy Prime Minister (Mr. Mazankowski) to relay that message to the Prime Minister at the appropriate time.

Why has the Government suffered from this terrible crisis of confidence? It is difficult to say. Perhaps Professor Jean-Luc Pepin summarized it best in a recent issue of *Maclean's* magazine when he was asked whether the Prime Minister always said the truth. I will put it that way. He said that the Prime Minister suffers from an acute deficiency and need to embellish the truth. That is the way Professor Pepin put it at that time. That has been the biggest difficulty with this Government.

[*Translation*]

Mr. Speaker, many things have been said about other Prime Ministers in the past. Sometimes people agreed with the Prime Ministers, sometimes they did not. Still I think that in the past most people had faith in their Government and the Prime Minister, and they believed he acted in good faith.

In concluding, Mr. Speaker, I simply want to take a minute to quote the words of a Liberal of long ago. This is a very old quotation, but it is true. Here is how it goes:

"I am a Liberal. I am one of those who believe that always and everywhere in any human endeavour there are abuses to redress, new horizons to open, and new forces to develop". Those were the words of Sir Wilfrid Laurier. They were true in his days and they are still true today, Mr. Speaker. The work must continue. I would urge the Prime Minister to change his attitude towards Canadians so they may regain confidence in him and make this country more prosperous.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please, I beleive the Hon. Deputy Prime Minister (Mr. Mazankowski) has a statement to make. I will recognize the Hon. Deputy Prime Minister.

* * *

BUSINESS OF THE HOUSE

Mr. Mazankowski: Mr. Speaker, I have discussed this with the House Leaders opposite. In connection with the business for Monday, I would like to advise the House that I may be seeking consent of the House to proceed with legislation concerning the maintenance of ports operations. I am sorry that I cannot be more definitive than that, but it is really contingent and dependent upon what might or might not transpire this weekend.

Mr. Riis: Mr. Speaker, we are pleased to hear the Hon. Minister making that point. We understand, however, that both sides are proceeding with discussions and negotiations in a positive and progressive way. We are optimistic that sufficient progress will be made in the next number of hours in order that a settlement can be reached and this notice will be simply that.

Mr. Gauthier: Mr. Speaker, there have been consultations and we agree. We hope that the Government House Leader will give us the benefit of advance notice on Monday morning so that we can get our critics ready and, if needed, the proper information so that we can proceed.

Mr. Mazankowski: Mr. Speaker, I will, of course, accede to that request.

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SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Mary Collins for an Address to Her Excellency the Governor General in reply to her speech at the opening of the session; and the amendment thereto of Mr. Turner (Vancouver Quadra) (p. 44) and the amendment to the amendment of Mr. Broadbent (p. 57).

The Acting Speaker (Mr. Paproski): There are still questions and comments for the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). I will recognize the Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, I was most interested to hear the comments of the Hon. Member, particularly those that he directed toward the questions of credibility and consistency and the importance of those issues. I was struck by the fact that there was a good deal of inconsistency in the comments of the Hon. Member. The Hon. Member spoke about two particular issues which concerned him and his constituents. One had to do with the pharmaceutical industry and the other had to do with the textile industry.

On the one hand, in referring to the pharmaceutical industry, the Hon. Member stressed the fact that it was very important to protect consumers. He was not supportive at all of any measures which would help the pharmaceutical industry, that would increase research and development in the pharmaceutical industry, or that would create jobs in the pharmaceutical industry. Contrary to that, Mr. Speaker, with respect to the textile industry he indicated just the opposite. He said that in that particular case we should be looking to protect the industry, the jobs in it, and to try to ensure that the industry remains healthy regardless of what that does to consumers. By doing that he was, of course, stating by implication, if not expressly, that we should not be protecting consumers, that we should not be acting in their interests, that we should not be trying to allow them to buy textile products at the lowest and most reasonable price possible.

Which is it, Mr. Speaker? The Hon. Member cannot have it both ways. If he expects other people to be consistent, should he not be consistent too? Who is he interested in protecting, industry or the consumers? Or is he interested in protecting industry on one hand and the consumers on the other hand regardless of consistency?

Mr. Boudria: Mr. Speaker, I will not pretend to understand Tory logic. It is beyond most people. However, I do not feel it is inconsistent at all to want to protect consumers when they are gouged by the pharmaceutical industry. When an item which is worth $4 in Canada is worth $145 in the United States, I do not feel there is anything wrong with trying to protect the consumers.

With regard to the Canadian footwear and textile industry, the industry has shown all of us in this House that the price of Canadian goods has not climbed out of proportion with the price of imported goods at all. The Canadian footwear industry and the textile industry are both worth saving. No one has ever suggested that protecting those industries is against the consumer. If the Tory policy is such that you cannot protect the textile industry, let the Hon. Member say that to

his colleagues from eastern Ontario, Quebec, and Winnipeg who are so dependent upon that industry. Let him say that loud and clear now in the House of Commons. I do not believe it is inconsistent to try to protect my constituents, whether they be consumers or workers in the textile industry.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please.

It being five o'clock, this House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, October 6, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

Ms. Lynn McDonald (Broadview—Greenwood) moved for leave to introduce Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising.

Some Hon. Members: Explain.

Ms. McDonald: Mr. Speaker, I am introducing for first reading a private Members' Bill which would give protection to all employees in the federal workplace, the House of Commons and all federal agencies, to all employees of airline companies, trains, and all carriers under federal jurisdiction and to the federal public which use services under federal jurisdiction, the House of Commons, the Senate and so forth to have a smoke-free workplace, and an objective standard has been incorporated into the Bill.

Finally, my Bill includes a measure to ban advertising and promotion of all kinds of cigarette products.

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

Some Hon. Members: Agreed.

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

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HERITAGE RAILWAY STATION PROTECTION ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-205, an Act to protect heritage railway stations.

Some Hon. Members: Explain.

Mr. Taylor: Mr. Speaker, this Bill was introduced in the last session of Parliament, it went to committee but did not come out of committee, one way or the other. This Bill will protect railway stations across the country that are considered of heritage value. It is high time that we had a Bill of this nature.

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

Some Hon. Members: Agreed.

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

* * *

CRIMINAL CODE AND YOUNG OFFENDERS ACT

MEASURE TO AMEND

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-206, an Act to amend the Criminal Code and the Young Offenders Act.

Some Hon. Members: Explain.

Mr. Taylor: Mr. Speaker, this Bill will reinstate capital punishment for those who deliberately plan and kill another human being.

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

Some Hon. Members: Agreed.

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

* * *

• (1110)

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved for leave to introduce Bill C-8, An Act to amend the Canadian and British Insurance Companies Act, the Foreign Insurance Companies Act and the Winding-up Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

LOAN COMPANIES ACT

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved for leave to introduce Bill C-9, an Act to amend the Loan Companies Act, the Trust Companies Act, the Bank Act and the Quebec Savings Bank Act with respect to certain regulatory matters.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed Friday, October 3 consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and of the amendment of Mr. Turner (Vancouver Quadra) (p. 44) and the sub-amendment of Mr. Broadbent (p. 57).

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, it is a privilege, today, to take part in the debate on the Speech from the Throne as the Minister of Employment and Immigration. Nevertheless, it is, in my opinion an even greater privilege to rise in the House as the Member for Roberval, which is what I am first here in the House. I think my Quebec colleagues are well aware of my feelings of pride for the riding I represent, the riding of Saguenay—Lac-Saint-Jean, which to me is one of the most important elements of the *Francophonie* inside this country.

Now, for the first time in the history of this riding, it has a Member who is a Minister, the Minister of Employment and Immigration. And naturally, the riding of Saguenay—Lac-Saint-Jean wants to thank the Prime Minister of Canada (Mr. Mulroney) for his particular concern for the regions of this country.

[*English*]

I wish to extend my congratulations to you, Mr. Speaker, upon your election to the Chair of the House. That I, as a Quebecer, can rise in my place to congratulate a favourite son of British Columbia is a small but powerful reminder of the diversity and greatness of the country. I look forward to working with you, Sir, as we all strive to ensure that the House honourably and vigorously reflects this diversity and greatness.

[*Translation*]

Mr. Speaker, the Speech from the Throne proposes a major challenge to this House and to Canada, that of building an increasingly vigorous economy and above all, a tolerant and caring society, a society where all Canadians will reap a progressively larger share of the benefits of this country's development. However, the dream of equitable distribution of wealth will never become a reality if we do not produce that wealth by involving all Canadians in the process, in other words, by meeting the challenge of providing employment.

[*English*]

The most consistent message of the Government has always been that a healthy economy creates employment. As a result of the economic course set by the Government, we have achieved truly remarkable results. According to the most recent economic survey carried out by the OECD, Canada has been remarkably successful in creating jobs. Employment growth last year was again the fastest in the whole OECD, being well over twice the OECD average. Just as important as the creation of jobs is the need to prepare Canadians for these jobs. I want to applaud vigorously the energy and commitment of my predecessor in forging a new approach to prepare Canadians for these emerging opportunities.

[*Translation*]

Mr. Speaker, what we inherited was of little value. All we had was a set of empty and ineffective policies which did no more than make Canadians ripe for unemployment insurance, which failed to hold out any hope for stability or economic improvement and what is worse, totally unrelated to the real needs of Canadians.

Mr. Speaker, we have made a concerted effort to restructure those policies, and we came up with the Canadian Job Strategy. Today, after only one year, 400,000 Canadians—Mr. Speaker, I repeat, for the information of my colleagues opposite—400,000 Canadians have been part of this remarkable success. Our approach is simple but fundamental, and it is to link training with the jobs and employment. All countries that have experienced significant development, whether in Asia, Europe or America, have understood this fact.

Here in Canada, the same holds true. That is why we have responded with six programs: Job Development, Job Entry, Skill Investment, and so forth. In fact, these programs link

training with employment. And those are the realities of 1986, Mr. Speaker, and we are not alone in thinking this way. All Canadians are beginning to understand that this is what we must do to keep up with other countries.

• (1120)

[*English*]

Ten years ago, of course, it was widely believed that the labour market was stable. Long-term unemployment was rare, and short periods of unemployment were seen as the norm. They were usually associated with the ups and downs of the economy. Governments were not expected to be imaginative or to create new approaches. The recession of the early 1980s changed all of this. It forced us to confront the changing reality of the market-place. No longer could we sustain our faith in short-term job-creation projects and unemployment insurance as solutions. Unfortunately, the belief in this old approach to the problem has been a long time in dying.

[*Translation*]

I agree that unemployment insurance, and there are many good reasons for this, Mr. Speaker, must be maintained as a safety net for all Canadians, and I can assure you that will continue to be the case. However, only a growing and healthy economy and an employment policy that is based on co-operation with business will help us build a strong country, where these realities are understood.

[*English*]

The global economy is changing and this brings change to every Canadian home and factory, every store and office. It means that individual Canadians will be called upon to adapt and seize new opportunities throughout their lives. For some, the challenges are greater and this Government has responded and will continue to respond to assist first those with the greatest needs. Older workers, young people, women, the disabled, visible minorities and natives all have special needs and the Government is committed to removing obstacles to their full participation in the workforce.

The Canadian Jobs Strategy is designed to focus on individuals. We realize that the old ways are no longer adequate. A global, bureaucratic plan in Ottawa does not relate to the problems faced by an unemployed woman in Ontario, a laid off miner in Manitoba, or a Newfoundland fisherman. Canadians do not want the old make-work projects. They not only offered old solutions, they were wasteful and diminished the dignity and self-respect of the individual. Canadians deserve better.

[*Translation*]

Mr. Speaker, the Canadian Job Strategy offers much more. It offers the solutions of the eighties for the problems of the eighties. Practical training and job experience lead to permanent jobs. The strategy concentrates on what works across this country. It does not fall into the trap of short-term jobs, which are jobs in name only. And above all, it involves everyone: employers, workers, training institutions and all levels of government.

Again, Mr. Speaker, the figures are there. Canadians have responded enthusiastically. On average, over 80,000 people are trying daily to acquire the requisite skills to fill permanent jobs.

[*English*]

In Prince Edward Island, for example, a woman with nine children, who had worked as a labourer and was subsequently injured, began a training program in retail sales. She was hired by a local employer before her training period had ended. In Newfoundland, fishermen who were laid off by a fish processing plant were able to develop new products with assistance provided by the Canadian Jobs Strategy. As a result, they were not laid off.

There are thousands and thousands of examples across this country of Canadians who have successfully participated in the Canadian Jobs Strategy and who are now contributing their talents to the labour force.

[*Translation*]

Mr. Speaker, my work as Minister of Employment and Immigration is to take advantage of that momentum and to work towards progress with all my colleagues in this House. We do not claim to have the answers to all our problems. A great many remain unsolved, we do not wield a magic wand, but we can see that the outlook is more promising than it was two years ago. Time has come—and I hope the message will get through, Mr. Speaker—to stop seeing dark clouds on the horizon, especially in the employment sector.

There has been notable improvement over the past two years and statistics are there to prove it. But Canadians must change their mentality, and this can only come about if, in turn, individuals and the community accept this responsibility. The Government can lend support for such initiatives, but the future of the labour force depends on concerted action.

Quite obviously we are aware of regional realities. For example, I know that training does not come easy in some of the smaller villages in my own riding because the link between the economic reality and any business is not immediately apparent, and the community is poor, something which can be said about many ridings throughout the country.

[*English*]

For this reason I applaud the creation of an Atlantic Canada Opportunities Agency and I look forward to the participation of my Department in this important initiative. I look forward also to meeting my provincial colleagues to discuss the situation in areas like the Atlantic provinces, northern Ontario, northern Quebec and other regions. I will listen carefully to their suggestions, particularly those regarding the Canadian Jobs Strategy. One thing is certain. We must evaluate the problems of particular regions carefully and we must integrate our efforts into the local economy.

[*Translation*]

Basically, Mr. Speaker, this country reflects our differences and the course we Canadians are steering. We must keep in mind that Canada is a whole made up of various parts. Nothing in the employment strategy is engraved on stone. If current trends continue, we will have to acknowledge that Alberta and British Columbia are now experiencing hardships in terms of employment and to come directly to grips with their problems. Our provincial counterparts can count on our full support. Each community must strive to seek solutions to its own problems. Mr. Speaker, I want to emphasize the point: each community, each region must make an effort to find its own solution to employment problems, and the Department of Employment and Immigration will be there to lend a hand.

[*English*]

As we in the House go forward with the business of the nation we must recognize that our first duty is to face reality. We must face the world as it is and, equally important, the way the world will be tomorrow. Only by looking ahead can we prepare the ground for the future.

[*Translation*]

Still, Mr. Speaker, we can also dream about tomorow, and I would even suggest we must do just that. This is the seed of hope in our future as a nation and we all know that the labour market will have changed substantially in ten years from now, at about the turn of the century. Are we really quite prepared to face this reality? Of course a number of Canadians will continue to think that tomorrow is yesterday and that the labour market owes us everything without anyone having to do his or her share. Some people will continue to believe in a static economy, powerless to compete and where governments always seem to come up with the right answers. Yet others will not accept the responsibility of taking an aggressive stance in the game of vested rights and compromises because, apparently, it is not up their alley.

• (1130)

[*English*]

I remain personally convinced that the majority of Canadians understand and support the need to develop new approaches to the world of work, where each has a responsibility to assume, where the collective efforts of Canadians are required in order to confront international competition, where we must sustain measured progress and maintain the momentum of a dynamic labour force.

[*Translation*]

Mr. Speaker, if our different backgrounds is such a vast country do create misunderstandings now and then, I am firmly convinced that, being all Canadians, the world of tomorrow will reflect our affinities.

Mr. Speaker: Questions and comments. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Mr. Speaker, I would like to ask the Minister how he can justify the fact that, under the Challenge '86 program, funds have been allocated to a few businesses such as La Ronde, in Montreal, while certain non-profit organizations have been harshly cut off and have been prevented from sending even a few children to the summer camp for handicapped children. Can he justify this conservative policy?

Mr. Bouchard: Mr. Speaker, the Hon. Member for Hamilton East (Ms. Copps) will certainly understand that it would be extremely hard for me to give a reply to such a question this morning. She has quoted facts out of context and without any references and said that funds have been allocated to La Ronde but not to certain non-profit organizations. This is essentially a general assessment. The Hon. Member says that money has been given to some people, but not to others. As for me, Mr. Speaker, I believe that Challenge '86, as Challenge '85 before it, has been a great success. Whatever the Hon. Member may feel, and I am convinced that she is herself happy about it, we have been able to give young Canadians an opportunity to work during the summer, when they are generally available. I believe that Challenge '86 has been a good experience, especially as the young people involved were mostly associated with businesses which have to appreciate the abilities of young people in this country. Whether we are speaking about La Ronde or about non-profit organizations, many people have received help from this program. Generally speaking, I believe that people appreciate the Challenge '86 program.

[*English*]

Mr. Riis: Mr. Speaker, I listened with interest to the Minister's speech and found it to be most informative. We always appreciate his attempts to keep Members informed of statistics on a weekly and monthly basis with regard to how the Department is performing in lowering unemployment. I would like to ask for one small point of clarification. Having looked at the unemployment figures for the last few months it seems to me that the unemployment figures for the last reported period were up slightly over the previous period. I think it was 9.3 or 9.5 per cent. In his Throne Speech address the Prime Minister (Mr. Mulroney) said that unemployment is at its lowest level in five years. Is it correct that in a sense he was not quite accurate?

Mr. Bouchard: Mr. Speaker, I think that was a global evaluation. The trend for the unemployment rate is not regular. It may be down for July and up for August. I think that generally the trend was positive. The rate of unemployment in the country is generally the lowest for the last five years. My understanding is that the reference in the Prime Minister's (Mr. Mulroney) speech was in this sense.

Mr. Hawkes: Mr. Speaker, congratulations on your new position.

[*Translation*]

I would like to congragulate the new Minister for his excellent speech which reflects a philosophy that I wholeheartedly support.

[*English*]

What I heard the Minister saying is consistent with a report which a special parliamentary committee presented to this Chamber in the fall of 1981. That committee was chaired by members of the previous Government and it was completely ignored by their Cabinet. I heard the Minister saying that there will be an intensification of things which are already started, that there will indeed be an increase in local decision-making, that the Government views communities of the country as having local labour markets with local opportunities for development of jobs, that we are composed of communities with somewhat different educational backgrounds and that communities will be able to decide how best to spend federal money so that people who live in those communities can acquire the skills which will lead to placement in jobs within their home communities. Is it a fair summary to say that the over-all approach of the Government is local control of decision-making in order that local people can attain skills relevant to where they live and would like to work?

Mr. Bouchard: Mr. Speaker, I would like to re-emphasize what the Member said. Jobs Strategy would like essentially to deal with the employment problems we had until 1984. I know that my colleagues on the other side are aware that the old job programs were a failure. We need only look at the figures from 1984.

The issue of training must be joined with the issue of jobs. The people of Canada are becoming increasingly more aware that we cannot give a strong thrust to job-creation programs and employment if we do not join this with training. This is the concern we have in all six streams of job creation. Job development, job entry and so on must always be mixed with training for the benefit of the future of the country. Young people are getting training in our universities in order to get jobs in the future. Our older workers have to be moved out of the industries because they do not have the necessary skills to get further.

In my speech I committed myself, and I think I can say I committed the entire Government, to continuing to deal with the question of training. My colleague speaks about New Brunswick. I am deeply aware of the problems that we have in the Atlantic provinces. The Prime Minister made his speech on Friday. The Hon. Member said that we did not have specific programs but I think the Speech from the Throne is not the place to give specific programs. It is the place to give the philosophy of the Government. The Hon. Member should be very pleased because he did not see such things before 1984.

• (1140)

[*Translation*]

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, first, I would like to congragulate the Minister on his appointment and say that we hope that we can continue to be able to work closely with him, as we did when he was Secretary of State.

He mentioned the fact that unemployment affects certain regions in Canada more than others. I would like to point out, for instance, that our capital, Ottawa, had an unemployment rate of 9.2 per cent last July. There are 7,000 more unemployed in the national capital than there were in 1984 when the Progressive Conservative Government came to power. Of these, 35 to 40 per cent are young people who are unable to find work. Moreover, 20 per cent of the families in Ottawa—Vanier are single parent families with dependent children, and most of these families, or 95 per cent, are headed by women.

I would like to know what the Minister can tell us about this. First, what can he tell my constituents, such as a woman with two children who has no job and who needs training and development programs. Can he give her some encouragement? Would he tell her today: Madam, this Government will see to it that programs are made available at Algonquin College or elsewhere to give you retraining and enable you to find work and earn a decent living?

As for young people, many of my constituents go to Ottawa University, Carleton University or Algonquin College. There are 21,000 students in my riding. What can you tell them about their careers? Can they expect this Government to be sensitive to their needs and to implement real job-creation and training programs which will give them an opportunity to earn a decent living?

Mr. Speaker: Order, please. The Hon. Minister may give a very brief reply.

Mr. Bouchard: In my speech this morning, Mr. Speaker, I tried to address this concern. I think that the Ottawa region, for the very specific reasons you referred to, is faced with the same problem as a great many other regions in this country. This morning, I made every effort in my speech not to imply that we had found solutions to all problems, including those experienced by young people coming out of the university, not to mention those of women who are trying to return to the labour force and for whom it is a fundamental desire. However, as you know, the current situation is becoming increasingly more difficult. A reference was made to New Brunswick and Newfoundland, which does not lift the obligation to solve your problem, but first of all, we must try to help the areas where unemployment rates are as high as 15 or 20 per cent and which would be faced with a very difficult situation indeed if the Government failed to act quickly and effectively.

However, once again, it is a very great and considerable endeavour, but I do understand the issue which you are raising, because it is just as bad to be unemployed in Ottawa as it is to be out of work in St. John's, Newfoundland.

[*English*]

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, may I begin by congratulating you on becoming the new Speaker of the House as a result of a democratic election process that we have not known in the House before. I am sure I speak for all of us when I say that we found it to be an extremely rewarding experience that your peers should make the decision as to who should be Speaker of the House. It was one of the most exciting and democratic proposals of the reform committee. While we all agree that a few small procedural changes must be made, the principle is one that I know each Member of the House cherishes.

Let me also say that I thought the speeches by the mover and seconder of the Address in Reply were very ably given. I particularly want to mention the speech of the Hon. Member for Capilano (Mrs. Collins) in moving the Address in Reply since in addition to being an extremely able person she is a British Columbian like you and I.

The Hon. Member for Capilano said that 70,000 new jobs had been created in British Columbia since September, 1984. However, she did not mention that thousands upon thousands of jobs have been lost in British Columbia since 1984, particularly in the forest industry. In light of the current situation, it would seem that thousands more jobs will be lost in our key basic industry of forestry. Also, she did not mention that of the 70,000 new jobs that were created, practically all of them are not highly productive jobs but minimum wage jobs in the service industry.

It is widely known that British Columbia has the lowest minimum wage in Canada at $3.65 an hour, and according to the Premier it will be even less or abolished altogether in some areas of work.

Therefore, I suggest that it is perhaps exercising a bit too much hyperbole to put such stress on the creation of new jobs because they are not in the productive part of the British Columbia economy or in the potentially productive part of the economy. They are certainly not in the key resource industry of our province, the forest industry.

In fact, neither the Throne Speech nor the Member for Capilano indicated very much at all about the forest industry, which was a bit of a surprise to the rest of us from British Columbia and other Members from provinces in which the forest industry is important. It is one of the key export industries of this country, but there was only a fleeting reference made to it by either the Hon. Member or the Speech from the Throne.

This is no doubt because both the federal Government and the provincial Government seem to be in a state of some chaos on the question of the industry. Many of us in the New Democratic Party have said many times in the past year or more that Canada and the United States should conduct negotiations on the forest industry, including our access to American markets and whether or not stumpage needs improvement. We have often said that the stumpage system needs improvement. We have not suggested, nor do we believe that it is an unfair subsidy. Indeed, the International Trade Commission did not believe it was an unfair subsidy in 1983. However, improvements certainly could be made to the stumpage system and we, as well as the IWA, have been arguing for some time that improvements could and should be made and that direct negotiation should be undertaken with the United States Government and the lumber industry in both countries. This was not done and suddenly we have seen a last minute flurry with a so-called offer to the United States directly relating to stumpage fees, which was inevitably turned down.

I suppose the problem facing the Government is that it was so hung up on free trade and the idea of everything going under a comprehensive trade negotiation—even though we are supposed to have had free trade in the lumber industry for 50 years and President Reagan indicated to Senator Packwood that he would resolve the softwood lumber issue for the American lumber producers—that neither the Canadian Government nor the British Columbia Government realized that they would be outsmarted and that they should have stopped talking about a comprehensive agreement and addressed the immediate issue. Of course, the immediate issue concerned negotiations in the lumber industry itself.

Little has been said about this and we are now in the midst of a very confusing scenario which may yet, and I believe will, lead to satisfactory negotiations. However, that certainly has not been the case up to now.

Another industry of great interest and concern in British Columbia, although not as major as the forest industry, is the shipbuilding industry, which we would like to see enhanced. Indeed, the Hon. Member for Capilano also mentioned that the Polar 8 icebreaker, promised in the Speech from the Throne, will hopefully be built on the West Coast. She suggested it would be desirable that the awarding of the contract be to a firm on the West Coast. That is a most estimable wish but, as the Hon. Member for Victoria (Mr. McKinnon) pointed out on Friday, the desirability of having the icebreaker built on the West Coast would have been enhanced enormously had invitations to tender been limited to firms on the West Coast.

• (1150)

Indeed, the Hon. Member for Victoria, who is here in the House today, asked in 1983, as he reminded us on Friday in the House of Commons, the then Minister of Supply and Services if the tender for the Polar 8 icebreaker would be limited to the West Coast and he was assured that it would be. However, this Government has not done that. Now we are in a situation where, lacking that kind of action, the Government is going to have to make the decision on political grounds such

as, for example, where it is going to put a prison. That is extremely unfortunate.

There has been a lot of other shipbuilding in other parts of Canada, for instance in Saint John and on the St. Lawrence River, yet no attention is really being paid by the Government to the shipbuilding needs on the West Coast.

There were items in the Speech from the Throne which I and other Hon. Members, I know, were very encouraged to hear. The recommendations in relation to science, technology and post-secondary education were superficially, at least, encouraging. In the case of scientific research, $1 billion over five years in funding is promised. That is about the only specific in the Speech from the Throne. That was good to see, although, as we all know, practically all of that is catch-up since scientific research has been so under-funded. Also promised in the Speech from the Throne was a strategy for technology and a variety of other proposals. We will have to see whether or not these will be elaborated upon further in the weeks and months ahead. We can only hope so.

The Government promised that it would call a national forum on post-secondary education early next year to help meet the challenges facing higher education. Again, this is a desirable proposal, one which we have been making for some time. It would, of course, have been more seriously taken by us had we felt that the present Government has a serious commitment to post-secondary education. We find that its commitment is really not a particularly serious one, when as recently as June of this year it pressed through with Bill C-96 which, as we all recall, significantly reduced the rate of increase of federal support for post-secondary education. Nor has the Government made any response to a suggestion made by many people in the field of higher education that there should be a Minister of State for post-secondary education in the federal Government. That is something for which the New Democrats have been calling for some time. I speak of New Democrats in this connection, Mr. Speaker, because both federally and provincially we have been particularly strong proponents of accessibility to post-secondary education as well as fairness and equity, adequate funding, a better loan and grant system and all the other important matters relating to post-secondary education if we want a society where we have genuine equality of opportunity.

You will recall, Mr. Speaker, that we objected very strenuously in 1977 to the open-ended federal funding proposals which were passed at that time. That meant that provinces could spend the money on any matter they wished rather than spending it strictly on post-secondary education. Provinces have been very remiss in keeping up their full share of the costs of post-secondary education, particularly the Social Credit Government of British Columbia which has been extremely remiss. It has been cutting back very seriously on accessibility to higher education. I am curious to know what would happen, and I hope I never see it, if our current premier, who was a disastrous Minister of Education, should attend the national forum on challenges to higher education because, quite frankly, the current Premier of British Columbia, as became quite clear in a television newsclip the other night when he appeared at a meeting with students at the University of British Columbia, really has no interest or concern about the issue of equality and accessibilty in higher education. Nor, indeed, does his Minister of Education. I was shocked to read a day or two ago that: "B.C. Education Minister, Russell Fraser, says poorer people should examine their priorities and consider putting off post-secondary education if they are unable to afford it".

Post-secondary eduation is as significant for those of us in British Columbia as the forest and shipbuilding industries. We would like to see a full debate on this in the current provincial election. The New Democrats, as I said before, both federally and provincially, have creative programs for post-secondary education. Our British Columbia leader, Bob Skelly, outlined in detail our post-secondary education policies at the University of Victoria last week. It would be desirable, it seems to me, as it does to him, to have the current premier debate with him—and we have been urging this in our province—issues not only of forestry and other matters of job creation but also the accessibility of education to young people, and we still hope to see that happen.

The Speech from the Throne also addressed another subject in which many of us in this House have a great interest, that is, the equality of women in society. It is rather disappointing, however, that it is difficult to find in the Speech from the Throne any real, strong and genuine commitment to, for example, universal child care. It had some things to say about wage equity in the Public Service but there is nothing in the Speech from the Throne which address the problem of ghettoization of women in low paid jobs in the Public Service, nor anything about the problems of the part-time worker, most of whom are women, the impact of technological change on women, or the enormous problem of women in development in the Third World. I feel that the commitment of the Government to the equality of women at home and abroad is not a very deep one.

• (1200)

I was interested to note that in the listing of the Ministry as reported in last Wednesday's *Hansard* no one is listed as being responsible for the status of women. I thought that the Hon. Member for St. Paul's (Mrs. McDougall) had been given that responsibility—but apparently not. Beside her name in the list there is mentioned only her responsibility as Minister of State for Privatization. Indeed, if one looks at the alphabetical listing of Members set out in last Wednesday's *Hansard* one will see that beside the Minister's name there is no reference to her being Minister Responsible for the Status of Women as well as being the Minister responsible for privatization. So someone who did not know what was going on here, and I suppose from time to time that includes many Canadians, would not know that the Government had anyone responsible for the status of women. Perhaps that shows the Government's priorities. It is difficult to understand, particularly in view of

the fact that two other Ministers with dual responsibilities, that is, Forestry and Mines on the one hand and Small Business and Tourism on the other, had both their responsibilities listed beside their names last Wednesday.

The Speech from the Throne made some mention of Canada's role in the world community. I might say that it provided an encouraging outlook and attitude to which my Leader referred last Friday during the Leaders' debate. I would like to enjoin upon the Government a few more steps other than those outlined in the Speech from the Throne and those set out in the contributions of the Secretary of State for External Affairs (Mr. Clark) with respect to international affairs.

With respect to South Africa, for example, although the Government has been strong in its condemnation of apartheid in the work it has been doing with other Commonwealth countries, it has not yet responded to the resolution of the all-Party committee which met this summer. I refer to the committee which studied the matter of human rights and which, in effect, called for a complete legislated embargo on imports and exports of goods and services to and from South Africa. To my knowledge there has been no response to that unanimous recommendation of the committee—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but her time has expired. Are there questions or comments?

Mr. Lewis: Mr. Speaker, I rise on a point of order. The Hon. Member for New Westminster—Coquitlam (Ms. Jewett) obviously wants to wrap up her speech. I do not think there would be any objection to allowing her to wrap up her speech. Questions and comments could then follow.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the Hon. Member to wrap up her speech?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): I gave the Hon. Member the five-minute signal, the three-minute signal and the one-minute signal. I hope that Hon. Members will watch the Chair in order that they will know when to wind up as we progress through the debate on the Address in Reply to the Speech from the Throne.

Ms. Jewett: Mr. Speaker, my warmest thanks to the House. I had lost track of the time.

The few minutes that I have left will not be long enough to cover the huge subject area of international affairs. However, I would like to say that there are other areas about which we would like to know the Government's position. For example, there is Namibia and the issue of aid to the front line states. We would like more detail concerning the Government's revised policy on the export of military and strategic goods, particularly in relation to Chile. Above all, we would like to know what the Government's position is with respect to arms control and disarmament. Many of us are distressed indeed that Canada has not yet placed at the top of its agenda urging the United States to join the Soviet Union in a moratorium on nuclear weapons testing. It was a pity that we abstained from the UN resolution of last December which called for the immediate cessation and prohibition of nuclear weapons testing. I say that because, on the one hand, we say we would like to see it, and yet, on the other, we abstain when a vote comes. It is somewhat like saying that a nuclear freeze is great, yet we vote against it at the United Nations.

We say from time to time that we cannot do much about nuclear testing since there is a problem of verification. That is the Reagan argument. However, virtually every seismographic expert outside the U.S. administration believes that test ban verification can now be assured. We would like to see the Government move in that area.

Finally, and because I know I am short of time, the one other area I will mention, and which I will debate at greater length on another occasion, is with respect to the failure of Canada to resist the resumption of Cruise missile testing. How can we begin again to allow air-launched Cruise missile testing when the United States, for whom this is being done, has said that it will violate the SALT II treaty by increasing its number of Cruise-missile-capable strategic bombers? This makes us complicit in breaching the SALT II treaty.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Esquimalt—Saanich (Mr. Crofton).

Mr. Crofton: Mr. Speaker, I listened with considerable interest to the representations of the Hon. Member for New Westminster—Coquitlam (Ms. Jewett). Early in her remarks she drew attention to the excellent speech made by our colleague from British Columbia, the Hon. Member for Capilano (Mrs. Collins). She suggested that the speech given by the Hon. Member for Capilano contained some rhetoric with which she had some difficulty. I must say that the speech I heard this morning is one which gives me some difficulty.

Unquestionably, the economic situation in British Columbia is difficult. British Columbia is also my home province. No area of activity in the province is in greater jeopardy at this time than is the lumber industry. Expressing concern about the job situation is clearly a marked and important step taken by the Government to overcome, in part, that difficulty. However, the Hon. Member indicated in her speech that somehow we should be taking a sectoral approach to the forestry problems in British Columbia, an approach which is in defiance of the American position. The Americans have said on a number of occasions that they look to comprehensive negotiations in respect of our trade difficulties. They have said that they are not interested in sectoral discussions. As a Government we have worked very hard to promote a co-ordinated approach to our forestry problems. The four main producing provinces and the federal Government have been working hard to deal with this issue. Is she saying that she is in support of that? Is she or

her Party not in support of increased stumpage fees, something which at long last will perhaps put the necessary money into reforestation and silviculture? After all, stumpage rates are under provincial jurisdiction, they are not something over which we as a federal Government have any jurisdiction.

• (1210)

Clearly these are all moves designed to assist and promote the forest industry in British Columbia and to create the very jobs the Hon. Member has correctly said are needed. However, the views she presented this morning seemed to go contrary to known fact and the activities of the Government.

Ms. Jewett: Mr. Speaker, I thank my hon. friend for his questions. Indeed, the reforestation agreement is an important one. Compared with what was done in the past when the forest industry was basically ignored both by the companies themselves and by the Liberal Government, this is a step forward. It is just that because of this long neglect, so very much more is needed, and I am sure my hon. friend would agree.

The Hon. Member said that the Americans are not interested in a sectoral approach. On the contrary, Mr. Speaker. What the Americans are trying to do is pick off one sector after another. That is what they are doing and that is what they have been doing. That is what we must not let continue. It is like we are giving them the opening to pick sectors off. We have to get in there ahead of them. We have to know our own position on each sector without simply allowing the Americans to pick each of them off.

Finally, on the subject of stumpage fees, I said that for years we had wanted to have the entire stumpage system looked at. We think it has inherent deficiencies. One of those is fees. I think it is a pity that only the question of fees has been addressed, particularly since fees were not found to be a subsidy in the 1983 ruling of the ITC.

Mr. Hawkes: Mr. Speaker, I am just a little bit confused. I am not sure what the Hon. Member is saying in terms of the NDP position. Is it the NDP position that we should condemn the agreement which may or may not be reached in these negotiations before we see it? That seems to be the position of the CLC. That position is that any kind of new trade arrangement with the United States which might be agreed to by negotiators on our behalf and on its behalf should be condemned and condemned outright before anyone has seen it.

It seems to me to be perfectly logical to hold our fire on whether or not to accept an agreement until we have seen what it says. Is the Hon. Member saying that we should condemn it because somehow, in her mind, she thinks the process is flawed and therefore a flawed process cannot produce a good result? Certainly in this Chamber we see many flawed processes. We see many bad results but we see many good results coming out of flawed processes. Is she condemning the process or is she condemning the potential agreement before we see it and before we have had a chance to vote on it in this Chamber?

Ms. Jewett: Mr. Speaker, we do have some doubts about what might come out, particularly because if the so-called free trade negotiations result in some kind of an agreement and the Americans continue to insist on having the power to countervail, I do not see that we will be very far ahead in the forest industry or any other industry. How can we wait to hear of the private negotiations on this so-called free trade deal? They are going on in private. We do not know what is going on. In the interim, the Americans are taking all these protectionist actions. The Hon. Member is asking me if I question the process. What I am questioning is his position which seems to be one of waiting until the negotiations are all finished. We cannot wait. We simply cannot wait.

Mr. Kilgour: Mr. Speaker, the Hon. Member will know that under the GATT the Auto Pact was an exception as a sectoral agreement. We were given a special exemption. I wonder if the Hon. Member thinks that the sectoral approach favoured by her Party is consistent with the GATT. A GATT official told me that he doubted very much that we would ever again be given an exemption for an Auto Pact agreement between Canada and the United States. I wonder if the Hon. Member really believes that it would be possible to get another sectoral agreement through the GATT while being consistent with GATT which, as she knows, would certainly not be possible.

Ms. Jewett: Mr. Speaker, I think the auto agreement is entirely different and the kinds of guarantees that were given under the auto agreement for the production of automobiles are entirely different from those in an agreement that would be negotiated in the forest industry. The agreement that is to be negotiated in the forest industry would presumbly be an agreement relating to market sharing and matters of that kind. I do not know that one would even ask for the kinds of built in guarantees that are in the automobile agreement as I understand the Auto Pact. I really do not think the question of a negotiated agreement would violate GATT. Indeed, the Minister for International Trade (Miss Carney), the Hon. Member's own colleague, is already, in a sense, in negotiations. It is just a little late. Is she violating GATT?

Mr. McKinnon: Mr. Speaker, I enjoyed the presentation made by the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) but I am rather curious about the amount of time the NDP are giving in the House to the provincial election in British Columbia as compared to the time given to federal business. I listened carefully to what she had to say about the election in British Columbia. Being a Conservative from British Columbia, I can take a very detached viewpoint from the sidelines. I wonder if the Hon. Member would agree with me that putting Mr. Skelly up against Mr. Vander Zalm is about the worst mismatch we have seen since Buddy Baer fought Joe Louis for the championship.

Ms. Jewett: Mr. Speaker, I am delighted that the Hon. Member asked that question. I think there are people in public life who occasionally choke up when they are faced with a gaggle of television cameras and a hustling, pushing horde of

reporters. Maybe the Hon. Member does not do so, but some people do so occasionally. Bob Skelly did choke up twice, I believe, when faced with a horde of television cameras and pushing and shoving reporters. Frankly, I am surprised at the Hon. Member for thinking that that should be the gauge by which one judges a person's abilities.

We have heard what the Leader of the New Democratic Party in British Columbia has said in debate and today I have read press accounts on post-secondary education, the forest industry and the creation of jobs. Those can be compared with the absolute emptiness of the performance of the Social Credit Party. It is all style and no substance as the current premier has said.

The Acting Speaker (Mr. Paproski): I regret to say that the Hon. Member's time has expired.

[*Translation*]

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I wish to congragulate you for your election as Acting Speaker of the House of Commons; I wish also to congragulate the Speaker of the House of Commons (Mr. Fraser). Mr. Speaker, I feel it is important for an Hon. Member to congragulate in French the Hon. Members for Edmonton North and British Columbia.

[*English*]

I hope you understood that, Mr. Speaker.

I am also pleased to see the Minister of Regional Industrial Expansion (Mr. Côté) and the Minister of National Defence (Mr. Beatty) present in the House and to see them conferring. I hope they are talking about Goose Bay and the necessity for establishing a mechanism for monitoring control going to the Armed Forces, something which we all support but which needs to be done carefully and with the consent and involvement and information of the people of Goose Bay. I am very pleased to see them discussing that this morning.

I would like to address particularly the impact or lack of impact of the Throne Speech on the Atlantic provinces, and particularly on my own riding of Grand Falls—White Bay—Labrador, a riding which I have had the honour to represent for the last 14 years. I have to say that I am very disappointed with the lack of attention given to the Atlantic provinces in the Throne Speech. I have rarely seen in 14 years a Throne Speech which has addressed so little the real problems of the Atlantic provinces.

• (1220)

We hear about the Atlantic Canada Opportunity Agency. That seems to me to be an admission that the billion dollar loan fund announced in the last speech for the Atlantic provinces has not been effective. We do not know what this agency will produce. We hope it will be some sort of new panacea, but, although we have tried a number of different mechanisms in the past, they do not seem to have worked.

I do not see any new policy coming, nor do I see the addressing of some of our problems. First, there is no mention at all of the development of hydro power. Yet this, I know, was an issue of great importance to the Prime Minister (Mr. Mulroney). I asked him on April 19, 1985 in the House about the development of the hydro resources on the Ungava Peninsula in his riding and in mine involving the rivers that flow through Labrador and the rivers that begin in my riding and flow through his down to the Gulf of St. Lawrence. The Prime Minister (Mr. Mulroney) said in 1985:

> —I put forward a proposal which I thought would be fair to Newfoundland and Quebec, which would allow for the development of those rivers flowing into the St. Lawrence, particularly from Labrador west, which would provide unique benefits to Newfoundland and Labrador and to the lower St. Lawrence and eastern Quebec. In fact the project as we set it out would have cost about $25 billion in 1979 dollars and created thousands of jobs and opportunities for Labradorians and Quebecers.
>
> With regard to this specific point, I have met with Premier Levesque and I have met with Premier Peckford. I have offered the full services of my office and myself to see if we cannot find a tri-partite mechanism whereby the three Governments can proceed to the development of this enormous resource which will benefit both provinces and create thousands of new jobs.

That, Mr. Speaker, was in 1985. The water is still flowing to the sea. It is still flowing untapped, and meanwhile we are buying expensive oil. That hydro-development for Labrador and for Newfoundland is the single greatest opportunity for economic development and the creation of jobs that we have in our province today, Hibernia notwithstanding. It is the single greatest opportunity for the creation of jobs. Yet a resource which would be good not only for our province but for the Atlantic provinces and for the eastern seaboard of the United States is not mentioned and there is no policy of the Government of Canada toward that important alternate energy source.

I notice that farming had four paragraphs at the beginning of the speech with specific initiatives, and I congratulate the farming community on that. I am happy that the people in western Canada particularly, the farmers in Ontario, Quebec and in the Atlantic provinces will have something of value to look forward to. What, on the other hand, did the fishery get, Mr. Speaker? It got one line on page nine, and what does it say? In English it says that the Government is committed to improving the administration of Small Craft Harbours. That is it, the administration of Small Craft Harbours. There is, however, a difference in the French translation, which indicates there will be some sort of infusion of funds, that it will improve the funding of Small Craft Harbours. That is what it says in French but in English it says we will improve the administration of Small Craft Harbours. There is a difference between what the Throne Speech says in French and what it says in English. If the English is the original and is the policy the Government is following, it is a promise that will not be hard to keep because if funding of Small Craft Harbours is no better in the future than in the past then there will be no wharves and breakwaters to administer.

There was no mention of the very serious crisis in the inshore fishery, not just this year but in the future. Small boat

fishermen, particularly on the northeast coast of Newfoundland and on the coast of Labrador, are worried about their future and what is going to happen to the inshore fishery. That problem was not mentioned or addressed in the Throne Speech.

There was no mention of the serious decline in ground fish stocks off the Atlantic Coast and what this means for the fishing industry, another serious problem. Is the Government committed to extending the 200 mile limit, for example, over the nose and tail of the Grand Bank to get better control of ground fish stocks? These are things we wanted to hear, what my people wanted to hear and did not.

What about oil, Mr. Speaker? Oil rigs have left the East Coast, and Hibernia is stalled. What did we find in the speech for solving this dilemma? Only that the Government has signed the Atlantic Accord, and that will take care of the situation. But that is not the case, Mr. Speaker. We have the Atlantic Accord, but Hibernia is not going and the oil rigs are leaving the East Coast. Let me quote what the President of the St. John's Board of Trade said as reported in the *Evening Telegram* for September 12, 1986. This is just to show you, Sir, that this is not simply an opposition voice crying in the dark. The Board of Trade President Geoff Tooton told the Kiwanis Club of Cabot:

—that Ottawa must come up with more incentives to keep exploration drilling alive.

The loan rig operation offshore Newfoundland right now is expected to stay around for only another 10 months. After that the term "offshore" may mean fishing only for some time.

Hard hit by the unforseen collapse of oil prices, oil companies and business leaders across the country are now asking Ottawa for help to save what is left from the deregulation experiment.

—there's a need for more incentives to keep up at least a minimum of offshore drilling, if only to help delineate already proven reserves.

It's time for the federal Government to reassess the situation in the frontier lands of Canada's energy industry and act decisively today.

There is no mention, Mr. Speaker, of how the Government wants to address this problem. What is needed is a made in Canada price or some financial incentive to the oil companies so they can start drilling again and Hibernia can get going. It must not be allowed to drift.

Like my colleague, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), I found some things of value in this Throne Speech. I think that congratulations are in order to the Government for mentioning a national forum on post-secondary education, and a forum on technology; the latter being something I have been urging for the last two years. It is an important issue in Canada. The Government of Canada must address it and it must not be left to the provinces. I was very pleased to see that the Government will call a national forum on post-secondary education. I think this Party can take some credit because our leader has been stressing post-secondary education in his speeches, not just since this Parliament began but before. At the present time we have a national Liberal task force on post-secondary education. However, I congratulate the Government for this. It is the first time that a Government has made mention of it in a Throne Speech and it is very welcome indeed.

I was also pleased to see the attack that is going to be made on illiteracy in Canada. There are economic pay-offs to solving the illiteracy problem. It is a situation that exists all across the country which must be dealt with, and dealt with soon.

I was also glad to see the reference to the Government's intention to improve water quality to bring in the Environmental Protection Act and to take other measures to improve water quality. I was pleased because the Exploits River Sytem in my riding, a very important river system, is in great danger at the moment. As some people will know, there is a very important paper mill on that river and there is effluent going into it. As well, there is salmon enhancement taking place. This river could become the greatest salmon river in North America, so it is important that we come to grips with these problems. We will be asking the Government to follow through, not only with its verbal commitments, but with its pocket-book, because we will need $22 million to solve the problems in the Exploits River system.

• (1230)

There were some good things in the Speech from the Throne, but I have to agree with the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) that there were things we wanted to see but did not see. For example, I wanted a firm commitment to the advancement of the equality of women in the workplace and in society. What did we get from the Government? The Government made the statement that it hoped the private sector would follow the example of the Government of Canada in advancing the equality of women. I do not think that is good enough. I think there must be more than that. There must be legislation, guidelines, and some use of the levers of the Government of Canada to ensure that the private sector indeed follows the example of the federal Government in advancing the cause of women. There was no commitment to day care, which is a growing issue in my riding and across the country.

On the question of youth, there will be more consultation with the provinces. That is not good enough. In my province close to 50 per cent of eligible young people are unemployed. That is a national tragedy. The Senate report just told us that young people are in danger of becoming a lost generation, yet the Government says it will have more consultation with the provinces. As I said, that is not good enough. It is a serious and real problem which needs the attention, help, and support of the Government of Canada.

There are some good things in the Speech from the Throne, but on the whole I found that it did not address, in a realistic way, the very real problems in the Atlantic provinces. I hope the Government of Canada is not taking the Minister of Transport (Mr. Crosbie) seriously and is not being guided by what he said. He suggested recently in the Atlantic provinces that we should possibly compare ourselves with the Third World when we talk about economic and social advancement.

The fact is that we in Atlantic Canada are Canadians. The only yardstick by which we can go is how we compare with other Canadians. When we look at our situation, we find there is still inequality and a need for the direct intervention of the Government of Canada. The Government of Canada cannot leave it to the private sector or to private enterprise to solve our problems. Historically we have been dependent upon the direct intervention of the Government of Canada. We do not like it, but it is a fact of life. Until such time as fundamental and structural problems can be solved, that has to be the case. I hope the Minister of Transport, having as he does a very responsible position as the regional Minister for Newfoundland, was speaking more out of frustration than anything else and speaking in a tone of levity for which he is well known. We are not at all prepared to accept that comparison with the Third World. We are Canadians. We expect help from the Government of Canada, and that help was not apparent in the Speech from the Throne.

I want to see more vision and direction as to how the problems in the east and in the rest of the country will be solved. Therefore, I cannot support the Throne Speech and I must associate myself with the amendment of our Party, particularly wherein it indicates the following:

—when the oil and gas industry is trying to hang on; when regional inequalities are being worsened by government inaction;—

I can only hope that after the Throne Speech the Government will look seriously at the very real problems in the oil industry, in the fishery, and in hydro development, in particular, to try to create some real jobs in the Atlantic area, particularly in Newfoundland and Labrador. I hope that following the Throne Speech there will be initiatives which may not have been enunciated in the Speech from the Throne but will be spelled out in legislation in the House of Commons by the Government, because the problems are very real and will not go away by themselves.

The Acting Speaker (Mr. Paproski): Questions or comments. Since there are no questions or comments, on debate the Hon. Member for Dauphin—Swan River (Mr. White).

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I should like to begin by congratulating Your Honour on your reappointment. I wish you well. You certainly have the confidence of the House.

I am very pleased to rise today to take part in the debate on the Address in Reply to the Speech from the Throne. It has been barely two years since the Government received a manadate of reform from Canadians. Since that time we have made major progress toward achieving the four goals spelled out in our first Speech from the Throne almost two years ago, namely, national reconciliation, constructive internationalism, social justice, and economic renewal. In particular, significant action has been taken to rebuild the Canadian economy, and I should like to mention a few items.

On September 4, 1984, for example, the rate on five-year mortgages was 14.25 per cent. Today that rate is 11.25 per cent. The rate on loans issued under the Small Businesses Loans Act is now 10.75 per cent, compared with 14 per cent on election day. Consumer confidence is at its highest level in 21 years, according to the Conference Board. Housing starts have risen by 40 per cent since September, 1984. Canada's inflation rate has been in the 4 per cent range now for two years, the most stable price environment we have seen in Canada since the late 1960s. The number of Canadians living below the poverty line declined by 300,000 last year, the first such decline since 1981. As the Prime Minister (Mr. Mulroney) mentioned on Friday, it is not a miracle, but it is real progress.

The Government inherited a deficit of $38.3 billion. Last year that deficit fell to $34.5 billion. This year the deficit will be approximately $32.5 billion. It will be the first time in 16 years that the deficit has declined for two consecutive years.

Internationally we have also done very well. In the past two years Canada has moved from eleventh to sixth position in the world's 24 top competitive developed nations, and that is no minor accomplishment. It is clear Canada is in an international position of strength and growing stronger, led by the present Government.

What about our record of putting Canadians back to work? During the election campaign of 1984 a corner-stone of our message to Canadians was jobs, jobs, jobs. We believed that a P.C. Government could introduce policies to increase employment, and the Minister of Finance (Mr. Wilson) tabled an economic statement in late 1984 to begin that process. How have we done? In September, 1984, 11.7 per cent of the Canadian workforce was unemployed. Today the unemployment rate is down two full percentage points to 9.7 per cent. In that period over 560,000 Canadians found work; 318,000 of them were women and 85 per cent of the jobs were full-time jobs. I might add that all of this was despite opposition predictions that thousands of jobs would be lost. Certainly there is much more to be done, especially for our youth. It is equally clear that the Government offers Canadians the brightest future.

We are taking the initiative on international trade. As the Prime Minister said on Friday—and I think quite aptly—trade is not just a theory; trade means jobs for Canadians. Also technology, research, and development mean jobs for Canadians. The Throne Speech clearly states the commitment of the Government in these areas. It can then be applied to all industries, for the benefit of all Canadians. Canada has made great progress in economic renewal, and the Throne Speech sets out the agenda for future progress.

However, there is an industry in Canada which has not shared in the economic renewal and finds itself in very difficult times. I am speaking about Canadian agriculture. Representing as I do the rural riding of Dauphin—Swan River in west central Manitoba, the agricultural economy is of particular importance to my constituents and I. Why should Canadians be concerned at all with farming? Agriculture is much more than just an occupation; agriculture is a way of life. Canadian agriculture is dominated by the family farm. At the time of the

1981 census, 87 per cent of Canadian farms were operated by sole proprietors and 9.3 per cent were partnerships. Less than one half of 1 per cent were owned by corporations whose shares were not held by single families. Two-thirds of operators owned all the land they farmed. Including the processing, wholesaling, and retailing sectors, food and agriculture account for more than a quarter of all economic activity in Canada. Approximately 500,000 Canadians are directly employed in agriculture, and approximately 1.5 million people are employed directly or indirectly in agriculture and food. Last year agricultural exports generated $9 billion in foreign exchange. After subtracting imports of $6 billion, Canada had a positive agricultural trade balance of $3 billion. Agricultural exports last year were equal to an average of $28,000 per farm, and farm cash receipts in 1985 totalled $20 billion.

• (1240)

However, there is also bad news. On paper the average farmer had an equity of $416,945 in 1984. However, the paper value of a farm will not buy groceries, furniture or children's clothing. In that same year the average income from all sources for farmers was $15,596. This means that an average farmer could more than double his or her total income simply by selling the farm and investing the proceeds in long-term government bonds. Although people might be inclined to point their fingers at grain farmers when the price of bread goes up, the farmers' cash receipt from a 24-ounce loaf of bread is barely enough to make a sandwich.

At the end of 1984, farm debt totalled $21.6 billion. The annual number of farm bankruptcies rose from 125 in 1979 to 551 in 1984, an increase of 341 per cent. Last year the number of farm bankruptcies declined by 8 per cent to 508, but that is still far too high. Total farm equity fell from $100 billion in 1981 to 95.6 billion in 1984, a decline of more than $4 billion.

Significant gains have been made in agricultural productivity over the past several years. The high productivity of our agri-food system means that Canadians on average spend less than 16 per cent of their income on food, the second lowest percentage in the world. As you can see, agriculture is important to all Canadians, not just western Canadians and those involved in agriculture.

A western farmer told a reporter recently that he worked on the farm to feed 90 people and his wife works in town to feed him. I think that is a sad irony and an all too common tragedy which has forced many farmers and farm families off the farm, and Canada cannot afford to lose productive farmers.

The reason for all of this is a total upheaval in the international agricultural economy. In recent years world agricultural trade has been strongly influenced by debt repayment problems in developing countries. There have been protection policies, export incentives for surplus production, and increased production in many parts of the world. In fact, many of the countries we used to export to are now net exporters themselves. These factors have created tough competition for export markets and driven down world prices for many farm commodities. As a result, farm income from market sources is declining.

Prairie grain producers, who have been particularly hard hit by low commodity prices, have also suffered low crop yields due to drought, flooding and grasshopper infestation. Based on expectations of growing export markets and higher prices, many farmers borrowed to finance farm expansion and modernization in the 1970s. These heavily-indebted farmers were crippled by high interest rates in the early 1980s and many have subsequently been unable to meet their financing costs. Thus it is quite apparent that our prairie grain producers are innocent victims of an international trade war. This Government understands the situation. It has assisted and it intends to do much more.

What has been our record over the past two years in response to the needs of agriculture? Many of the initiatives I will mention are in direct response to the commitments we made during the 1984 election campaign. Since coming to office this Government has brought forward over 235 separate initiatives which will benefit Canadian agriculture at a cost of more than $5.1 billion. I want to mention a few important examples.

Through a system of rebates the Government has effectively removed all federal sales and excise taxes from diesel and gasoline farm fuels for an average annual saving of almost $200 million for our producers. In fact, the elimination of the fuel tax was announced by the Prime Minister on April 30 as part of his western initiative. The Prime Minister, by his actions then and now, has confirmed his personal commitment and that of his Government to agriculture.

When was the last time any Canadian saw a Prime Minister of Canada stand up and speak on behalf of Canada's farmers? I feel that our Prime Minister has his finger on the pulse of Canadian agriculture. In the past all we got, most of the time, was just the finger.

Legislation has been passed to set up farm debt review boards composed of people who have knowledge and experience in farming and financial matters. Farm families who have no choice but to give up farming because of financial difficulties can look to the Canadian Rural Transition Program for assistance. The program is worth over $46 million. Charges that this program will force families off the farm are totally ludicrous. Being self-employed, farmers have generally not been eligible for this type of federal assistance and this program is only one part of a total farm policy package as developed by Agriculture Canada and Employment and Immigration Canada after consultation with provincial Governments and farm organizations.

However, despite all that has been done, serious problems still exist. In the words of our Minister of Agriculture (Mr. Wise) in a speech he gave on August 28: "I would be the first to admit that despite all of our initiatives problems in agriculture persist. At one time the measures we have taken would

have been more than enough. Today there is a legitimate concern that more needs to be done."

At the root of the problem, as farmers and the rest of the agricultural community understand, is the European Economic Community common agricultural policy and, by way of response, the U.S. Farm Bill. This subsidy battle between them has resulted in unrealistically low world grain prices. As is so apparent, when the price of grain declines, so does the economy of western Canada. These prices bear no relation whatsoever to any kind of production cost figures.

The opposition Parties do not seem to be able to grasp a basic understanding of the problem. The Leader of the NDP (Mr. Broadbent), for example, talks about European and American farmers being protected by these subsidies. Anyone who knows anything about the agricultural economy knows that these subsidies are the cause of the problem and not a response to it. Without these huge subsidies, in a world of truly competitive agricultural trade, the farmers of Canada would prosper. They have proven in the past that they are among the most competitive in the world.

Let us put the subsidy picture into prospective for just a moment. According to Agriculture Canada calculations, in 1985, for every one dollar in Canadian funds which our Government spent to support wheat production, the U.S. spent $2.57, and the EEC almost $3. It is also estimated that for 1986-87, for every dollar Canada spends the EEC and the U.S. will spend nearly four times as much. Obviously Canada does not have the treasury to compete with the EEC and the U.S. The long-term solution is to end the unfair subsidization of the EEC and U.S. farmers.

The Canadian Government has taken a leading role in international talks on agriculture trade to help alleviate the problem. Prime Minister Mulroney, for example, made this matter Canada's top priority for discussion at the Tokyo Economic Summit. The debate took hold and every member nation recognized that the spiral of subsidy must be stopped, and only by acting together could it be stopped. External Affairs Minister Joe Clark and finance Minister Michael Wilson raised the matter when they met their counterparts at the OECD spring session in Paris. The OECD subsequently launched a study on subsidies and their effects. Former trade Minister Jim Kelleher raised the issue when he met with his colleagues in Seoul, Korea, earlier this year. There was wide agreement that the proper forum to deal with the problem was mulilateral trade negotiations under GATT. In Uruguay very recently our Government—

The Acting Speaker (Mr. Paproski): Order, please. I believe the Hon. Member is reading *verbatim* from a document. He should, when he mentions a Member, leave off the name. If it is the Right Hon. Prime Minister, that is fine. He does not have to say "Brian Mulroney". The same thing applies to the Secretary of State for External Affairs or any other Minister. He does not have to mention the name. I think we should start this session off with that kind of decorum, and I would appreciate it if the Hon. Member would remind himself of that when he is speaking. Thank you.

Mr. White: Thank you, Mr. Speaker. I was not reading *verbatim* in all my comments. I have been using some of the notes. However, I will take into account what you said and I appreciate the intervention.

The Government has taken other steps on the international scene. The Minister of State for the Canadian Wheat Board (Mr. Mayer) was in Australia in August with other non-subsidizing exporting countries to seek solutions to the trade problems. We have also entered into important trade negotiations with our largest trading partner, the United States, in an attempt to secure a deal which will secure agricultural markets and, hopefully, open more up. The recent protectionist measures taken by the U.S. only serve to underline the urgent necessity to establish such a trade deal with the United States. Such a deal would ensure that Canada is no longer a victim of the American trade policies that are really aimed at other countries, particularly the European Economic Community. The second thing you can be sure of is that any deal which is signed by Canada with the United States concerning agricultural trade will be good for Canadians and, in the area of agriculture, good for Canadian farmers.

• (1250)

That is what the Government is doing for the future of Canadian agriculture. Most recently there have been two major announcements in keeping with our Throne Speech commitment to help alleviate personal hardship in our farm community. First, two or three days ago Canada signed a multi-billion dollar wheat sale to the Soviet Union which is very good news for wheat producers in Canada. It is a major sale that is great news for all of western Canada, not only the farmers. Second, on Friday the Prime Minister announced the development of an agricultural assistance program which could total more than $1 billion. Over the next month a package will be devised in consultation with the provinces. I believe it was urgent that the announcement was made during the debate on the Speech from the Throne in comments by the Prime Minister to give the producers in western Canada some indication of the assistance that will be coming their way.

As a final observation on the Speech from the Throne, I was also personally very pleased to see the Government's commitment to action against drug and alcohol abuse. The illegal drug trade is a $10 billion industry in Canada. I personally believe that we must also support programs to prevent and treat alcoholism. Alcoholism is a problem which overshadows all other drug abuse combined. I am pleased that it was mentioned in the Throne Speech.

As you can see, Mr. Speaker, the Government has made significant progress in the past few years. The Throne Speech is a clear indication of a blueprint for further progress. I am proud to be a member of the government caucus and I am proud of the accomplishments the Government has made.

Canadians have every reason to greet the future with great confidence.

Ms. Copps: Mr. Speaker, I am a little confused because the body of the Member's speech dealt with the litany, indeed, the travesty of the situation currently facing Canadian farmers. Yet, the Member is defending the Government's record by saying that the Prime Minister (Mr. Mulroney) made a three or four paragraph reference to this in the Throne Speech. On the one hand the Member lauds the Government's bilateral talks. On the other hand I assume that he does not support supply management which is the position of the Canadian Wheat Board as it relates to the sale of wheat, not only in Canada but abroad. Could the Member specify what his position is on supply management?

Second, does he feel that it is an absolute coincidence that following a 5.30 a.m. call from Grant Devine the Prime Minister finally came onside last Friday, when it happens that there is going to be an election in Saskatchewan? There are those cynics among us who felt that the PGRT announcement in Alberta was linked to the Alberta election and those among us who feel that the announcement made by the Prime Minister with respect to the supposed $1 billion fund, the details of which have not yet been worked out, was more related to the Saskatchewan election than to the Throne Speech.

Mr. White: Mr. Speaker, I thank my colleague for the question. I can see why she would be somewhat confused. The Canadian Wheat Board is not considered supply management. It has been very beneficial to the farmers, but it is definitely not supply management.

I am very pleased that the Member mentioned the accusation that the announcement on the farm aid package was in response to the Saskatchewan election. I believe that any help for western agriculture must involve the provinces, and Saskatchewan has been a leading proponent of support for agriculture. I compare that to the platitudes which have come from the Manitoba Government, with absolutely no help. The idea of help for farmers in Manitoba has been an indication that farmers there owe more money to the Government. That is the only thing which has been done. I am pleased that the Government of Saskatchewan has followed its words with action. Ontario has school tax relief for farm land which Manitoba could easily implement. We speak about Saskatchewan for good reason. It has done a great deal for the farmers of western Canada.

Ms. Copps: Mr. Speaker, the Member avoided my first question. Does he or does he not support supply management with respect to Canadian agricultural produce?

Mr. White: Mr. Speaker, I support organizations like the Canadian Wheat Board. I think it is too simplistic a view of Canadian agriculture to make a blunt statement that you support supply management. There is much more to it than that.

Mr. Riis: Mr. Speaker, I also listened very carefully to the Member's speech and I thank him for laying out some of the specific problems of the Canadian farm producer these days. I have three questions for the Member, all of which are related. He made reference to the agricultural assistance program which the Prime Minister (Mr. Mulroney) introduced the other day in his speech on the Address in Reply to the Throne Speech. This assistance program will consist of up to $1 billion. Is this the long awaited deficiency payment that the Government has been promising? Is this new money? In other words, will this $1 billion be in addition to the moneys already involved in a variety of agricultural support packages? Is this for western Canada or for all of Canada? Durum wheat growers in parts of Canada other than western Canada are also experiencing serious difficulties.

Mr. White: Mr. Speaker, I thank the Member for his question. As I mentioned in my presentation, the assistance package announced on Friday was important in that it was an indication to western farmers that help is on the way. It is also important to note that consultations will be had with the provinces. I believe that help for western agriculture must be a federal-provincial matter. With regard to it being a deficiency payment, that may be the wrong wording for it. I have been unable to find a consensus within the farm community of the best way to bring forward the assistance. I think it is far better to announce that the assistance is on the way, to bring confidence back into the farming community, then to sit down with the provinces and farm organizations in order to try to discover which is the best program for the benefit of western farmers.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I thank you for this opportunity to commend my colleague, the Member for Dauphin—Swan River (Mr. White) on his very excellent presentation. He comes, as I do, from a constituency which is largely agricultural. From that perspective I certainly have great interest in his remarks. I was reminded very much of the Prince Albert declaration put forward by our Party in July of 1984 which laid out a framework for the future and gave some hope, for the first time in a generation, to western Canada. Coming from that Prince Albert declaration was the promise that the west would be brought back into Confederation. Over the past couple of years a great many initiatives have been undertaken by the Government in order to assist in bringing about the reunification of the country.

We are entering into a new era of co-operation rather than confrontation. The other day the Prime Minister (Mr. Mulroney) said that farmers expect the Government to sell their grain and he said "By God, we are going to do it". Contrast that with the words of a previous Prime Minister who went out to western Canada and said to the farmers "Why should I sell your wheat?" I think that is the essence of the whole thing. It is a case of co-operation versus confrontation.

Could the Hon. Member expand on something for me? He mentioned very briefly that one of the major announcements of

last week was a grain sale of enormous magnitude. He comes from a grain-growing constituency, as I do. I would appreciate if he would enlarge on the details of that and what it means for western Canada and the agricultural community.

Mr. White: Mr. Speaker, I thank my colleague from Swift Current—Maple Creek for his question. The grain deal announced last week was indeed a major deal. Grain markets are difficult enough to find these days and the grain deal in question is for a minimum of 25 million tonnes over the next five years. In the past the Soviets have shown that they are purchasing far in excess of that. We are talking about a sale in the magnitude of $5 billion plus.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being one o'clock, I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CUSTOMS AND EXCISE

ADOPTION OF HONOUR SYSTEM

Mr. John Nunziata (York South—Weston): Mr. Speaker, in last Wednesday's Throne Speech the Government promised to take effective action against the grave and growing threat posed by the traffic in illegal drugs. Last Friday, the Minister of National Revenue (Mr. MacKay) announced a new customs postal service which runs directly counter to the stated intentions of the Throne Speech.

The new customs postal service cuts 120 jobs and adopts a naive honour system which allows mail to be released prior to the payment of duties. Canadians want a customs system that does not impede legitimate corporate and personal importation. But Canadians also want a system that ensures prohibited goods will be ferreted out and duties owed will be paid.

The customs and excise union argued strenuously against the adoption of the new honour system. Their brief to the Legislative Committee on Bill C-59 stated that: "The message being transmitted to Canadians engaged in the importation of illegal substances and materials is that the Government, in the interest of "down-sizing government operations" will reduce your chance of getting caught".

The Government's war on illegal drugs has begun not with a bang but with a whimper.

TRADE

LUMBER EXPORTS TO UNITED STATES—STATEMENT ATTRIBUTED TO BRITISH COLUMBIA PREMIER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, has Premier Vander Zalm of British Columbia and his Minister of Forests sabotaged the Canadian softwood case? In a few days the U.S. International Trade Commission will make a provisional ruling on whether Canadian stumpage fees actually amount to a subsidy. A few weeks ago Premier Vander Zalm and his Forest Minister publicly announced that B.C. stumpage fees might indeed be too low and that he, as Premier, would request a review of the province's stumpage rates.

Surely these public musings hurt the Canadian case and force the industry, workers, and provincial Governments to make an eleventh hour offer which only worsens the situation and places more than 25,000 Canadian jobs at risk. The federal Government admitted guilt, admitted a lack of confidence in the Canadian case, and as a result, the U.S. Senators accused Canada of unfair trading practices and of being caught with its hand in the cookie jar.

It is unfortunate that Mr. Vander Zalm's careless comments were made prior to the preliminary ruling and have sabotaged Canada's case.

* * *

"I AM A CANADIAN"

THE MEANING OF CITIZENSHIP

Mr. Gordon Taylor (Bow River): Mr. Speaker, in Canada I do not go much for English power, French power, Vietnam power, Chinese power, Spanish power, et cetera. Canada's population of native born Canadians is augmented by people from almost every country in the world and when immigrants become citizens of our country, the judge invariably says: "Now you are a Canadian", and they become a brother or sister to every other Canadian.

Canadians embrace many philosophies, religions and creeds; their skin is white, black, brown, red, almost every colour in the spectrum. They are individuals and not state clones. But when they travel abroad they travel as Canadians. When they speak, whether in the Maritimes, Quebec, Ontario, in the west or north, they speak as Canadians.

That is Canadian power. Yes, Canadian power.

[*Translation*]

The Canadian power!

[*English*]

FARM CREDIT CORPORATION

CALL FOR REVIEW OF POLICIES

Mr. Jack Scowen (Mackenzie): Mr. Speaker, in 1982 when the previous Government changed the Farm Credit Corporation from a lending institution to assist young people get started in agriculture to a banking institution, now ranking fourteenth in Canada, little thought was given to the consequences. Their advisers must have thought interest rates would never come down. Today interest rates are too high, especially in view of world commodity prices.

High penalties are being charged when farmers want to pay off their mortgages early, and in my constituency there is over $500,000 in this category. Chartered banks are forgiving penalties. It would be unparliamentary to repeat what farmers think of the 6 per cent commodity based loan. I call upon the Government to review the Farm Credit Corporation's policies and bring them up to modern times.

* * *

• (1405)

[*Translation*]

OFFICIAL LANGUAGES

NEED FOR GOVERNMENT TO ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): With respect to the official languages, Mr. Speaker, the champions of the linguistic cause in this country have been disappointed to note the backward step taken by the Government in its Speech from the Throne.

In answer to a question I asked in the House April 15 last, the Prime Minister promised, and I quote: "—in the near future, the Government will—make—announcements with respect to—an action program to promote official languages". Yet nothing concrete has been done for two years. The 1986 Speech from the Throne is indeed a backward step, given the firm commitment made by the Government in 1984.

On October 19, 1985, at the "The Minorities: A time for Solutions" conference, the then Secretary of State, Mr. Bouchard, said: "The time for analysis is over; now is the time for solutions." We must therefore take action, Mr. Speaker, this is not the time to waver.

It has become imperative, first to give primacy to this legislation over all other federal statutes; second, to give teeth to this legislation, particularly Section 2, and make it clearly binding rather than merely declaratory; third, integrate the language of work into the Official Languages Act; and finally, give more power to the Commissioner of Official Languages so he can do his job.

[*English*]

CANADA POST CORPORATION

SERVICE CUTS IN PRINCE COUNTY, P.E.I.

Mr. George Henderson (Egmont): Mr. Speaker, residents of my riding are being shortchanged by Canada Post. They were given little notice of postal changes which will have a negative impact on their postal service. Cut-backs will mean letters mailed on a rural route will sit for 24 hours before pick-up. The mail will arrive much later in the day and the local newspaper will reach some residents a full day after it is published. That is shabby treatment.

Does the Government not understand how important a prompt pick-up and delivery service is to rural residents and business operators? How many city residents would put up with such reduced postal services? Prince County is a depressed area. There are few jobs to be had. Why is the Government cutting federal services in an area which is already disadvantaged?

Prince County residents are not accepting these cuts quietly. They have organized. They have voiced their opposition. As a result, Canada Post has delayed the cut-backs for a month. But a delay is not enough. I demand that the Government reverse its decision and maintain full postal services for Prince County residents.

* * *

AGRICULTURE

PLEA FOR DEFICIENCY PAYMENTS FOR FARMERS

Mr. Simon de Jong (Regina East): Mr. Speaker, it is Saskatchewan's misfortune that in this hour of crisis, brought on in part by falling oil and grain prices, we have Conservative Governments in Ottawa and Regina. The ineptness and mismanagement of these two Governments are forcing Saskatchewan into bankruptcy. Take, for example, the issue of deficiency payments. It has been some time since the federal Government become aware that the U.S. Farm Bill would depress the international price of grain and that a deficiency payment would be essential if thousands of family farms are to be saved.

The Prime Minister (Mr. Mulroney) has not announced a deficiency payment. Instead, the Deputy Prime Minister (Mr. Mazankowski) told reporters that the Government would do anything to win the Saskatchewan election for Grant Devine. To play politics with the livelihood of western Canadian farmers clearly demonstrates the contempt this Government, and that of Premier Devine, have for thousands of farm families. If a deficiency payment is going to be paid, get it into the hands of farmers now. Stop playing politics with the future of western Canada.

S.O. 21

REFUGEES

CALL FOR CHANGE IN DETERMINATION SYSTEM

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is a great honour for Canadians to learn that our country will receive the 1986 Nansen Medal for protecting and helping refugees. However, Canadians are understandably frustrated with our system of refugee determination. Canadians can no longer tolerate a process which seems to reward greed instead of need. They cannot understand why our genuine desire to help becomes a mockery of justice. For the sake of legitimate refugees all over the world, and for the sake of our respected reputation as a nation that cares, we need to change our system of refugee determination.

I join with millions of Canadians in welcoming the announcement in the Speech from the Throne that action will be taken and I join in applauding the resolve of the Minister of State for Immigration (Mr. Weiner) to prosecute those who break our immigration laws. Let us tell the world we care, but let us also tell the world that we are fair.

* * *

AIRPORTS

PROPOSED GROUND SERVICES FEE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the plan of the Minister of Transport (Mr. Crosbie) to impose a licence fee, really a tax, on ground handling and other service contractors at Transport Canada airports is, I am afraid, rather unfair and ill-considered.

• (1410)

Not only is a charge of 5 per cent of gross revenues excessive, but the proposed system is inequitable because it would apply to services provided by contractors but not to services provided by an airline for itself or for another airline. This tax seems to be deliberately designed to put contractors out of business. Therefore the Minister of Transport must reconsider this rather crude proposal.

* * *

GOVERNMENT EXPENDITURES

BUTLER, PORTER, NANNY, MAID

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the questions before Canadians today are: When is a butler a porter and when is a porter a butler? Was the butler watching the luggage or was the butler watching the RCMP? Where was the maid, or was she a maid? When is a maid a maid? What is the difference between a butler and a maid? If the butler and the maid were on the trip, where was the nanny? What is a nanny?

This mystery is absolutely perplexing. The only person who knows the truth for sure is the Prime Minister (Mr. Mulroney). But then again does the Prime Minister know the truth or will we have to ask the butler? As far as I am concerned, the butler didn't do it.

* * *

REGIONAL ECONOMIC DEVELOPMENT

SUPPORT FOR INITIATIVES TO HELP BRITISH COLUMBIA ECONOMY

Mr. Gerry St. Germain (Mission—Port Moody): Thank you Mr. Speaker, the regional disparities that currently exist throughout Canada can no longer be tolerated. The wealth of our great nation must be distributed evenly to the benefit of all Canadian people. As you know, Mr. Speaker, and as do all the Members of this House, the economy of Mission—Port Moody and that of British Columbia as a whole is almost entirely based on natural resources. As a result, external factors which are beyond our control greatly influence our ability to maintain a healthy and vibrant economy.

Today I would like to commend our Government for recognizing both the need to address the tragedy of regional inequity, the need to diversify the western economic base, and for making these a top priority in the recent Throne Speech. Mr. Speaker I know that my constituents, the people of Mission—Port Moody, are poised and ready to work in co-operation with the Government on positive initiatives such as these.

* * *

STATUS OF WOMEN

CRITICISM OF SPEECH FROM THE THRONE

Mr. Rod Murphy (Churchill): Mr. Speaker, the Speech from the Throne was lacking in many areas, especially with regard to any real action toward promoting equality for women. Understandably, both the National Action Committee on the Status of Women and the Government's own Canadian Advisory Council on the Status of Women have expressed more than disappointment with the Government's reluctance to announce any concrete actions on the topics of child care and battered women. Another major concern of women is the lack of any mention at all in the Speech from the Throne with respect to improving the working conditions and benefits for part-time workers, most of whom are women. Indeed, 72 per cent of part-time workers are women.

The Wallace and the Abella Reports both recommended that the Government take action on prorated benefits for

women in part-time positions. The National Action Committee on the Status of Women listed that as one of its five priorities.

The Government talks about social justice as a cornerstone for equality, yet it has refused to act in any way whatsoever to improve the law concerning part-time workers.

* * *

• (1415)

[*Translation*]

THE DISABLED AND THE HANDICAPPED

RICK HANSEN'S COURAGE

Mr. Fernand Robichaud (Westmorland—Kent): Last week, Mr. Speaker, the Province of New Brunswick and particularly the riding of Westmorland—Kent were honoured by a very famous Mr. Rick Hansen.

Indeed, I had the honour and pleasure of talking with Rick when I accompanied him on his journey from Port Elgin to Cap-Pelé.

Rick Hansen's courage is a source of inspiration for all those who meet him and wave to him along his way.

Needless to say Rick Hansen's cause deserves our support and I take this opportunity to convey his invitation to meet him and even accompany him when he goes through your community. He has invited you, be there.

* * *

RÉAL CAOUETTE

TRIBUTE TO A GREAT POLITICIAN

Mr. Gabriel Desjardins (Témiscamingue): On September 26, in Rouyn—Noranda, Mr. Speaker, I dedicated on behalf of the Department of Public Works a federal building as a memorial to Mr. Réal Caouette.

Réal Caouette died on December 16, 1976, and I think the House should, on occasions, pay tribute to our great politicians who, like him, spent part of their lives in Canadian politics.

He was elected for the first time on September 16, 1946; he returned in force to the House on June 18, 1962, following his greatest victory, and he was to sit here until 1976. Réal Caouette was not only a great parliamentarian and the leader of a national Party, he was also and above all a man who dedicated his life to the welfare of his fellow citizens; he was a great Canadian, he loved his country passionately and he was very proud of his mother tongue.

Thanks to this ceremony which was held on September 26, Mr. Speaker, Réal Caouette will live forever in the memory of the people of my region whom he served and represented so very well here in this House.

[*English*]

AGRICULTURE

GOVERNMENT PROGRAMS TO ASSIST FARMERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, over the past two years the Government has amended the Western Grain Stabilization Act to permit timely interim payments, instituted an immediate lifetime capital gains tax exemption, doubled the advance payment for crops, enacted federal farm fuel rebates in excess of 30 cents per gallon, improved Canada-provincial crop insurance programs, put over $200 million into crop and livestock drought assistance, and negotiated the inclusion of agriculture into the GATT talks. These initiatives, coupled with those of the Government of Saskatchewan, have injected over $2 billion into the Saskatchewan economy alone.

Now there has been a commitment in the Throne Speech to work with Premier Devine and other provincial Governments and with farm organizations to devise an appropriate assistance package that will deliver an estimated $1 billion to enhance the cash flow of the Canadian grain farmer. Never before in our history have any two levels of government, working together, made such a response to Canadian agriculture.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

WESTERN GRAIN FARMERS—ANNOUNCEMENT OF ASSISTANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, could the Prime Minister confirm that the announcement he made on behalf of western grain farmers during the course of his intervention in the Throne Speech debate last Friday was made only as a result of a 5.30 a.m. phone call from Premier Devine to two federal cabinet Ministers during which the Premier is quoted in the Saskatoon *Star-Phoenix* as having said: "If I lose over this, it's going to be damned tough for Mulroney next time around"? Is that the reason why the Prime Minister made a last minute, undetailed effort on behalf of western grain producers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the initiative that was set forward followed a meeting of Agriculture Ministers in Victoria held on August 27, 1986, at which the Ministers supported the need to examine all options including deficiency payments which could be in excess of $1 billion to maintain the competitive position of Canadian producers in the immediate future. There was at the conference a clear, collective commitment to take action to support the agricultural sector and all the jobs it represents across Canada during this damaging trade war. That meeting was held on August 27. There were meetings subsequent to that,

and the announcement I made on Friday was perfectly consistent with our objective of helping Canadian farmers.

Mr. Turner (Vancouver Quadra): The Prime Minister's announcement was also remarkably coincidental with the Saskatchewan election and that call from Premier Devine.

DEPUTY PRIME MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, can the Prime Minister explain what the Deputy Prime Minister meant when, outside his office, he said with respect to the Prime Minister's farm announcement: "Anything to win elections, you know"?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, a cynical question deserves a cynical answer.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we have that on tape and so does every reporter in the gallery. If the Deputy Prime Minister wants to set himself up as an authority on cynicism, he has the award going away on this particular issue.

Some Hon. Members: Hear, hear!

FEDERAL FUNDING INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, under the circumstances may I ask the Prime Minister a second supplementary question? When will he reveal the details of how much new federal money is involved, how much of the money is recycled from existing programs, and how much the hard pressed western provinces will have to contribute to any result?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, pursuant to the August meeting and subsequent meetings on the agricultural and finance levels in regard to the problem in western Canada in particular, I am happy to advise my right hon. friend that on Thursday or Friday of this week there will be a meeting of the Deputy Ministers of Agriculture to refine this matter further and produce the information required to help western farmers.

* * *

TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister for International Trade. Last Friday the Minister said the Canadian lumber concessionary package was: "... our only offer to the Americans," and in the same breath she went on to say: "... as expected, that only offer has been rejected." That begs the question, Mr. Speaker, why did the Minister make this damaging concession and undermine our case before the American tribunal one week before it makes a decision if, in her own words "as expected" they turned her down?

• (1420)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already answered that question in this House. I can say that I did expect the Americans to reject an offer in the hope that they could jack up the price. It has been made very clear to the Americans that there is only one offer on the table and there will be no other.

Mr. Tobin: Mr. Speaker, the Minister digs a deeper hole for herself. Her logic is shot through with confusion.

Mr. McDermid: Question.

POSITION OF BRITISH COLUMBIA GOVERNMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I have a supplementary question. The Government of British Columbia stated on Friday that it regarded the final offer as the beginning of continuing negotiations. Will there be other final offers? Will Canada get down on its knees one more time for the expected response, as expected?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member, I think, is inadvertently misleading the House because the Premier of British Columbia, who represents the Government of British Columbia, is totally supportive of the position taken by the Canadian Government.

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AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister and stems from his announcement on Friday that there would be some kind of overdue financial assistance for Canadian grain producers. Specifically, in terms of this announcement the Prime Minister used the figure of a billion dollars. Is the billion dollars to be new federal money? Is it to be in the form of a deficiency payment, and is this money for grain producers on the Prairies only?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the amount is pretty well that mentioned by the agricultural Ministers in their communiqué on August 27 to deal with the serious problem in western Canada.

The meeting to which I have just referred of Deputy Ministers of Agriculture on Thursday or Friday of this week is precisely to put together the data required to be able to respond with precision to my hon. friend.

SIZE OF FEDERAL CONTRIBUTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows that the meeting of the western Premiers last May, followed by the meeting in August attended by all provincial Governments, asked for a minimum of a billion dollars new funding from the federal Government alone. My question to the Prime Minister now concerns the amount of money coming from the federal Government, not necessarily the details about how it is to be spent which could be sorted out Thursday, but is this a billion dollars of new federal funds that will go to prairie producers or will it be spread across the country? Or, is it old money?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I already indicated to my hon. friend in a statement in the House on Friday that we would be meeting with the provinces in the shortest possible time to work out the best way of meeting these commitments that were raised, as I say, by the agricultural Ministers and have been the subject of discussion since. We will take whatever action to be helpful to the western farmers. They are going through, as I have indicated, through no fault of their own, a very difficult situation, and the Government of Canada, the Parliament of Canada, will help them out. The reason for the meeting on Thursday or Friday is to work out the modalities as to how best this can be done.

Mr. Broadbent: Working through the modalities of that answer takes some doing, Mr. Speaker.

Some Hon. Members: Oh, oh!

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister says he has answered the question. He has not told us if it is new money. He has not told us if it is going to prairie producers only. He has not answered the question at all.

Will the Prime Minister deal with those questions now because the producers all across Canada, and on the Prairies particularly, want to know where that money is coming from and how much. Since it took the Government 48 hours to make a decision that sent bankers a billion dollars, will he please make up his mind in no more than 48 hours about getting money to grain producers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will respond to some of the points that have been raised by my hon. friend. He knows that they are quite unfair observations. I will tell him this. He is asking whether it is new money or old money. It will be new money and good money in the pockets of the farmers.

• (1425)

GOVERNMENT EXPENDITURES

PRIME MINISTER'S VISIT TO ORIENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister. It concerns the oriental trip and the butler and the maid. In reference to the trip, the Prime Minister is quoted as having said over the weekend "I didn't take the butler, I didn't take anybody", while Mr. Lortie, one of his aides, and Mr. Doucet both said that there were in fact such people. Could the Prime Minister clear up the butler mystery? Which version is the closest to being the correct one? Will we have to ask Mr. Doucet, Mr. Lortie, or the Prime Minister—

Mr. Speaker: Order, please. The Hon. Member has put his question.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, perhaps I could assist the Hon. Member. I should like to advise him that what the Government does on prime ministerial travel is dictated in large measure by security requirements for our Prime Minister and his aides and for the people who meet with him. This is a fundamental requirement. What was done by the people referred to was pursuant to instructions and advice received from the security unit of the Royal Canadian Mounted Police.

BUTLER'S DUTIES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, that raises an interesting question. If the RCMP is paid to be watching the luggage and, according to Mr. Doucet, the butler is watching the RCMP, then who is watching the butler? Will we have to call the butler before the Bar of the House to find out?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can only tell the Hon. Member, as the Solicitor General of the Government, that the RCMP, which is under my control, insists upon strict adherence to all security precautions and requirements on trips of an extensive nature that the Prime Minister takes.

* * *

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Prime Minister. Saskatchewan farmers are quite concerned. They want to know what type of future they are facing, and the types of answers which they are getting from the Prime Minister and the Government are just creating further confusion. My question requires a simple yes

or no answer. Is this $1 billion of new federal money which will go to prairie grain producers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I think the only confusion is in the mind of the Hon. Member. He will know that the record of the Government is very substantial in terms of agriculture. We have met needs of agriculture before by reallocating resources. That has happened in the past and it will happen again in the future. The money which is being talked about will be additional money for agriculture within the fiscal framework. I hope that is simple enough that he can understand it.

FEDERAL FUNDING INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, the farmers of Saskatchewan will be making their decision on October 20, whether or not that is clear. Perhaps the Minister or the Prime Minister can help them. Is this $1 billion of new federal money which will be going to Saskatchewan, Manitoba, and Alberta grain producers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the same thing happened a year ago—and a lot of the benefits went to the Hon. Member's province—when the federal Government came forward with some $200 million to assist farmers faced with drought. It happened when we took off the gas tax on farm fuels. Some 30 cents per gallon have come off since the Government has been in office. As the Prime Minister said, it will be new money in the hands or pockets of Canadian farmers. They will realize, appreciate, and take that into consideration when they vote in the Saskatchewan election on October 20.

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PENITENTIARIES

CONSTRUCTION OF PRISON AT PORT-CARTIER

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question concerns the Port-Cartier prison. I would submit that the Prime Minister owes a duty to the House, and indeed to Canadians, to answer questions.

Mr. Speaker: Order, please. The Prime Minister may or may not owe a duty to answer questions, but the Hon. Member will have to put his question.

Mr. Nunziata: I would like to put my question to the Prime Minister, not to the Solicitor General or to any other Minister. I would like to ask the Prime Minister very specifically whether he or any member of his staff intervened in the decision to relocate the prison from Drummondville to Port-Cartier. If so, what was the nature of the intervention?

• (1430)

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that the decision to locate the prison in Port-Cartier was a government decision. It was made by this Government to assist a depressed region of the Province of Quebec.

REPORTED MEETING ON ISSUE

Mr. John Nunziata (York South—Weston): Mr. Speaker, since the Prime Minister refuses to answer questions—

Some Hon. Members: Order!

Mr. Nunziata: —I would like to put my supplementary to the Deputy Prime Minister. Can he confirm that there was a meeting in his office within the past two weeks to discuss the Port-Cartier prison issue, and is he prepared to table in this House all the documents there were considered at that meeting?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can only repeat the answer I have already given. The decision made was a government decision and it was designed to assist a depressed region of Quebec which has extremely high unemployment. We have no apologies to make for taking action of that kind.

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EXTERNAL AFFAIRS

SRI LANKAN HIGH COMMISSIONER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. This morning he was given six confidential sworn affidavits by Tamils of Canada indicting Brigadier General Tissa Weeratunga for the torture of Tamils in northern Sri Lanka in 1979. Given this serious new evidence presented to him today does the Minister not think it time to invoke the Vienna Convention and declare Brigadier General Weeratunga *persona non grata*?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just this morning I received the six affidavits in question and I will naturally look into them. Our inquiries so far on the first affidavit have not turned up any information to corroborate allegations against the High Commissioner. Our inquiries are, naturally, continuing.

REQUEST FOR INVESTIGATION

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Minister said he would, if necessary, launch a full-scale investigation rather than the informal investigation he has hitherto conducted. Will he now at least launch a full-scale investigation given the serious new evidence presented to him today?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I indicated, we will look into the *allegations* contained in these affidavits to see what further action they merit. I understand the *delicacy* of this matter and we will proceed in that context. I intend to have discussions with the six persons who have filed the affidavits to see if there is any way which will protect their security and allow the information they have conveyed to me this morning to be made available to Sri Lankan authorities. As the Hon. Member and the House will know, it is only in Sri Lanka that the final legal authority to adjudicate these matters resides. I will, naturally, not take any action that would cause injury or damage to citizens of Canada.

* * *

[*Translation*]

PENITENTIARIES

REASONS FOR CHOOSING PORT-CARTIER AS LOCATION—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Last Friday, he replied that the decision to relocate the prison from Drummondville to Port-Cartier was made because the unemployment rate in the Port-Cartier area was about 37 or 38 per cent, which is the same answer he gave the press on Tuesday, September 17.

Could the Prime Minister tell me where he got those figures?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can only advise the Hon. Member that indeed the unemployment rate is very high in Port-Cartier, as everyone knows. I think that is a very reasonable and valid ground for relocating the prison to that area, to assist in the development of that region.

[*Translation*]

PORT-CARTIER UNEMPLOYMENT RATE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I fail to understand why the Solicitor General makes these statements when his own officials have told him the Prime Minister grossly exaggerated the statistics. I want to ask the Prime—

[*English*]

Mr. Speaker: Order, please. Hon. Members may not understand but that is getting argumentative. I ask the Hon. Member to put his question.

[*Translation*]

Mr. Lapierre: My question is quite simple. What is the real unemployment rate in Port-Cartier? My question is directed to the Prime Minister. I hope he knows about these things, since it is his riding, I believe.

Right Hon. Brian Mulroney (Prime Minister): This is the kind of question that should normally be submitted in writing.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, the unemployment rate I inherited as the Member for the riding of Manicouagan, after the 1984 election, and the fact that nothing was done about it, is a social tragedy, and we have decided to take steps to alleviate the problem.

* * *

[*English*]

FINANCE

TAX REFORM—NON PAYMENT OF TAXES BY CORPORATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister and concerns the Throne Speech promise that fairness will be a guiding principle in the Government's proposals for tax reform. Does the Prime Minister consider it fair that, while Canadian farmers are hovering on the brink of bankruptcy, there are some 79,000 corporations in Canada which are profitable but which paid no income tax at all? What does the Government intend to do about the multibillion dollar loss of revenue entailed in that situation?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows we are now undertaking a major review of tax reform and questions of that sort, and the larger questions which affect corporate income tax will be part of that review.

TAX PAID BY ROYAL BANK OF CANADA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Prime Minister or the Minister of State aware that one bank teller working in the Royal Bank on Sparks Street in Ottawa paid more income tax earlier this decade than her employer, the Royal Bank of Canada, with 1,500 branches and 98 billion dollars in assets today? How long does the Government intend to tolerate that kind of unfairness in our tax system?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the question of fairness and unfairness is part of this study of tax reform. It includes all questions such as deductions and tax levels, and our hope is to produce at the end lower marginal tax rates for all Canadians.

Oral Questions

NATIONAL REVENUE

DEPARTMENT'S DEFINITION OF RESEARCH AND DEVELOPMENT

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the Minister of National Revenue. I met recently with members of the high-tech community in Ottawa and they expressed their concern that in an information bulletin recently issued by his Department the phrase "research and development" has been so narrowly defined that it could exclude legitimate research and development efforts from the tax credit provisions of the Act. Such disallowance could result in the loss of thousands of high-quality jobs.

Could the Minister indicate whether or not he or his officials have met with members of the high-tech community and, if so, whether they will continue to meet with them with a view to arriving at a fair, mutually advantageous, and workable definition of research and development?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the question because it permits me to point out to the House that indeed that is exactly what has been occurring. I met with my colleague, the Minister of Science and Technology, this morning, and I want to reassure the House that the guidelines, which were formulated after intensive consultation, are not meant to be interpreted in a rigid or dogmatic fashion. They are meant, rather, to facilitate the eligibility for proper deduction for research and development purposes and they will not be interpreted in such a way as to be an obstacle to the scientific community or the research and development done in this country.

* * *

EXTERNAL AFFAIRS

SRI LANKAN HIGH COMMISSIONER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I am happy to hear that he has promised in the House today to meet specifically with each individual Tamil who has tabled an allegation. Can he explain to the House why, when this information was brought to the attention of his officials more than two weeks ago, there was absolutely no follow-up at that time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know that the Hon. Member would not want to let her misstatement stand. I did not quite give the undertaking which she just attributed to me. If it becomes useful for me to meet personally with the six individuals concerned, naturally I will do that.

The Hon. Member knows that she is dealing here, in the question of *agrément*, with a very complex and delicate question of international practice. Other Members of the House have raised questions about this situation before. I have suggested to them, as I have suggested to her, that if they would like to be fully informed about the matter, I am quite prepared to arrange briefings for them and for her.

REQUEST FOR INVESTIGATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister has suggested nothing of the kind to me. In fact, he has failed to answer two letters which I have written to him on this particular issue.

Given the fact that the Southeast Asia desk has already recommended against the arrival of Weeratunga in Canada, does he not think that it is at the very least necessary to clear the air and have this matter referred to an independent investigation by the human rights branch of the Department of External Affairs?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it may be that my letter of response to the Hon. Member has not yet reached her office or has not yet reached her eyes. If she says that is the case, I will accept that.

I remain of the view that it would be useful for the Hon. Member to be informed of all the circumstances before she raises this question and pursues it in the House or recommends a course of action that may prove very destructive, not only to Canada but also to international practices respecting *agrément*.

* * *

PATENTS

AMENDMENT OF LEGISLATION GOVERNING DRUG MANUFACTURING INDUSTRY

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Deputy Prime Minister. Over the weekend the Deputy Prime Minister indicated that the Government was reconsidering its proposed amendments to the Patent Act insofar as generic drugs were concerned. Will the Deputy Prime Minister advise the House that the Government has listened to the thousands of Canadians who signed petitions over the summer months and that it does not now intend to proceed with those amendments?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, on the television program *Question Period* the Deputy Prime Minister stated: "The Bill is still being refined". That remains the position.

REQUEST THAT AMENDING LEGISLATION NOT PROCEED

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the same Minister. The Government has admitted that those amendments are in conjunction with the proposed discussions on a free trade deal with the United

States. Will the Minister, or the whole Government for that matter, stand up in the House today and admit that it is shameful to be using the deep concern and anxiety that is felt by many thousands of Canadians across the country about what—

Mr. Speaker: Order. Order! Perhaps the Hon. Member could help this House and let us know just exactly what the question is.

Mr. Young: Thank you, Mr. Speaker. Very briefly, what I and many thousands of Canadians across the country want to know is whether or not the Government will assure them that it will not proceed with the amendments to the Patent Act insofar as generic drugs are concerned.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the anxiety the Hon. Member talks about is being initiated by himself and the rest of his Party.

Some Hon. Members: Oh, oh!

Ms. Jewett: Shame.

Mr. Andre: In fact any impartial examination of the legislation would show that there will be absolutely no increase in drug prices as a result of this legislation.

Mr. Young: Six hundred and fifty million dollars.

Mr. Blackburn (Brant): We are going to hold you to that.

Mr. Andre: I know the Hon. Member would not like to leave the misinformation before the House that this is tied to the free trade talks which are going on.

Mr. Young: The Prime Minister said it.

Mr. Andre: In fact, in 1983 the previous Government announced the change to the Patent Act. That was long before any trade talks were undertaken. We need to do this for the benefit of Canadian research and development so that Canadian scientists can have that research and development in this high-tech biotechnology area here in Canada, and that is why we are proceeding.

* * *

[*Translation*]

FINANCE

REQUEST FOR EXPLANATION OF MANNER IN WHICH GOVERNMENT FISCAL AND TAX POLICIES ANNOUNCED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance, I would like to direct my question to the Minister of State (Finance). In recent weeks, the Minister of Finance made two major public statements, one in Washington about tax reform and the other in Toronto on the state of our public finances. My question is as follows:

Could the Minister inform the House whether in future, the Minister of Finance intends to announce the Government's economic and fiscal policies outside the House, and whether this is part of the new presidential style adopted by the Prime Minister?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, without accepting the premise of the question, I have to answer no.

[*Translation*]

TAX ON COMMERCIAL TRANSACTIONS

Mr. Raymond Garneau (Laval-des-Rapides): If the Minister of State (Finance) rejects the presidential approach taken by the Prime Minister, could he inform the House when the Minister of Finance intends to provide as many details to the House on the commercial transactions tax as he gave in Washington on September 5 of this year?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, those details will be presented to this House very shortly.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—COMPOSITION OF ADVISORY COMMITTEES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade. The United States Government, claiming "national security reasons", has refused to let U.S. branch plants of Canadian companies like Northern Telecom sit on their advisory committees for trade talks. In view of this, why has Canada appointed at least 15 representatives of U.S. subsidiaries here to our trade advisory committees?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, we have appointed representatives to our trade committees because we want to ensure the broadest possible consultation with all sectors of Canadian industry, Canadian provinces, and Canadians generally on the issues before the negotiators to ensure a free trade agreement which meets the concerns of all Canadians.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, does the Minister in fact approve of this double standard which is hurting our subsidiaries in the United States and creating an unfairness between the two countries with respect

to branch plants in both? Does she approve of that double standard?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I and the Government approve of the process of consultation on a national issue which affects all Canadians.

* * *

AGRICULTURE

ASSISTANCE TO GRAIN PRODUCERS

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, my question is for the Minister of State (Finance) and is with respect to the Government decision to assist Canadian farmers financially in order partially to—and I think we should note "partially"—offset EEC and U.S. export subsidies. What effect will this assistance have on the existing fiscal framework?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am happy to reiterate what the Prime Minister and the Minister responsible for the Wheat Board have said. The Government has reallocated priorities before for drought assistance and livestock assistance and it is doing it again for this particular problem. It will be a reallocation within the given fiscal framework.

* * *

REGIONAL ECONOMIC DEVELOPMENT

STATEMENT ATTRIBUTED TO MINISTER OF TRANSPORT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, with reference to Atlantic Canada the Speech from the Throne said "regional disparity is completely unacceptable". Yet the Minister of Transport said as recently as today on the radio in Newfoundland, reiterating his statement of a month ago, that Atlantic Canadians should not always compare themselves with the rest of Canada but should compare themselves with Bangladesh and Sri Lanka.

Mr. Speaker: Order, order. Order! The Hon. Member will put his question.

Mr. Baker: Mr. Speaker, my question is directed to the Prime Minister. Does he think that Atlantic Canadians are going to believe that the Government is concerned about regional disparity when the Minister of Transport is asking Atlantic Canadians to think about Bangladesh and compare themselves with Sri Lanka?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I received an important communication in regard to the question raised by my hon. friend. I received a telex which says: "You are to be commended for an approach which reflects our experience that the regional development efforts of Governments succeed to the extent they build upon the entrepreneurial insights and energies of the private sector in its relationship to the resource base", signed the Hon. Joseph Ghiz, Premier of Prince Edward Island.

Some Hon. Members: Hear, hear!

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I will get to the supplementary question. The Minister of Regional Industrial Expansion says there is no new money for regional development. My supplementary question is for the Prime Minister. What is the Atlantic Canada Opportunities Agency going to do, a loaves and fishes act?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Premier Ghiz points out the following: "Your commitment to an Atlantic Canada Opportunities Agency in the Speech from the Throne based on maximum participation of other Governments and organizations in the area holds promise for the people of our region". That is what it plans to do, Mr. Speaker. It is an instrument designed to meet the needs of the regions in intimate consultation with the Premier of Prince Edward Island and other Atlantic Premiers, based on the notion that the people in those regions can best design programs to help create employment for themselves. The federal Government is a partner in the economic development of Atlantic Canada. I think that meets with the approval of everyone, including my hon. friend.

* * *

• (1450)

PORNOGRAPHY

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, my question is directed to the Minister of Justice. People in this country are concerned about the rise of child abuse and violent pornography. As well, people want to see other hard core pornography controlled. Will he assure the House that we will soon see legislation covering all aspects of pornography and child abuse?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question by the Hon. Member for Niagara Falls who has had a very leading role in terms of pursuing this area of concern which I believe is shared by all Members of the House. The Speech from the Throne underlined the priority which these initiatives take in the view of the Government. I propose to come forward with legislation at an early date. I know it will have the support of all Members of the House because we want to deal with these important areas of concern to all Canadians.

[*Translation*]

SHIPYARDS

GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Since the Throne Speech does not suggest any strategy for regional economic development, will the Minister indicate a definite commitment to maintain in operation the three Quebec shipyards, without redirecting them towards other production areas?

Hon. Michel Côté (Minister of Regional Industrial Expansion and Canada Post): Mr. Speaker, it is clear that the shipbuilding industry in Canada is presently experiencing difficulties, as is the case in several of our trading partners. The Governement is very concerned about this situation. Of course, we are closely following the negotiations and discussions, but we think that a restructuring is necessary and should come from the industry itself. We are therefore open to all recommendations or proposals.

REQUEST FOR PUBLICATION OF FINAL REPORT OF CONSULTATIVE COMMITTEE ON FUTURE OF MONTREAL

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I have a supplementary question. Concerning the economic development of Montreal East, will the Minister do its utmost to make public the final report of the advisory committee on the future of Montreal?

Hon. Robert de Cotret (President of the Treasury Bord): Mr. Speaker, as soon as the report of the advisory committee on the economic development of Montreal is made available to the cabinet committee, it will be made public.

* * *

[*English*]

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It arises from the answers given by the Minister of State for Finance, who said there would be just an allocation of existing programs to western grain producers, and the Minister of State for the Wheat Board who said it would be done within the existing framework. How can the Prime Minister insist that there will be new money if the existing framework will be maintained? He knows that, if there is new money, that framework must be rearranged. He is in direct contradiction to the Minister of State for Finance and the Minister of State in charge of the Wheat Board.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think my right hon. friend listened to the answer. The response that I gave was that the farmers were suffering and, indeed, the money that would go to the farmers would be new money in their pockets. What we are concerned about here—

Some Hon. Members: Oh, oh!

Mr. Mulroney: There are smiles on the other side but this concerns putting money in the hands of the farmers who are hurting. We will devise a program that will put more money into the pockets of Canadian farmers. That is what it is all about.

SOURCE OF FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to direct a question to the Prime Minister on the same subject. He has now said that the farmers will get new money in their pockets from the federal Government. Will he assure us that this will not be as a result of directing money that was already scheduled for other farming programs? Is it a reallocation from other agricultural programs, or is it entirely new money going from the federal Government into the pockets of grain producers so that they will not pay for this in some other way? Is it new money for the farmers, not taken from other agricultural programs? Will he tell us when they will get the cheques?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is not a reallocation of existing aricultural programs. When a farmer gets a cheque that he did not have before the farmer will say "That is new money".

* * *

PUBLIC SERVICE

HIRING OF POLICY ADVISER TO CABINET

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister and it deals with Dalton Camp, a long-time Tory pundit, who now is a policy adviser to the Cabinet. Will the Prime Minister give us the undertaking that he will table in the House the job description under which Mr. Camp was hired? Second, does he not believe that by naming Mr. Camp he has indeed made a very partisan nomination and—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would ask the Hon. Member to ask the question, as he has, or even ask the second part of the question. But I would ask the Hon. Member not to get into an argumentative exchange.

Mr. Gauthier: The question is simple.

An Hon. Member: Ask it.

Mr. Gauthier: To a bunch of simple people like you. Does the Prime Minister not believe that by naming Dalton Camp he has politicized the Public Service of Canada in a partisan manner? That is the question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that if my hon. friend asks Michael Kirby, he would say no.

[*Translation*]

REQUEST THAT APPOINTMENT OF DALTON CAMP BE REVIEWED BY PARLIAMENTARY COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a supplementary question. Concerning Dalton Camp, I feel, Mr. Prime Minister, that you have politicized in a partisan fashion a major issue, namely, the civil servants' political activity. This whole issue of politicizing the Public Service could cause tremendous problems. Will you give your word that this appointment will be reviewed by a parliamentary committee—

Mr. Speaker: Order, please! The preamble is too long.

* * *

[*English*]

VIA RAIL

TASK FORCE RECOMMENDATIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport for the first time, in his first time.

Some Hon. Members: Oh, oh!

An Hon. Member: You only have four minutes, Les.

Mr. Benjamin: In light of the rail passenger action force report which was made available to the public by Transport 2000 and which makes several serious allegations about the management of VIA Rail as well as several serious recommendations, will the Minister state what action he has been taking on the recommendations of that task force and what is being done about the orders for new railway cars?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, if it takes me as long to answer, we will be here until tomorrow evening. I want to thank the hon. gentleman for his question. He is a well known transport critic.

The matter of VIA Rail is now under consideration by the Government in all aspects that have not yet been dealt with. Many of these aspects have been dealt with by my predecessor who, as the hon. gentleman knows, put rail passenger transportation legislation before the House. It will be reintroduced with some changes and improvements, hopefully later this fall. I can assure the hon. gentleman that I have the interests of VIA Rail and the rail passengers very much at heart and I will act as quickly as I can. Matters will be coming before the House before Christmas.

ORDER FOR NEW PASSENGER CARS

Mr. Les Benjamin (Regina West): Mr. Speaker, what the heck happened to the order for new rail passenger cars which his predecessor announced twice this year and four other predecessors announced annually? What happened to that order for 130 new rail passenger cars?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I hope to have the privilege of announcing the same matter myself.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

• (1500)

[*Translation*]

RAILWAYS

REQUEST THAT STUDY BE TABLED

Mr. Jacques Guilbault (Saint-Jacques): As it happens, Mr. Speaker, I should like to direct my question to the farcical Minister of Transport.

Last week, when I asked him to table the CN internal study to justify shifting railway car and locomotive maintenance work from the Pointe-Saint-Charles shops to some other place in Canada, the Minister replied that my question was jejune and juvenile. May I give him a further opportunity to shed more light on the reasons which prompt the Government to undertake such serious changes, or does he expect the 2,000 workers whose jobs are at stake to take such juvenile answers for facts?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the position is that this is not a decision taken by the Government. The Government has appointed a board of directors for Canadian National, and also top flight management. Its responsibility, laid down for it first in 1978, is to operate the railway without any financial assistance from the Government of Canada. In doing that, it conducted an internal study in 1985 of its repair shop requirements. As a result of that study, CN decided, as you know, Mr. Speaker, to close the Moncton shops and concentrate all heavy repairs of CN equipment at the Transcona shops in Winnipeg and turn the Pointe-Saint-Charles shops in Montreal into a contract facility. That is its decision. That is what it is in the process of doing.

There are a number of reasons, but one of the basic reasons is that over, I believe, 67 per cent of all the business of CN today is done in the West. That is why Transcona will be the principal place for heavy repairs to CN equipment. I have not read the report myself but I have been thoroughly briefed on the report.

[*Translation*]

REQUEST THAT MINISTER TABLE INFORMATION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, this answer is a slight improvement over what I heard last week. Still I should like to ask the Minister—after all he did approve the CN decision, as did the Minister of State (Transport), since both of them said they were not prepared to intervene—whether at least he would table in the House the information which will enable Members here to judge whether or not CN officials made a sound decision. If the Minister is not prepared to do that, I have another suggestion, namely set up a meeting between him and the Pointe-Saint-Charles workers just so he might answer them directly.

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the way in which the hon. gentleman could be most helpful to the employees of Pointe-Saint-Charles is to assist and back CN in its efforts to ensure that contract work is obtained for the Pointe-Saint-Charles shops, which is what it is determined to do. It now gets the work from VIA. It is launching a marketing effort to go after business from the United States and the Hon. Member's support, I am sure, would be very helpful to it in that task which will ensure that employment continues for everyone who now works there.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her speech at the opening of the session; and the amendment thereto of Mr. Turner (Vancouver Quadra) (p. 44) and the amendment to the amendment of Mr. Broadbent (p. 57).

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am privileged to take part in the debate on the Speech from the Throne to discuss certain of the initiatives this Government has undertaken in international affairs in the first two years of our mandate and some of the challenges which lie ahead. One of the reforms of this Government was precisely to open up debate on foreign policy in Canada. On nine separate occasions in our first two years, my colleagues and I have taken advantage of ministerial statements in Parliament to allow this Parliament to discuss international questions. In the four years previous, our predecesssors did not once make use of that instrument. We established for the first time in history a means for a joint committee of this House and the other place to invite individual Canadians to express their hopes and views about what we should be doing in the world. The rules of Parliament do not oblige me to respond formally to the report which ensued, but in the spirit of our parliamentary democracy I intend to table a full response within the next few weeks.

We believe that one of the great untapped resources of Canadian foreign policy is the interest, expertise and concern of individual Canadians who want to help to build a better world. This is an international country. Just look at this House. You yourself, Sir, as Speaker, were born in Yokohama. One of your Deputies was born just outside of Crakow. One in seven of our citizens has family roots in Eastern Europe. The origins of fully one third Canadians are neither French nor Anglo-Saxon. We come here from everywhere and we are thereby connected by a strong and human bond to perspectives and opportunities which more limited nations cannot enjoy.

The personal tradition of Canadians has been to reach out to the world. One can see it in our missionaries, our merchants and the small army of Canadian aid and development workers. One sees it in our businesses which build schools, dams and highways, extending technology on every continent. One sees it in our soldiers fighting for freedom in war, working for peace now.

Personally, I and my colleague, the Minister of Communications (Miss MacDonald), will never forget the generosity of the Canadian response to the crisis of the boat people who were cast adrift to die on the China Seas. That direct involvement in the world is as much a part of the Canadian character as our cultural diversity, our bilingualism and our history of triumph over hard geography. That is a tradition on which this Government is determined to build. We began with the extraordinary Canadian response to famine in Africa. The Government mobilized quickly and I believe effectively, but the people of Canada led the response. So it was on a smaller scale that Canadian individuals responded so quickly and so well to natural and political crises in Mexico, Haiti, Colombia and the Philippines. As their Minister, I salute the public servants who go extra miles and work extra hours when crises arise abroad. In their names, I want to also thank the thousands of individual Canadians who follow their generous international instincts when these crises occur.

We are taking other steps to mobilize this Canadian vocation for constructive internationalism. As one example, a group of six members of the Canadian Young Presidents Organization will depart for Manila on November 14 where they will work with officials of the Philippines to devise and identify programs and opportunities that will let the world's private sector help President Aquino consolidate the great reforms she has begun. We are also, of course, helping the Philippines in all the traditional ways. However, the real need now is the kind of economic performance that will win

international investor confidence. Canadians can help reach that goal, so we, Sir, are sending some of the very best.

We are also breaking new ground in the use we make of official trips. In Beijing, the Prime Minister (Mr. Mulroney) opened the meeting of the Canada-China Trade Council adding immense authority to the idea of economic co-operation between our two countries.

[*Translation*]

Mr. Speaker, Canadian investors did not traditionally accompany my predecessors on their trips. They do on mine. Together, we have opened up opportunities for sales, investment, joint enterprises and technology transferts from India to Uruguay, from Pakistan to Cairo, from Thailand to Tokyo and to the Pampas of Argentina and all over the world.

Last month, I had the honour of leading the Canadian delegation to the GATT ministers meeting. Some excellent federal officials were on our team, but there were also leaders from the business and financial world, as well as provincial ministers from all parts of Canada.

We are in this together. Our Government intends to exercise its leadership so as to make the best possible use of the exceptional talents available in the public and private sector and thus advance the interests of Canada.

[*English*]

My colleague, the Minister for International Relations (Mrs. Landry) will be speaking later in this debate. I intend as well to seek an early occasion to report to Parliament and to seek the views of other Parties on the most important issue on the world's agenda now, the control of arms and of weapons. We are all encouraged that President Reagan and Secretary Gorbachev will hold a preliminary meeting at Reykjavic on October 11 and October 12. We hope that will lead to agreements later. The superpowers are at centre stage and must be given every encouragement and opportunity to make progress, but there are also important areas for which Canada must continue to show initiative and leadership, in chemical weapons and verification technology, to name only two.

• (1510)

In passing, today in Ottawa there opened an historic meeting looking at verification technology. This is one of the rare occasions on which Soviet representatives will be present with representatives from the West to take a look at this important matter. It is not without significance that that meeting is taking place here in Canada. I look forward to discussing these questions more fully in a statement in the House next month.

In the remainder of my time in this debate today there are four particular matters to which I wish to refer. They are the reform of the United Nations; greater attention to the potential of the Commonwealth and *la francophonie*; the fight against agricultural subsidy; and the question of human rights, particularly in South Africa. Canada is a strong and consistent friend and supporter of the United Nations. Although our population is only the thirtieth largest in the world we rank fourth in the size of our financial contributions to the UN system. We intend to continue that active and outspoken support.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It is precisely to strengthen the UN that we urge reform. The Secretary General has before him recommendations from 18 experts who can begin the administrative reform which, in our judgment, is essential to the survival of the United Nations. That report is a package, carefully constructed; it should not be unravelled. It should be implemented both as proof that the UN is serious about reform and as a big first step toward change.

Ambassador Lewis, and others, are working to reach agreement on the even more central challenge of establishing effective budgetary and planning mechanisms. They work and speak with the full support of the Government and, I believe, the full support of this House and the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The UN is the most important of our international institutions because it can draw together the whole world. Other more regional organizations are playing an increasing and encouraging role in establishing co-operation among neighbours. Canada is particularly impressed by the success of ASEAN in the Pacific and of the increasingly effective work of SADCC in Southern Africa. SADCC's unity and purpose will be strongly tested in the months ahead. Canada is happy to provide approximately $100 million to the SADCC countries to help them build the infrastructure that will enable them to assert their independence of South Africa. We are encouraged by the initiative in Dhaka last year to establish the South Asian Association for Regional Operation.

However, if there have been encouraging developments in regional organizations around the world two of these groups have particular significance for Canada. One is the Commonwealth and the other *la francophonie*. Canada is both a western country and a developed economy. But among that company we are virtually unique in our reputation. Our only association with colonialism is that we were once a colony. Our interest in development and our respect for different systems are known to be genuine. Those are considerable assets, assets which should be applied, not simply prized.

This Government has acted deliberately to give more prominence to the Commonwealth as an institution uniquely able to cut across the lines that have come to divide countries. At Nassau, and in their historic meeting this August in London, the Prime Minister and his colleague Prime Ministers were able to make of the Commonwealth the one institution able to act with credibility in seeking an agreed non-violent solution to South Africa. The Eminent Persons Group was rebuffed by Pretoria, but their conduct moved the institution

of the Commonwealth out of the shadows of nostalgia and into relief as an agency of real potential in this post-colonial world.

[*Translation*]

The *Francophonie* has the same potential. The two organizations are different because the colonial powers were different originally, and the same applies to the member states. In a way, the Francophonie summit is a direct result of the national reconciliation policies adopted by the present Canadian Government.

I am not exaggerating when I say it is largely thanks to this Government that the first summit came into existence. It had been discussed for years, and no one had been able to organize one, partly because Ottawa and Quebec were unable to agree on the participation of that province. We changed all that.

The Prime Minister has announced that the second francophone summit will be held in Quebec City next September. It will be a major event in Canada next year. More than 30 heads of state and heads of government will come to the Old Capital to discuss politics and economics, development and co-operation. During those few days in September, Quebec and Canada will be the focus of the francophone world.

[*English*]

I want to mention agriculture, not just because it is important but because our success in agricultural trade demonstrates that, even in this highly complex world, determined initiatives can pay off. The largest single threat to Canadian farms is the growth, in the United States and in Europe, of agricultural subsidies which we cannot match. Once, the efficiency of farmers determined success in international agricultural trade. Now, success is determined by the size of the subsidies. Canada has the most efficient farmers in the world; we do not have the biggest treasury. So we have to move the rules back toward a balance that gives our farmers a chance. The Prime Minister began that process when he raised the issue of agricultural subsidy at the Tokyo Summit, the first time agriculture has been discussed in that forum.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We have followed the initiative of the Prime Minister vigourously through meetings in Vancouver, in Thailand, at Cairns in Australia, and finally in Uruguay at the GATT. In Punta del Este I said, "The GATT has had the bad habit of putting agriculture to one side." That bad habit has now been changed. Subsidies and agriculture will be a priority consideration in the new GATT round, and for that Canada can take a great deal of credit.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The promotion of human rights is fundamental to our policy. The Prime Minister was forthright in his statements on human rights during his Asian tour. I have spoken out repeatedly on human rights both here and abroad. We have also taken concrete actions to back up our words.

Last month, we changed our export controls policy to ban the export of military equipment to countries whose governments have a persistent record of violating the human rights of their citizens. On June 12, I reported to the House on the Government's reaction to the report of the Eminent Persons Group of the Commonwealth. In August, the Prime Minister and six other Commonwealth leaders met in London to examine that report and to recommend future actions. All agreed that the authorities in Pretoria had shown no inclination to end apartheid. Six of the countries, including Canada, agreed to put in place a series of 11 measures aimed at inducing the South African Government to reconsider its position.

The United Kingdom agreed separately to implement two national measures and another measure with its European Community partners.

The six of us recommended certain actions and commended our list of measures to the rest of the Commonwealth and to the wider international community, particularly those countries with significant economic relations with South Africa. We have been in touch with those countries directly, the Prime Minister and I, and others. We are pleased that the United States, the European Community and Japan have all announced measures to increase pressure on Pretoria.

At home we are implementing the London program. Some measures, such as the cancellation of the double taxation agreements and the removal of Government assistance to trade and investment, were already in place. In co-operation with the business community we have invoked a ban on new investment and the cessation of bank loans. I have issued notices to importers under the Export and Import Permits Act to prohibit the importing of agricultural products, uranium, coal, iron and steel from South Africa. Implementation of the remaining measures is virtually complete and will be fully effective in the coming weeks. As the House will know I asked that the South Africa Tourist Office close its doors in Canada, and that is being done.

Regarding wheat, Canada is not selling wheat now to South Africa. We have instructed the Wheat Board that there should be no sales to South Africa to take advantage of actions taken by other countries.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We are considering the other measures that Canada will take. We profoundly hope that the growing weight of world opinion will cause the regime in South Africa to move out of isolation, to move away from violence, to move against apartheid. We believe the process of consistent, steady pressure offers the best prospect of ending an offensive system while protecting the immense economic potential of Southern Africa. Canada intends to continue our leadership against apartheid.

Constructive internationalism is Canada's response to our independence. It recognizes the legitimate interests of other

countries but never loses sight of the Canadian national interest. It is the projection abroad of our own national enterprise of compromise and consensus building. It expresses confidence in our ability to promote the best of what Canada has to offer. It weds realism and idealism. We think it accurately reflects the wishes of ordinary Canadians right across the country.

• (1520)

Some Hon. Members: Hear, hear!

Ms. Jewett: Mr. Speaker, may I say that we all appreciated very much that the Secretary of State for External Affairs (Mr. Clark) entered the Throne Speech debate. Obviously he could not cover every single issue, but since he did cover our actions *vis-à-vis* apartheid in South Africa, perhaps he could give us an indication of what further assistance Canada might give the front line states which of course will be very damaged by the absence of grain imports from the United States if South Africa refuses to accept grain imports, since most of those imports went to the front line states. Is further action going to be taken to assist the neighbouring states? Could the Secretary of State for External Affairs recommend any furhter policies that Canada might pursue with respect to South Africa's illegal occupation of Namibia?

I will not ask any further questions in order to give other Hon. Members time. But, while I am on my feet, I would like to say that the Minister could not to any extent today touch on arms control and disarmament. He said earlier today that he would be responding to the joint committee's report. I would draw his attention particularly to page 54 of the report in which the Special Joint Committee said that it thinks the Government should encourage the U.S. Government to undertake a moratorium similar to the Soviet Union's on nuclear testing for a period long enough to determine whether agreement could be reached on a comprehensive test ban, and I would ask him to respond to it. Will he give us the assurance that that kind of encouragement will be given to the United States both privately and publicly in view of the fact that virtually all seismographic experts except those in the U.S. administration say that such a test ban is now verifiable?

Mr. Clark (Yellowhead): Mr. Speaker, I will try to be brief in replying to those questions. The first question deals with the situation of exposure in which countries in front line states find themselves and how we might be able to help. One of the very effective organizations that has been developed in southern Africa is the organization known as SADCC which is comprised of members of the front line states. This year, we are already contributing something in the neighbourhood of $100 million to SADCC and we intend to increase those contributions.

There were discussions at the Commonwealth heads of Government meeting in London as to the steps that might be taken in the event that the reaction of the South African Government was of a kind that caused particular hardship and disruption in the front line states. While no firm agreement was reached at that time because it was thought that there was a need to have a better idea of what precisely those problems would be, the Prime Minister of Canada volunteered that Canada would be prepared to be active in providing direct financial support to those front line states, although he said that he would prefer it if we were able to act in concert with other countries of the Commonwealth, thinking naturally of Australia and others. We are having active discussions now as to how that can most effectively proceed. That action, were it to be taken, would be in addition to the aid that is now directed toward SADCC.

I should just make one thing more precise. There have been questions raised as to whether or not Canada would be prepared to offer some kind of military support. We would not. In London in early August I had the opportunity to speak at some length with representatives of the African National Congress. I told them that I thought it was essential that they continue to seek peaceful means to bring an end to apartheid, and I indicated that that is very profoundly Canada's desire and would guide actions that we might take with regard to the situation in southern Africa.

With regard to the moratorium, I really should not get ahead of myself in responding to the report of the Joint Committee. I will make an exception in this particular case with respect to the proposal on the moratorium. I do not have the exact language of the recommendation in front of me.

Our view, as we begin the week in which Mr. Gorbachev and Mr. Reagan will meet in Iceland, is that the real test in these agreements is to find something to which both sides can comfortably agree. That is not likely to happen in the case of a moratorium so we believe the encouragement that Canada must give is to the United States to continue along the path that was signalled by the President in a speech made to the United Nations two weeks ago today indicating a willingness to now ratify treaties that some months ago the United States was not prepared to ratify. We think that that step-by-step movement toward an end to testing is more likely to be practically effective and, frankly, our interest now, as it has always been, is in seeking measures that will have practical effect.

Mr. Redway: Mr. Speaker, in his comments, the Secretary of State for External Affairs (Mr. Clark) referred, of course, to the very strong action that our Government has taken with respect to imposing sanctions on South Africa. There are at least 20 different countries to which Canada has decided not to deport refugees who arrive in Canada because they also have indicated extreme examples of violations of human rights. Many Canadians are asking themselves, as well as me, why the Government does not impose sanctions on those other countries which are also violating human rights. I would like to ask the Secretary of State for External Affairs if the Government will consider imposing sanctions on those countries, and if it has rejected that idea, why?

Mr. Clark (Yellowhead): Mr. Speaker, that is an important and legitimate question and one asked frequently across the country. Let me express both a personal view and a government policy, that sanctions rarely work. We are resorting to sanctions in the case of South Africa because we think there is no other instrument that will be effective in causing the regime in South Africa to move away from apartheid.

I have some experience with sanctions, as Hon. Members of the House of Commons may remember, from 1979. Our experience in 1979 was that those sanctions did not in fact have the effect upon the Soviet Union that the Government and, indeed, other Governments implementing them thought would be the case. I will not elaborate by giving more instances of this, but that is generally the case with sanctions. We think that they are generally an ineffective instrument. We believe that in the case of South Africa, nothing else will work and something must work.

If one would ask what distinguishes South Africa from other regimes that conduct practices intolerable and unacceptable to Canadians, I would say there are two things that distinguish South Africa. One, it purports to be a democratic country, as we do, in the way most other countries practising those kinds of violations of human rights do not. Second, it is the only regime in the world that has racial discrimination written into its constitution. Apartheid has that constitutional sanction, and we believe that when South Africa is prepared to incorporate in its law such an offensive principle and is so unprepared to respond to reason in changing it, then we have to resort to actions such as sanctions.

One last word on this. I believe that it might have been possible for people to say that other ways had not been tried adequately before the activities and the report of the Eminent Persons Group. I think any fair observer of events in the world would know that the Eminent Persons, including Archbishop Ted Scott of Canada and others who were drawn together in that work over a long period of time, went to see literally everyone who was interested and effective in that process, came up with reasonable proposals and were not only rebuffed but were rebuffed under circumstances of violence. I think that if a group like that is going to fail, then we must resort to other measures. In this case, the only measures that we think will work are sanctions, and we believe that they have to be applied step by step, gradually increasing the pressure. As I said in my remarks, we are pleased to see that there has recently been movement in the United States, movement in the European community and, importantly, movement in Japan to maintain that pressure which we think and hope will finally lead South Africa to put apartheid behind.

• (1530)

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Regina West (Mr. Benjamin) on a question or a comment.

Mr. Benjamin: Mr. Speaker, I would like to ask the hon. gentleman a question regarding the making of sanctions more effective. As he knows the front line states have to rely on South Africa to bring in their imports and send out their exports. Is Canada, alone or in concert with other countries, going to do more about upgrading ports and railway lines to the Indian Ocean shores of west Africa so that South Africa can be bypassed by the front line states and not be held up to ransom by South Africa?

Mr. Clark (Yellowhead): Mr. Speaker, we are certainly prepared to consider that. Other countries are. We have some projects, some capacity and some expertise that could apply in those circumstances. The best way to proceed we think would be to get the judgment of the front line states themselves as to the areas in which help might be most effective, having regard, among other things, to time frames that are involved and having regard also to the limitations unhappily attached to budgets of Canada or other countries.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I would like to recognize the next speaker, the Hon. Member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in the debate on the Speech from the Throne. Before starting my remarks, may I say how pleased I am to see Your Honour back in the Chair. It is certainly a statement of the affirmation of respect in which all Members of the House hold Your Honour in that very important position. As well I should like, particularly as a British Columbia Member of Parliament, to congratulate the Hon. Member for Vancouver South (Mr. Fraser) upon his election, after a very trying ordeal, to the position of Speaker of the House of Commons. I know that all of us felt honoured by this election.

[*Translation*]

Mr. Speaker, I also want to congragulate the Hon. Member for Verchères (Mr. Danis) on his appointment to the position of Deputy Speaker of the House of Commons. He has done a very good job and all the Members of this House congragulate him.

[*English*]

The tradition of the Speech from the Throne is that it provides the Government with an opportunity to set out a new sense of vision, a new sense of direction and a new sense of hope for Canadians. As we in this House are summoned to the other place to have the Speech from the Throne read to us, we look for signs that the Government has been responding to the hopes and aspirations of Canadians as expressed to them over the past couple of years.

I listened with care to the remarks of the Governor General as she read the Speech from the Throne. Unfortunately, that concern and those hopes have not been listened to by this Government. Canadians were looking for a change in direction. Canadians were looking for a new sense of fairness and integrity. Most important, they wanted a sense that the Government recognized their priorities for job creation in

tackling the very serious economic crisis facing the country. That was not to be. Canadians were looking for a new direction and for a change. One need look no further than the results of the recent by-elections, the by-election in your own province, Mr. Speaker, the Province of Alberta, in the constituency of Pembina.

[*Translation*]

—and the results of the by-election in Quebec where the constituents of Saint-Maurice sent a very clear message to the Conservative Government. They said: We, Quebecers, want some change; we want the jobs promised by the Prime Minister two years ago.

Mr. Speaker, I personally canvassed door to door with our candidate Claude Rompré in Quebec. I heard the views of the Quebecers and it was very obvious that they are not at all happy with the policies of the Progressive Conservative Government and that they want some change.

If the people in Saint-Maurice and throughout Quebec heard the throne speech, they were certainly very disappointed because it does not promise any change. It promises the same direction and reflects the same lack of respect for priorities and for people not only in Quebec, but throughout Canada.

[*English*]

I want to say a word about the process of the Speech from the Throne as we all traipse down to the other place, stand there and listen in awe in the plush surroundings of the Senate Chamber with its collection of hacks, flacks, bagmen and cronies of the Prime Minister (Mr. Mulroney), which surely constitutes an embarrassment in a democratic society. Some of us ask ourselves if it is not about time to abolish the institution, abolish the Senate and put an end to the charade of these appointees of Prime Ministers making decisions that vitally affect the lives of ordinary Canadian men and women.

[*Translation*]

Mr. Cassidy: Down with the Senate!

Mr. Robinson: Mr. Speaker, as my friend from Ottawa-Centre (Mr. Cassidy) is saying: Down with the Senate! The time has come to abolish the Senate.

[*English*]

This Government will be judged and is being judged on its record, on jobs, on fairness and on integrity. On each of those criteria, however, the Government has failed.

I want to take a moment to remind this House and to remind Canadians of the remarks of the Prime Minister to the people of Alberta, and through them to the people of Canada, when he spoke recently during the by-election in Pembina. The Prime Minister said:

> There have been difficult times in this country. This is not one of them. This is a piece of cake.

When the Prime Minister of Canada tells Canadians that this is a piece of cake, that life is easy, there are no problems for the people of Canada, he is insulting the intelligence of ordinary Canadian men and women. They know better. The farmers in Pembina and the farmers in the province—

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I am sure that, with his reputation, the Member who is speaking would not want to mislead the House on the impact of those remarks. I was at the meeting. The Prime Minister (Mr. Mulroney) was not talking about Canada. He was talking about the conduct of the meeting itself. I am sure if the Member had been there—

The Acting Speaker (Mr. Paproski): That is debate. It is not a point of order.

Mr. Benjamin: Get up and make your own speech.

Mr. Robinson: Mr. Speaker, the Hon. Member from Calgary will have an opportunity to participate in this debate. I have the words of the Prime Minister in front of me.

Mr. Hawkes: It is a newspaper report.

Mr. Robinson: I am just going to repeat the words of the Prime Minister. I think Canadians have a right to know what the Prime Minister said.

An Hon. Member: You are dishonest.

Mr. Robinson: The Conservatives do not want to listen, Mr. Speaker.

Mr. Malone: We were there.

Mr. McDermid: You weren't there. You were at your hairdresser's.

Mr. Robinson: The Conservatives are embarrassed by their own Prime Minister, Mr. Speaker. I think these words speak for themselves. The Prime Minister said this:

> There have been difficult times in this country. This is not one of them. This is a piece of cake.

What kind of statement is "This is a piece of cake" to the people of Canada?

Mr. Thacker: It was the meeting that was a piece of cake.

Mr. Robinson: Or, Mr. Speaker, we have the Minister of Transport (Mr. Crosbie) who went to the other side of the country to Atlantic Canada where people are suffering from record levels of unemployment. He did not say that this is a piece of cake. No, he said: "This isn't Bangladesh. They have got it a lot worse in Bangladesh. Be grateful for your conditions". The Minister of Transport says: "Be grateful because you are not as poor as the people of Bangladesh". The Minister of Transport insulted the people of Atlantic Canada with that kind of remark, just as the Prime Minister insulted the people of Alberta by saying that this was a piece of cake. Canadians will not accept that kind of nonsense. We know better.

• (1540)

In the Province of British Columbia today we have a Premier who says the same thing. He says that everything is fantastic and that this is a piece of cake. The people of British Columbia know better. They know that what we want in the Province of British Columbia is action—action on unemployment, action on cut-backs in health care, and action on cut-backs in education.

Let us look at education for a minute. We have a federal Government which is cutting back on transfer payments to the province and cutting back on education. Also we in British Columbia have a Minister who has the audacity to suggest that poor people should think twice before going on to pursue post-secondary education. Yesterday the Social Credit Minister responsible for post-secondary education suggested that poor people should examine their priorities and consider putting off post-secondary education if they are unable to afford it. What kind of approach is that from Bill Vander Zalm, Rus Fraser, and their Social Credit colleagues to accessibility to post-secondary education in the Province of British Columbia? What he is saying to the poor is to forget it, that if they cannot afford a decent education, they should not bother applying to college or university. We in the New Democratic Party who have fought for years and decades for universal access to quality education will not accept that approach. We believe that there must be a change, and I am confident that there will be a change in the Province of British Columbia after October 22.

We are looking as well—and I am speaking now from the perspective of a Member of Parliament from British Columbia—at the whole question of fairness and equity for women. We are looking at the whole question of pay equity and legislation, enforceable legislation which will ensure that women are not treated as second-class citizens in the workforce. Recently we saw legislation on employment equity tabled in the House which left a great deal to be desired. It was toothless legislation with no enforcement mechanisms whatsoever.

As well, we see in the Province of British Columbia a Social Credit Government working hand in glove with the Mulroney Conservatives—

Mr. Malone: Order.

Mr. Robinson: —saying that they do not believe in pay equity or in fairness for women. Once again the people of British Columbia will be passing judgment on that kind of Neanderthal approach to equality for women on October 22.

One of the most important industries in the country—and it is by far the most important industry in the Province of British Columbia—is the forestry industry. We have seen a succession of promises made and broken by the federal Government. We are awaiting effective action in the forestry sector. We know that our forests are being destroyed and that there is not adequate reforestation. We call upon the Government to put money into effective reforestation programs. Instead, we have more studies and no action. I am proud of the fact that in the Province of British Columbia Bob Skelly, the Leader of the provincial New Democratic Party, has said that we would work with a federal Government which takes its responsibilities seriously in this important area, and that we would create thousands upon thousands of jobs in the forestry sector through effective reforestation schemes. That is the kind of approach to job creation which we as New Democrats support and in which we believe.

There are those people who ask where we will get the money from for these job creation programs. I will tell the House where we will get the money from. The Hon. Member for Kamloops—Shuswap (Mr. Riis) clearly documented the fact that thousands and thousands of corporations in Canada are not paying one penny in income tax despite the fact that they are making very great profits on a year to year basis. It is about time that we got serious about tax reform and recognized that the corporate sector should be paying its fair share of taxes. That is one source of funds which the Government could use to create jobs. Another source is the $500,000 capital gains tax exemption. Whom does this benefit? It directly benefits those who are the wealthiest, those who are the most affluent in society. Of course that creates no jobs at all for the people of British Columbia or for the people of Canada.

Another area in which there should be changes is the whole area of waste in government advertising. For example, we have seen in the Province of British Columbia some $20 million being spent by Bill Vander Zalm and the Socreds on blatant political advertising at the expense of British Columbia taxpayers. Instead of taking taxpayers' money and spending it in that kind of arbitrary way to promote re-election, we suggest that the money should be taken and put into effective job-creation programs.

One example of that is the youth job guarantee program which has been suggested by my provincial colleagues in British Columbia and by Bob Skelly, the Leader of my Party. As well, it has been actively supported by the outstanding team of NDP candidates in British Columbia, people like Joan Sawicki in Burnaby—Willingdon, Ron Johnson in Burnaby—Edmonds, and Barry Jones in Burnaby North. They are talking about working on priorities to create jobs and about a youth job guarantee program. The suggestion is that we are failing our young people in the country by not allowing them to have any hope, by not providing any optimism, and by not providing any sense of vision for the future. The youth job guarantee program says that when one reaches 17 years or 18 years of age, one will have the option of being able to pursue post-secondary education, of having a job, or of being able to go into some sort of training to help find a job. It is that kind of guarantee which will help to create hope and a sense of confidence in our young people in British Columbia and throughout the land. It is that kind of inspired leadership by my provincial colleagues which I am hoping will lead to real job creation in the Province of British Columbia.

In my capacity as justice critic for the federal New Democratic Party, I want to touch for a moment—and I know that time is limited—on a number of issues on which we will be looking for action in the upcoming session of Parliament. We hope the Government will take effective action to deal with the very serious concerns of Canadians, particularly those in the Maritimes who recognize the inequities in Canada's current laws on abortion. In both the Province of Prince Edward Island and the Province of Newfoundland there are no facilities whatsoever for women who seek access to safe therapeutic abortions. Surely that kind of situation represents a denial of equality to women and must be changed.

We are also looking for effective action on changes to the Canadian Human Rights Act. The Government has promised that changes will be made. We hope that these changes to strengthen the protections accorded minorities in Canada and to look at the whole area of systemic discrimination will be made in the very near future.

We must look at the crisis facing the Canadian prison system. We in Canada imprison far too many people for far too long. Our prisons are over-crowded. We see double bunking in many cases and we see the spectacle of prisons being built in the country as job-creation projects far from the families of prisoners and far from qualified professional staff. Once again that is unacceptable.

• (1550)

The Prime Minister has spoken of his war on drugs and the drug epidemic in Canada. All Canadians share in the concern over the abuse of drugs in our society. However, I suggest that we have to look very seriously at the abuse not only of illegal drugs but of perhaps the most destructive drug of all, that being alcohol. How many of our families have not been touched by alcoholism? We know, for example, that alcohol has caused tremendous waste and human suffering. Some 66 per cent of fatal accidents in Canada are alcohol-related. Over half the suicides among young people involve alcohol. A great proportion of accidents in the home are alcohol-related. I could go on and on about the destructiveness of alcohol, so when the Prime Minister talks about a war on drugs, let us ensure that he is prepared to take action with respect to the abuse of alcohol as well.

Let us also hope that he looks very seriously at the archaic laws dealing with marijuana. Under these laws today our young people can still go to jail or receive a criminal record for possession. Changes to those laws are long overdue.

There are a number of other concerns. We have the matter of sexual abuse of young people. Our freedom of information and privacy legislation remains far too weak. The Standing Committee on Justice and Solicitor General is studying this legislation and we hope the Government will move to strengthen it significantly.

Dealing with pornography, we hope the Government does not come back with the kind of repressive, sledge-hammer legislation which totally fails to distinguish between erotica and violent, degrading pornography. I think the Government may have gotten the message, but it is important that it not yield to the forces of reaction, the dinosaurs in the Tory back benches, who insist that the previous Bill be brought back intact. We will await with interest the government response in this area.

You are signalling, Mr. Speaker, that my time is just about up with respect to this response to the Speech from the Throne. I just want once again to indicate how important we in British Columbia view the next two years to be. The Government was given an overwhelming mandate, not just by the people of Canada but also by the people of British Columbia, and so far the Government has blown it. It has not responded to the concerns of the people of British Columbia about job creation, or fairness and integrity in Government. We in the NDP intend to continue fighting on behalf of the concerns of ordinary Canadians, ordinary British Columbians, together with our colleagues at the provincial level, people such as Bob Skelly of the provincial NDP. We hope that together there will be real changes, both federally and provincially.

The Acting Speaker (Mr. Paproski): Questions and comments.

Mr. Hawkes: Mr. Speaker, it is interesting that the Hon. Member ended his remarks with the issue of integrity. He and I arrived in this House at the same time. He has built a formidable and positive reputation, for the most part. However, making unsubstantiated allegations in this Chamber in the past has caused him, on at least one occasion, some difficulty. He has made the allegation that the Prime Minister of this country, in the Pembina by-election in the City of Edmonton, said that handling the problems of this country was a piece of cake.

I was there, Mr. Speaker. There was a very small group of people in attendance whose sole purpose was to disrupt the meeting and make sure that democracy and freedom of speech were denied. From the beginning of the meeting, every time someone tried to get to a microphone, that small group of people chanted "bullshit! bullshit!", as loudly as they could.

Mr. Cassidy: Order!

Mr. Hawkes: That is what they did. The Prime Minister of this country, when it came to be his turn at the mike, said to that audience that there were indeed real problems in this country, difficult problems for Canadians, but handling a rowdy bunch whose sole purpose in a meeting was to chant "bullshit" and attempt to interrupt democracy was not a difficult problem, that it indeed was a piece of cake.

Mr. Keeper: Distortion.

Mr. Hawkes: I simply ask the Hon. Member: Was he at the meeting? Has he listened to a tape? Does he have the evidence—and he should remember his own history—that the Prime Minister said what the Hon. Member said he said in the

context in which he used it? If he does not have that evidence, will he attempt to seek it out? If he finds it is not available, will he quit misusing the statements of the Prime Minister of this country in that way?

Mr. Robinson: Mr. Speaker, at the meeting in question in Pembina there were a significant number of unemployed workers from Gainers, men and women who have been out of work for a number of months, people who were fighting for their economic survival. Their employer, Gainers, is attempting to smash their union and their way of life. Those people attended at the airport where the Prime Minister appeared, hoping to be able to speak with him there. He dodged out the back door and refused to meet with them.

Following that, those same workers from Gainers showed up at the meeting in Pembina. Yes, they used strong words. They are frustrated, they are angry, they are desperate about their future and the future of their children. The response from the Prime Minister to those working men and women from Gainers was to accuse them of being separatists. That was a shameful response, an inexcusable response. He then went to the Province of Quebec.

[*Translation*]

—and in Quebec, he suggested that the NDP in Alberta had provoked these people and shouted the words which the Hon. Member repeated in this House. This is quite false and irresponsible.

[*English*]

The words of the Prime Minister speak for themselves. He was not saying that he had been in difficult meetings before. He was not saying he had taken flak before. What he said was this: "There have been difficult times in this country. This is not one of them. This is a piece of cake."

Those words surely speak for themselves.

Mr. Clark (Yellowhead): Yes, they do.

Mr. Kilgour: Mr. Speaker, I was also there that night. I would remind the Hon. Member that the Prime Minister met with Mr. Werlin after the meeting. Members of our caucus met yesterday with Mr. Werlin and other members of the Canadian Labour Congress and the Alberta Federation of Labour, and I think they were very grateful for that meeting. I think we had a very productive meeting.

I listened with interest to the Hon. Member talk about the Throne Speech and the British Columbia election campaign. Would he tell us where he stands personally on the issue of hard core pornography? Does he, for example, think there is a causal link between hard core pornography and crimes against women and children? Where does he stand on the issue of heroin and other hard drug abuse in his province, bearing in mind that when I lived there it was the fifth or sixth largest industry in the province? Can he enlighten us with respect to both of those issues?

Mr. Robinson: I am sorry, Mr. Speaker, that I do not have more time to respond to the concerns of my hon. friend. One of the real concerns we have in British Columbia is the fact that the Government of that province has cut back dramatically on treatment programs for those caught up in that vicious and painful cycle of heroin addiction and other drug abuse. Instead of cutting back on the treatment programs, they should be expanding funding for those programs. Instead of making it more difficult for the individuals who are trying to end their addiction to heroin through the use of methadone, they should be expanding the opportunity for those people to break that cycle. I am very pleased that my colleague, the Hon. Member for Edmonton Strathcona (Mr. Kilgour), has given me this opportunity to point out that the Social Credit Government in the Province of British Columbia has cut back dramatically on funding for alcohol and drug abuse in the Province of British Columbia.

• (1600)

With regard to the first question raised by my hon. colleague, certainly we in the New Democratic Party support the proposed changes to the hate literature provisions of the Criminal Code which would include sex as a prohibited ground of discrimination in those sections. So much of this multimillion dollar industry is, in effect, institutionalized discrimination against women. That is why the inclusion of the word "sex" in the provisions is something that we welcome, something which has been called for by the National Action Committee on the Status of Women.

Mr. Blenkarn: Mr. Speaker, could the Hon. Member, who is the justice critic for the New Democratic Party, advise us on two items? First, is it the policy of the New Democratic Party that the Criminal Code should make no reference to abortion and that abortion should, therefore, be available on demand? Second, is it the policy of the New Democratic Party that the possession of marijuana or its derivatives should not be an offence?

Mr. Robinson: Mr. Speaker, it was my former colleague, Grace MacInnis, who stated that the decision as to whether or not a woman would have an abortion is a decision which should be made by that woman in consultation with her doctor. That has been a longstanding policy of this Party and it remains the position of the federal New Democratic Party. Certainly we believe that those provisions of the Criminal Code which are not in accord with that fundamental principle should in fact be changed.

With respect to the question about marijuana, we believe that the current provisions of the Narcotic Control Act are indeed in need of fundamental change. It is wrong that hundreds of thousands of Canadians should be subjected to a criminal record and, in a number of instances, to lengthy terms of imprisonment for simple possession of marijuana. Yes, Mr. Speaker, those laws should indeed be changed. At the same time we believe it is fundamentally important that there be education with regard to the effects of drugs in our society.

Once again I call upon the Government to recognize its responsibility, not only to wage war on drugs but to take preventive action by educating Canadians on the effects of a wide range of drugs including marijuana, alcohol, Valium, Librium and many other drugs in our society.

• (1610)

[*Translation*]

The Acting Speaker (Mr. Paproski): The time for questions and comments has expired. The Hon. Member for Jonquière.

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I am pleased today to take part in this debate on the Address in reply to the Speech from the Throne. Before proceeding I should like to extend my most sincere congratulations to the Hon. Member for Vancouver South (Mr. Fraser) on his election as Speaker of the House of Commons. I wish him well in the discharge of this onerous responsibility and I want to express my full respect and confidence.

That being said, Mr. Speaker, I would now like to tell my distinguished House colleagues and all Canadians, especially the people of my riding of Jonquière whom I humbly represent, about the various points which drew my attention during the Speech from the Throne delivered by Her Excellency the Governor General, the Right Hon. Jeanne Sauvé. Incidentally, Mr. Speaker, the people of Saguenay—Lac-Saint-Jean were honoured to play hosts to Her Excellency the Governor General on the occasion of her short stay in our region last week. She is an extraordinary lady to whom I pay my respect. During her visit in our region she expressed particular concern about the way ordinary people look upon politicians. She stated that in many cases people do not think kindly of men and women in politics, yet the only aspiration of these men and women is their will and desire to serve.

The remark is very relevant and the Governor General is indeed an eloquent representative to convey such a message to Canadian men and women with respect to the world of politics.

In response to the various issues raised in the Speech from the Throne, Mr. Speaker, allow me to quote an article published in last Thursday's *La Presse* and signed by editorial writer Michel Roy:

A fresh start

he wrote.

The Speech from the Throne opening the second session of the Mulroney Government highlights both continuity and change.

Continuity, because again it features the major themes advocated by the same Government in its 1984 legislative program, namely national reconciliation and economic renewal;

Change, because Mr. Mulroney and his colleagues focus on a perspective they had neglected two years earlier: the social policies which mean so much to Canadians.

Considering the balance he was able to give to his speech, balance between economic and social priorities as well as national and international issues, the Prime Minister proves that he has a clearer view of the expectations of Canadians. The shift towards social matters and the large number of concrete measures announced in the speech, from tax reform to day care centres, reflect a new realism.

The legislative program is full of possibilities.

Indeed, Mr. Speaker, what are these new policies the Government intends to advocate during the second session? A radical change has to be our firm intention to give special consideration to new social measures.

The new policy on daycare centres, to be implemented following the tabling of a report by the committee responsible for studying needs in this area, is one example of our resolve to be progressive in terms of family policy.

Improvements in pension plans, an adjustment program for older workers, measures to promote volunteer work, the Government's firm resolve to take effective measures against child sexual abuse, violent forms of pornography involving women and children, child prostitution, and the grave and growing threat posed by the trafficking in illegal drugs, will all be on the legislative agenda in the months to come. These, and many other social policies such as those relating to the intolerable affront to human dignity suffered by battered women, compel the Government's commitment to work with the provinces to implement the most effective means and methods of action in response to the concerns of the Canadian people.

Other important issues were raised in the Speech from the Throne, announcing the Government's firm intentions of developing new policies and injecting additional funds for promoting research and setting up a national advisory board for industrial technology and improving the quality of post-secondary education, with a view to achieving excellence and providing equal opportunity. Similarly, active internationalism and increasing trade remain an absolute priority.

The Opposition may be fond of showering criticism on the free trade talks, but if we fail to conclude bilateral agreements on the various activity sectors in our respective economies, Canada's economy is in grave danger of being partially paralyzed. And all because of the increasing number of protectionist measures now being put before the U.S. Congress. The trend is growing and may result in the loss of many jobs. Mr. Speaker, the answer is clear: negotiate. Justice and good faith still have their place, and I believe that between friendly countries, agreement is always possible.

Canada's exports to the United States are worth more than $94 billion, while U.S. exports to our country are worth about $75 billion annually. The stakes are high, since millions of jobs depend on the outcome, and every time the Americans impose new protectionist measures, men and women stand to lose their jobs. The Opposition has taken a very negative stand, but I remain convinced that the talks offer a better perspective than doing nothing or just letting things happen.

Further, Mr. Speaker, an agreement inviting Quebec to take the honourable route towards becoming an active partner in the Canadian Constitution remains one of our major objectives and we hope this agreement will be ratified as soon as possible.

And what about the trend towards adjusting our policies and programs in terms of specific regional needs? This desire to

take into account the differences and specific needs of all of our regions should not be just a case of Government priorities and policies. It should also be the objective of our major businesses and our Crown corporations, which should adapt their expansion and investment policies to regional differences and disparities.

Mr. Speaker, I would like to mention one example, the position taken by Bell Canada which this summer, through its director general, announced to the people of Saguenay—Lac-Saint-Jean that the company intended to allow for the regional entity in its policies for the development of regional services, instead of considering various aspects such as the community of interests and distance or contiguity, and that it would consider local conditions in every region. In fact, a region consists of municipalities, and when we talk about developing regional services as opposed to inter city services, we must try to increase the cohesiveness of the towns within the region. And Bell Canada's President himself did recognize that principle, that is the importance of regional association, and Bell has agreed in the Saguenay area to have a pilot study conducted for the purpose indeed of finally regrouping all communities in the Saguenay MRC. This will be a first, Mr. Speaker, and I am very happy with Bell's new outlook. I also urge the CRTC, when the time comes, to change the parameters so that from now on, when talking about developing regional service, the actuel needs of the population be addressed and the regions be taken into account.

Mr. Speaker, other major changes were announced, including tax reform. A first measure already has become law, imposing a minimum tax. Accordingly, 79,000 more Canadians will be paying taxes, people who until now have succeeded in paying none, availing themselves of all kinds of tax deductions. These loopholes have now been plugged by our Government. And soon the tax reform will simplify our tax returns and lead to lower income tax for many Canadian men and women, a highly desirable goal, Mr. Speaker.

All in all, this is a promising Throne Speech, the key elements of which will be introduced over the coming weeks and months as so many pieces of legislation.

At the beginning of my remarks, Mr. Speaker, I quoted from a columnist, Mr. Michel Roy, who referred both to changes and to continuity in the Throne Speech of this our thirty-third Parliament. Continuity refers to what has been started. And if I may, I would like to remind Hon. Members of the numerous achievements of this Government and the progress made in terms of economic performance.

Much too often, Mr. Speaker, we are criticized and even taken to task, I would say. The nit-picking is so well schemed that people lose perspective. But our record is impressive. I could mention national reconciliation recalling that the provinces seldom had such good relations with the Canadian Government. What a change from the arrogance and contempt that prevailed for years!

Our Government has also reached a number of sectorial agreements with the provinces, for instance sectorial agreements on transportation, and my own region, Saguenay—Lac-Saint-Jean, will be benefitting, to the tune of $25 million provided by the Quebec Government and the Canadian Government, actually towards a project in our area, the Alma-La Baie expressway. Those $25 million will not be enough, but a major hurdle has been passed with that agreement entered upon by our two Governments.

Mr. Speaker, I would now like to speak about the Canadian Jobs Strategy, which emphasizes training and co-operation with the private sector and programs to create permanent jobs with a training element. Among the employment development programs, let me mention Challenge '86, under which students can find a summer job in their own field of study to help them to innovate and acquire new qualifications, and so on. Several billions of dollars have been invested in these job creation programs in the last two years.

In fact, Mr. Speaker, our strategy is bearing fruit since the unemployment rate has gone down from 11.7 per cent to under 10 per cent in two years to reach 9.7 per cent last August. We are creating nearly four times as many jobs in a month as the previous Government. Our Government is creating nearly 25,000 new jobs each month.

As for the interest rates, they have also gone down under 10 per cent, and the inflation rate has decreased and is still at about 4 per cent. These are all good economic results and we shall go on as we have begun.

According to the OECD, Canada will have the highest employment increase this year among major industrialized country and the second best rate among the 25 member countries of the OECD. As for the economic performance in my own region and in my constituency of Jonquière, it is also positive. For instance, there is the pulp and paper company Abitibi Price, in which $150 million have been invested to modernize facilities and produce a new type of fine paper. This is encouraging and shows confidence in the economic future of our region and our country. Three plants, Cascades, Abitibi Price and Alcan, employ nearly 8,000 people or 19 per cent of the labour force in the Jonquière constituency, which greatly depends on a vigorous market for aluminum and for pulp and paper.

It is easy to see that economic recovery is essential for the welfare of our regions and that our policies must take regional disparities and differences into account. We need to have a complementary approach to diversify the economy of each region in the country, and the Saguenay—Lac-Saint-Jean region is no exception to the rule.

At this point, I would like to point to SOCCRENP, a business sponsorship corporation set up recently, thanks to the co-operation of big business and small-and medium-sized businesses in our region and the two levels of government. The corporation's goal is to stimulate the creation of new businesses in the region. Last week, the first business created with

the help of SOCCRENP was launched, under the name Spectube. The business is in fact concerned with aluminum processing.

It is very encouraging to see the business world taking the initiative. I think we can expect a great deal from this kind of corporation, whose objective is also to create businesses and thus create jobs.

Mr. Speaker, there are many other priorities in the riding of Jonquière, and as the Member for this riding, I am working very hard to deal with them. Some examples are relocating the post office in Jonquière or relocating the employment centre. It has been several months, Mr. Speaker, that I started working on this file, and I don't intend to drop it, because all this is very important to my riding, since it is a matter of improving services for my constituents.

A second important issue is the rationalization of railway transportation in the Upper Saguenay, which will mean removing certain tracks which are no longer being used in the Jonquière area. This is another important matter on which I am working very hard. Today, negotiations are going on between Canadian National, VIA Rail and Roberval-Saguenay to reach an agreement, and I expect to make some major progress very shortly.

In any case, I am prepared to use all my energy and effort in the defence of the interests of the people of the riding of Jonquière and to promote its economic development.

Mr. Speaker, I have every confidence in this Government which has clearly shown its desire to listen to the regions and do everything it can to distribute economic wealth more equitably in this country.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, first and foremost I should like to thank and congratulate all those who have already taken part in this debate, particularly the mover and the seconder of the Address in reply to the Speech from the Throne. I should also like to congratulate you, Mr. Speaker, for your commendable effort during the election which lasted until two o'clock in the morning.

• (1620)

[*English*]

We had an extra month, Mr. Speaker, to kind of get back to reality. I think a lot of us in the House of Commons, both on the government side and the opposition side, realize that we sometimes get caught up in the politics of Parliament Hill and forget what the people back in the ridings are saying. In this particular instance, we had the benefit of one extra month because the Government was going to go back to the people, back to the drawing board, back to the grass roots and find out what the people were really saying about the first two years of the greatest mandate in the history of Canada. In fact, this month would have been well spent had we seen a specific response in the Speech from the Throne to some of the concerns being expressed by Canadians. Forgive me, Mr. Speaker, if I am a little cynical, but it was almost like *déja vu*. When I was in the Ontario Legislature I used to read the recorded ruminations of people like Norm Atkins. He used to write beautiful speeches for the Premier of Ontario who was very successful at being all things to all people in all parts of Ontario. It was almost "Campkaesque", the fine imprint of the Dalton Camps of this world, that we could see written all over that Speech from the Throne. We have a Prime Minister (Mr. Mulroney) who is responding to women's issues, to drug abuse, to alchoholism, to the economy, to the unemployment problem. He is going to be all things to all people. Frankly, I think we should congratulate him, except for one fatal flaw. The Hon. Member for Mississauga South (Mr. Blenkarn) knows I would bring in the one fatal flaw.

Mr. Boudria: It is your duty.

Mr. Blenkarn: You always try to find fault.

Ms. Copps: The Achilles' heel is that the Prime Minister has told us in the course of his Speech from the Throne that we are going to see more of the same. He has said he intends to continue his Government's policy of fiscal responsibility.

An Hon. Member: Hear, hear!

Mr. Boudria: Does that have anything to do with butlers?

Ms. Copps: Can you believe, Mr. Speaker, that the same Prime Minister who is promising the continuation of fiscal responsibility, in the course of his government responsibilities as the Prime Minister of this country sees a prison moved at his whim because he thinks he is going to receive more votes in his own home riding? Without receiving consultation from the Government, the Prime Minister intervened in an unfair fashion. I was out in Pembina, and I heard from people in the oil industry who were hurting. They asked where the Prime Minister was, when was the Prime Minister bringing in the removal of the PGRT? It took a by-election to bring that about. At the same time, when it came to moving a prison into his own riding, without the advice of anyone in the penal institution, against the advice of his own fiscal advisers, because it is going into his own riding and will be his own pork-barrelling, bang, he does it just like that, just as he said in Fortune Magazine.

Mr. Blenkarn: What does that have to do with pork-barrelling?

Ms. Copps: Someone asks what it has to do with pork-barrelling. Well, it seems to me that when one introduces a move of a prison simply to satisfy the issue of unemployment, that issue is being attacked in a completely wrong fashion. It was a wrong-headed decision. It was a political decision and it was a partisan decision made by the Prime Minister specifically because he wanted to pad his own constituency. That is the

same Prime Minister who talks about fiscal responsibilty. I remember back in the great City of Hamilton when the now Prime Minister gave an interview to CHCH television. He lambasted, he blasted the former Prime Minister, Pierre Trudeau, because Mr. Trudeau had a nanny for his children who was on the public payroll. He said: "Never will I, Martin Brian Mulroney, have a nanny on the public payroll".

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has been here for a couple of years and she knows that she should not be using the name of any individual in this House but referring to him or her only by his or her constituency or title. If the Hon. Member for Hamilton East (Ms. Copps) would please maintain a little decorum, I would appreciate it greatly. I know we all would.

Ms. Copps: That was a direct quote from the royal "we". However, I accept your admonition and in future I will try to adhere. The Hon. Prime Minister said he never would have a nanny on the public payroll. A few weeks later, he gets elected and the first thing he does is to run out and hire a nanny at the taxpayers' expense. But she is not really a nanny. She is a staff person who interfaces with the children on a habitual basis. I will be able to speak shortly from first-hand experience, and I would love to have a staff person who interfaces with the children on a habitual basis. Let us call a nanny a nanny. Let us call a butler a butler. Let us call a maid a maid. I think my hon. colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), made a moot point when he suggested that he did not realize the Prime Minister's underwear had become an issue of national security. The Prime Minister said he absolutely had to have a valet and a maid on his trip to the Far East for security reasons, even though he had an RCMP officer, among others, who was there simply to watch the bags and to make sure there was in fact no security breach. It now becomes part of public policy that the maid and the valet have to follow the Prime Minister around.

In the last session, when it was revealed that the taxpayers of Canada paid for a Hercules for a film crew to travel around and catch every last precious moment of the fleeting mandate of this Prime Minister, the pay-off for that came from the taxpayers, and the Prime Minister again cited reasons of security. It seems to me again that while he talks about budgets and cut-backs, the Prime Minister intends to continue the practice he began increased his own office staff by some 54 per cent when he was first elected. We hear rumours and press reports that now it is not enough for each of the Ministers to have a chauffeur. There are now certain Ministers in the Government—and its back-benchers will want to hear this—who want their assistants to have chauffeurs. It is not enough that their chief politicos have a salary increase which is far higher than the average Canadian would have received, but certain of their assistants believe they should have chauffeur-driven limousines to carry them about.

Mr. Blenkarn: It sounds like a good story.

Ms. Copps: It sounds like a great story and you will probably find out about it in the very near future.

Mr. Blenkarn: It is easy to say that in the House. You cannot be sued in the House.

Ms. Copps: I will repeat it outside the House. I do not think I will be sued if I say it outside the House. I am telling the truth. If the Hon. Member for Mississauga South would like to pursue it outside the House, I would be most happy to comply.

I think it is important that the government back-benchers be aware that this is the same Government which is preaching fiscal restraint. It is the same Government which said in the Speech from the Throne that it wants to introduce new measures of fiscal responsibility. There is an election going on in Saskatchewan. What has the Government done with respect to wheat subsidies? We have heard nothing specific in the Speech from the Throne. There was nothing definitive. It takes a 5.30 a.m. phone call by the Premier of Saskatchewan who on bended knees said: "Please help me out, because if you do not, you will not be able to count on us in the next election". It is the height of cynicism for the Prime Minister to announce the withdrawal of the PGRT only because of a by-election. It is the height of cynicism for the Prime Minister to announce wheat payments which will come from existing funds. He is merely shuffling the deck. That is the height of cynicism.

[*Translation*]

Mr. Speaker, referring to the files which I have been asked to study as Party critic, we discovered among other things that older workers are hardest hit by the unemployment climate in Canada. We know that, even since the end of the recession, the number of unemployed workers over 50 has doubled, which means that these people do not find work, all they find is despair.

We remember quite well that about a year ago, in the month of February when the Minister of Finance (Mr. Wilson) tabled his famous Budget, he promised he would replace the LAB program, the Labour Adjustment Benefits program.

They cancelled that program and promised that as early as August 1986 we would have a new program specifically designed for unemployed older workers.

• (1630)

[*English*]

He proposed that he would introduce a new program for older workers by August of 1986. We now see that he is re-announcing the same program for older workers.

[*Translation*]

This is exactly the same program which was promised in February when they dropped the Liberal program for older workers which had been in existence before.

How can people believe the Prime Minister (Mr. Mulroney) who is telling us in his Speech from the Throne that he will give us the very same policies we have had for two years? Mr.

Speaker, we already know that the polls reveal that Canadians are wary of the Prime Minister's word, they do not believe him anymore because he tricked them too often, saying one thing to some people and something else to others.

[*English*]

The public is sceptical, with good reason. If we look to the area of housing, which is another area within my responsibilities as critic, there is not a single mention in the Speech from the Throne with respect to the plight of the thousands of Canadian homeless who will be facing a very cold winter. What we have seen again is the divestment—

[*Translation*]

The Government is shirking its responsibilities towards the provinces because the federal Government does not want to provide the housing services such as had been promised by the former Liberal administration.

For example, if we look at British Columbia—

[*English*]

We know that the Government in British Columbia is not committed to social housing. In fact, I was shocked to hear the words of the Minister responsible for education in British Columbia who said that he felt that maybe poor people should rethink sending their families to college or university.

I would like to take a few moments to tell the House why my family and I became Liberals. My father was one of six boys raised by a widow in northern Ontario back in the mid-1920s. At that time my grandmother was struggling as a court stenographer to raise her six children. She was anxious to send one of them to school, but she did not have the money to pay for the examination which had to be taken to follow up on post-secondary education. She wrote to the Minister responsible for education in the Province of Ontario at that time and said: "I am a widow with six sons. I would like to send at least one of them, who wants to be a veterinarian, to school so that he can achieve his goal". The Conservative Minister at the time wrote my grandmother and said: "Madam, in your circumstances I think it is highly outrageous that you should even consider sending any of your sons to a post-secondary institution". My grandmother became an ardent Liberal from that day forward. She believed that any Government, including the Socred Government of British Columbia or the Conservative Government then in Ontario, which would say to poor people that you cannot afford education and that there should not be universal accessibility to it, should not get her vote. I think this political philosophy is a hallmark of what we are seeing here in Ottawa.

With respect to housing, I received a letter today, and I think other Members will be receiving ones in the same vein. They should be aware of the new housing policies of the Government which targets the so-called core needy. The letter I received was from Dora Hilton who lives in Whitby, Ontario. She received a rent increase of 50 per cent in 1985 and another rent increase of 50 per cent in 1986. She is a senior citizen who, in just two years, has had her rent increased by 100 per cent. Her rent is now almost $500 a month. The people in her building are extremely upset, but this is the dilemma they face. They have no place to go. Through its sad omission of any reference to housing in the Speech from the Throne the Government has shown it is abandoning a national strategy for housing. It is content to leave the question of housing up to the provinces. I am sure we will have a chance to say more about this subject in the future. However, I draw the matter to the attention of Hon. Members because I think there is a national crisis in terms of housing. Anyone who lives in a major urban centre will be aware of the crisis. Frankly, they will be shocked, as am I, that the Government has made no reference to it in the Speech from the Throne.

As the only opposition Member in the area of Hamilton, the lone voice of Opposition now that the former Member for Hamilton Mountain has departed—

Mr. Blackburn (Brant): I am only 10 miles away.

Ms. Copps: He is not from Hamilton, Mr. Speaker. Close, but no banana. He is from Brantford, the home of Wayne Gretzky. We cannot lay claim to Wayne Gretzky. Thus the Hon. Member cannot lay claim to being a Hamiltonian.

There are certain issues currently taking place in the Hamilton area which bear national scrutiny. One deals with the Hamilton airport.

Terminal 1 at the Toronto Airport is in a state of absolute crisis. Most Members have probably been through Terminal 1, and I ask Hon. Members whether or not they agree that Terminal 1 is a disaster area. Terminal 1 is a joke. It is an insult to any person arriving on an international flight who is *en route* to the southwestern Ontario area. I agree that we need to do something about the overcrowding problem. At the same time, only a few kilometers away in the City of Hamilton there is a beautiful $50 million facility which is lying waste. It was cited by the Auditor General as being one example of our not receiving value for our dollar. It just does not have the necessary passenger loads.

Before the daily trips to Vancouver last summer the total number of passengers travelling through the Hamilton airport was 40. At the same time we were seeing an overload of 4 million passengers only a few kilometers away in the City of Toronto. The then Minister of Transport attended an emergency meeting at the time. He very kindly agreed to receive our Mayor and our Regional Chairman who laid out the problem to him. He was sympathetic, as only he can be. Heaven knows, at times he can be sympathetic and at times he can need our sympathy. We are never quite sure which it is. Nonetheless, he was sympathetic. He said that he would do something about the problem. Only a few days later he issued a press release in which he said that he was proud to announce that he was giving permission to another airline to land at Terminal 1 in the City of Toronto. That airline is TAP of Portugal.

It seems to me that if there is one facility which is lying waste and another which is completely crowded to capacity, then this is an unimaginable situation for anyone who has experienced it on Sunday, Monday or Tuesday night. Why did the Minister of Transport not say to TAP that we would be very happy to see it land in southwestern Ontario but that it will have to be at Hamilton and not Toronto? There are many people living in the vicinity of the Hamilton area. We are the hub of the golden horseshoe and not that far from Toronto. It would certainly be easy to set up a shuttle service between the two airports, thus permitting people who want to fly beyond the southwestern Ontario area to proceed to their connections. However, there is a Minister who really revealed his true colours when he went to Atlantic Canada and told Atlantic Canadians that they should stop complaining because they have it better than those in Bangladesh or Sri Lanka. He said the same thing when he came to Hamilton. He said he would deal with our concerns and try to assist the airport, but within the short space of a few days he agreed to let another airline into Toronto while this particular airport is being neglected.

• (1640)

There is one reason for this, Mr. Speaker. Perhaps I could give some positive advice to the Prime Minister. Those in Hamilton need a cabinet Minister from the Hamilton area. The Minister who is currently designated as the Minister for Hamilton is the Hon. Member from Oakville. His designation escapes me because he comes to Hamilton so seldom that no one even knows who he is. I am sure that if I were to ask 10 people at Jackson Square who the Minister responsible for Hamilton is, they would not know that it is the Minister of State for Fitness and Amateur Sport (Mr. Jelinek). I suppose that is the only association he has with Hamilton. We do have a good football team and shortly we will have an NHL franchise.

Nevertheless, Mr. Speaker, we need a cabinet Minister from Hamilton.

An Hon. Member: What about you?

Ms. Copps: I would volunteer but I am on the wrong side of the House. My services are available as a consultant, but unfortunately I am on the wrong side of the House.

Mr. Blackburn (Brant): No, the other side.

Ms. Copps: The other side, that's right.

When decisions are to be made about transport and airports, if we had a cabinet Minister from Hamilton we would hear a Hamilton voice. Right now Hamilton is voiceless. It is without representation in Cabinet and we are getting the short end of the stick. To be blunt, we are getting the bone job. The only way to remedy that is to get a cabinet Minister from Hamilton who will fight for us. I will have more to say on this in the coming weeks.

Mr. Redway: Mr. Speaker, yesterday in Montreal, the Leader of the Hon. Member's Party, the Right Hon. Member for Vancouver Quadra (Mr. Turner), was quoted as saying that only the Liberals have the courage to address squarely issues such as the Constitution, free trade, environment and energy. I know that the Hon. Member is a leading spokesperson for her Party and a firm and strong supporter of her Leader. I wonder if she would be kind enough to tell us definitively of her Party's policies with respect to the Constitution, trade negotiations with the United States, the environment and energy. And while she is at it, perhaps she could tell us of her Party's position with respect to the deficit.

The Acting Speaker (Mr. Paproski): Order, please. I do not know what the first part of the question put by the Hon. Member for York East (Mr. Redway) meant in regard to the speech made by the Hon. Member for Hamilton East (Ms. Copps). However, I will let it go this time. I would hope that the Hon. Member would keep it in the context of what the Hon. Member has just finished saying.

Ms. Copps: Mr. Speaker, of course, with the unanimous consent of the House to extend my discussion period, I would be very happy to answer all those questions. However, the point made by the Leader of the Opposition (Mr. Turner) was a very valid and positive point. In the context of multilateral discussions, the Liberal Party has been the only Party that consistently, from the beginning, has said that we should not be putting all our eggs into the bilateral basket. If we spent the kind of money that we are currently spending on sending Simon Reisman to Washington with his team and keeping Mr. Reisman and the Minister for International Trade (Miss Carney) singing from the same hymn book on other things, we would be a lot better off in terms of international trade.

With respect to the Constitution, there has been an extremely positive resolution from the Quebec caucus as well as the Quebec wing of the federal Party, a resolution which will be debated at length at the policy convention which will be held in November. That particular position has been enunciated with some modification by our Leader in an extremely informative article—

[*Translation*]

—in the newspaper *Le Devoir* which I would be very pleased to send you. I think that the Liberal policy on the Constitution is the only clear policy, the only policy which endorses the concept that Quebec has indeed certain different characteristics. Having worked in Quebec, I can say that I unreservedly support the statements made by Mr. Turner (Vancouver Quadra) in the newspaper *Le Devoir*, and I look forward to a very interesting debate during our convention in November.

[*English*]

Mr. Blenkarn: Mr. Speaker, I was wondering if the Hon. Member for Hamilton East (Ms. Copps), who has good relationships with the Liberal Peterson Government of Ontario, would not agree that the major problem with the

Hamilton airport is that it is nearly as hard to find and nearly as hard to get to as Mirabel and that there is no decent highway to that airport. There could be, with a two or three-mile road connected to the 403, a first-class access to the airport. Since there is no such access, it is virtually impossible for anyone to find that airport and it takes a great while to get there.

Would the Hon. Member use her best influence with the Peterson Government to make the airport more accessible? After all, highway transportation is a provincial responsibility. The federal Government has put its money up for the terminal. Surely to goodness it is time the province did something about the highway.

Ms. Copps: Mr. Speaker, very briefly, I live in Hamilton's east end and I can tell the Hon. Member that I probably know the road system a little better than he does. I can be at the Hamilton airport, barring a few speeding tickets, within about 15 minutes coming from the far east end of Hamilton. Those Hon. Members who are familiar with the airport will know that it is located in the far southwest end. Transportation is not the problem. Designation is the problem.

When it comes to transportation, the Hon. Member will realize that the new Liberal Government in Ontario, which will obviously be elected with a majority representation in Ontario very soon, has only been in power for a little more than a year. It will have been in power for two years by next June. Believe me, Mr. Speaker, that Government was handed such a mess when it came to the transportation system of Ontario that while it is trying its darndest, it is finding it tough. The Government will continue to try its darndest but such a mess was left behind that it will take a little longer than a year and a half to fix up the situation.

Mr. Boudria: Mr. Speaker, I know that you would not want me to let this occasion go by without congratulating the Hon. Member for Hamilton East (Ms. Copps) for making what is obviously the finest speech we have heard today if not for a long time in the House of Commons. I see that the Hon. Member for Westmorland—Kent (Mr. Robichaud) agrees and his wisdom tells me that I am correct.

I would like to ask my colleague, the Hon. Member for Hamilton East, about the footwear and textile industries. I have noted, of course, that in the Throne Speech, the Government did not address either of those two issues. These issues are very important to the constituency of the Hon. Member for Hamilton East as they are to mine, particularly in the face of the devastating Tory policies which have caused the loss of so many jobs in the footwear industry in Alexandria which is in my riding, areas in the riding of the Hon. Member for Hamilton East and other areas of the Niagara Peninsula which do not have the good fortune of being represented by as good an Hon. Member as the Hon. Member for Hamilton East.

I wonder if the Hon. Member could tell us, on behalf of those other ridings that do not have the benefit at this time of someone who speaks forcefully in the House of Commons, how many jobs have been lost in the footwear industry as a result of the devastating Tory policy that was passed in the House of Commons a year ago. Perhaps she could tell us as well how many jobs are left in the footwear industry as a result of those unfortunate Conservative policies.

Ms. Copps: Mr. Speaker, I had the pleasure of participating in a footwear task force which travelled through southwestern Ontario. As you may know, Mr. Speaker, I am the lone Liberal MP located between Toronto and Windsor so my interest in these matters spreads beyond the City of Hamilton. Obviously I have to find out what is happening in Cambridge, Kitchener, Mississauga and other areas most directly affected by the footwear cut-backs. I think the most difficult situation is that being faced by a number of workers who have been laid off. There have been plant closings in Oakville, in the Halton region, in Cambridge, in the City of London as well as in the City of Hamilton. The Government made a lot of promises about having new programs for modification to get the workers, primarily older workers, back into the workforce. Unfortunately, not only have hundreds of jobs disappeared, but no displacement programs have been put in place. That is why I referred in my speech to the absolutely uncaring attitude of the Government that cancelled a program dealing with older workers and employees of the footwear industry, namely, the LAB Program. Those workers could have been covered under the previous Liberal program if there had been a closing or if there had been significant lay-offs. That program was cancelled following a promise by the Minister of Finance (Mr. Wilson) that we would have another older worker's program in place by August, 1986. The program is still on the drawing boards and we now see the Minister of Finance blaming the provinces for not participating. That obviously has to be a first priority. I will be holding the Government to account on the lack of its fulfilment of its promise to older workers.

• (1650)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Parkdale—High Park (Mr. Witer).

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, first, allow me to extend my sincere congratulations to you on your re-appointment as Deputy Chairman of Committees of the Whole House. I am confident that I speak for all Members of the House when I say that Parliament will be well served by your acknowledged experience and ability.

Some Hon. Members: Hear, hear!

Mr. Witer: I would also like to extend my congratulations to the Hon. Member for Vancouver South (Mr. Fraser) on his historic election as Speaker of the House.

Some Hon. Members: Hear, hear!

Mr. Witer: Today I have been given the opportunity to speak on the Throne Speech, a task I undertake with conviction and confidence. The Throne Speech is not a detailed plan of action, it is a statement of intent. Therefore, a true assessment of the impact of a Throne Speech can only be determined by an examination of the Government's record following the speech.

On November 4, 1984, the Governor General presented the first Throne Speech of this Government setting a theme of national reconciliation, economic renewal and social justice. In the 23 months following that speech, much has already been accomplished toward those goals, even as we recognize the long road ahead, if we are to achieve the lofty aims that we have set for ourselves. That is why I am especially pleased to see that last week's Throne Speech did not forget the promises we made, but renewed our commitment to achieving their fulfilment.

One of the important commitments made in both speeches was the achievement of economic equality for women. In order to allow women the opportunity to attain their full economic potential, we must ensure that women have equal access to employment and opportunities to advance to the most senior levels of management. The adoption of the employment equity principle outlined in the Abella Report is a prime example of the Government's commitment to full equality for women. We have acted to ensure that Crown corporations, federally regulated businesses and private companies which have contracted to do business with the Government give women better job opportunities. In just two years the Government has increased the percentage of women appointed to federal boards and commissions to over 25 per cent from the previous Government's record of 15 per cent. Our Government has made good on its commitment to improving economic opportunities for women in Canada. The facts speak for themselves. Since September, 1984 unemployment among women has fallen by 90,000, a record on which this Government is seeking to build.

The future of young Canadians is being addressed as well. We have dedicated ourselves to working with the provinces and the private sector to enhance job opportunities for our young people. We are committed to encourage initiative and the entrepreneurial spirit among the youth. A few months ago I received a letter from a young student who was interested in pursuing a career in scientific research. He requested my advice on the likelihood of career opportunities in his chosen field. Looking to the Throne Speech, I answer him with a resounding yes. There is a future for those seeking a career in the scientific or high-tech fields. We have committed ourselves to expanding opportunities for the future. Once again, the figures confirm our commitment to Canadian youth. The record shows that since September, 1984, unemployment among youth has fallen by 109,000. We are backing up our promises with action.

Parkdale—High Park is an urban riding with a population of approximately 92,000. While the unemployment rate in our constituency runs at about 4.7 per cent, we do not consider ourselves to be free of difficulties. We have worked hard to achieve that rate, and the response to my householder questionnaire indicates that unemployment is one of the single most important concerns of my constituents.

There is no doubt that we have benefited from programs such as the Canadian Jobs Strategy and Challenge 86 which have contributed to our relatively low unemployment rate. Since 1985, the Government has allocated $900 million over and above the resources already available for training and employment programs to implement the Canadian Jobs Strategy. During the past two years, the total number of unemployed has dropped by 215,000, with the unemployment rate dropping a full 2 percentage points from 11.7 per cent in September, 1984, to 9.7 per cent in August, 1986. The Government recognizes that those percentage points translate into real people who face very serious hardship in providing for the needs of their families. Whether the rate of unemployment is 9.7 or 4.7, Canadians deserve and demand the right to provide for their needs with dignity. Percentage points are insignificant to someone who does not have a job.

In the 23 months since our election we have created 563,000 jobs, 80 per cent of which are full time. The OECD forecasts that Canada will have the largest rate of employment growth of any major industrialized nation this year. That is the record of our Government, the record on which this Throne Speech promises to build.

The Government has recognized in this Throne Speech and, indeed, in the previous one, that Canada does not exist in a vacuum. We cannot hope to create the economic opportunities we seek for Canada without looking to our trading partners. That is why we have undertaken negotiations with the United States to open up opportunities for freer trade between our two nations. We are determined to open up trade opportunities not only in the United States but with Japan and other Pacific Rim countries.

Our efforts to attract investment to Canada as a source of jobs has not gone unrewarded. In the automotive sector alone since 1985, Hyundai, Toyota, Honda and General Motors have all announced plans to build plants in Canada. We are committed to building on these success stories by continuing to encourage investment and development in Canada.

• (1700)

Our involvement in the international community brings with it responsibility and opportunity. The Throne Speech underscores our efforts to take an active role in world affairs. In 1988, leaders of the seven major industrialized nations will meet in Canada for the annual economic summit. Our admission to the Group of Seven has given Canada a unique opportunity to take a leading role in world economic affairs.

[*Translation*]

With Quebec and New Brunswick, we set the stage for the very first francophone summit, and now Canada will host the second summit in 1987.

[*English*]

Also in 1987, we will be hosting the Commonwealth Conference in Vancouver. Canada has played a major role in the Commonwealth over the years. Our membership has provided us with an important tool for exerting our influence in world affairs. Our efforts to abolish apartheid in South Africa is an example of the leading role Canada has taken within the Commonwealth.

Canada has an obligation to the international community to expose the gross violations of basic human rights in all countries including the Soviet Union where freedom of movement, freedom of speech, and freedom of religious belief are restricted and denied and where families have been cruelly separated by the refusal of passports for those seeking to join relatives in the West. Canada has been in the forefront of the fight to maintain basic human rights for all.

The measures which the Government has taken against South Africa; the pressure which has been exerted by the Canadian Government on the Soviet Union in order to free dissidents such as Shcharansky, Orlov, Danylo Shumuk, Oksana Meshko, Viktoras Petkus and others; and the representations made during the recent visit of the Soviet Foreign Minister have all had as their aim the restoration of human rights to those who have been denied them. We have spoken out for those who cannot speak for themselves.

Our participation in the United Nations is central to Canadian foreign policy and has allowed us to press our position on such issues as verifiable arms reductions and human rights violations to an even larger international audience. My trip last year to the United Nations General Assembly in New York afforded me the chance to study the institution more closely. I am pleased to note Canada's renewed commitment to the UN. Through the UN, Canada has taken a leading position in pushing for verification of existing arms control agreements and for the negotiation of new accords. Verification is not an obstacle but is an essential component of any solution to disarmament issues. Our renewed commitment to the UN will allow us to continue efforts to strengthen the UN's capacity, to investigate allegations of non-compliance, and to expand UN involvement in the formation and execution of verification provisions.

My constituency of Parkdale—High Park has a vibrant and vocal ethnocultural community. Recent statistics show that some 60 per cent of my constituents have an ethnocultural heritage. Canada's commitment to a multicultural mosaic has provided this country with a rich and unique character and has made an invaluable contribution to Canadian society.

The Government has initiated a number of key accomplishments in the field of multiculturalism. One of the highlights was the first ever federal-provincial-territorial conference on multiculturalism which was convened in 1985. The conference was an unqualified success, and the Government has since gone on to establish the House of Commons Standing Committee on Multiculturalism.

My constituents have expressed concern over Canada's refugee policy. I am pleased that their concerns have been addressed in the Throne Speech. The reforms as outlined in the Throne Speech will produce a system which is both fair and effective. It will assist genuine refugees in need of protection and discourage abuse of Canada's humanitarian tradition. It was the promise of freedom and justice which brought all of us to Canada. It is the fulfilment of that promise which makes us proud to be Canadians.

In order to fulfil that promise of freedom and justice, the Throne Speech addressed many important issues in the area of social justice. We have undertaken to remove barriers which have prevented women from participating freely and equitably in the mainstream of Canadian society. We have resolved to take effective action against child abuse, pornography, child prostitution, and the growing threat of illegal drug traffic. The Throne Speech has addressed the major concerns of my constituents. It has addressed the concerns of the region and of all Canadians.

Members of Parliament cannot limit their concerns and interests to issues which only affect those residing within the arbitrarily drawn electoral boundaries. Our responsibility lies in representing the people of our province and of our country. It is incumbent upon all of us to discuss issues and to make decisions which are good for Canada. Therefore, I will take a few moments to address the Government's commitment in the field of agriculture.

As a Member of Parliament from Ontario, I recognize the importance of the promises made in the Throne Speech. While my colleagues will recognize the singularly unique expertise of a Member of Parliament from an urban riding commenting upon agricultural policy, I can assure the House of my sincerity. Ontario is Canada's leading agricultural province with a gross production of over $5 billion, which amounts to over a quarter of the output of Canadian agriculture. Ontario is also the leading food manufacturing province in Canada with 10 per cent of our manufacturing labour force employed in processing agricultural commodities.

My constituents are aware of the problems which have developed in Canadian agriculture over the years, as many of them are employed in the numerous food processing facilities located in the Toronto area. I take particular pride in the Government's accomplishment in respect of the agricultural sector. The Throne Speech has made the strongest commitment to agriculture which has ever been made in a Throne Speech. Many of the problems which exist have been created by subsidies and preferential treatment being given to some commodities in the international market-place. We have pledged to protect Canadian farmers in the face of unfair practices conducted beyond our borders.

We were instrumental in having agriculture placed on the agenda of the Tokyo Economic Summit and helped to secure unamimous agreement on addressing subsidies in the new round of multilateral trade negotiations.

The Rural Transition Program has addressed the needs of those farmers who, through circumstance or choice, have decided to seek other occupations by providing counselling, training, and financial assistance during that transition period. We are providing farmers with the real substantial assistance they need to survive difficult times.

The Government's record is there for all to see. The question which begs to be asked is: Are Canadians better off today than they were two years ago? The record shows that the answer is a loud, unequivocal yes. Much still remains to be done, and I am confident that the objectives and directions set out in the Throne Speech, together with the commitment and dedication to accomplish them, will provide a better and brighter tomorrow for all Canadians.

Mr. Redway: Mr. Speaker, the Hon. Member quite rightly referred to a number of the accomplishments of the Government since it took office in September, 1984. In particular he referred to the appointments which have been made in respect of women. He compared the appointments made by the present Government with the appointments made by the past Government. He indicated that the past Government had appointed women to about 15 per cent of the available positions, whereas in two years the present Government has appointed 25 per cent.

• (1710)

I noted as well that he spoke about the multicultural aspect of his riding. I know he is most concerned about multicultural appointments. He is as well aware as I and other Members of the House are of the fact that about 30 per cent of the total population of this country come from non-Anglophone or Francophone backgrounds. I wonder if he could tell us whether he has any information concerning the appointment of people from the non-Anglophone or Francophone communities made by this present Government compared with those made by the former Government.

Mr. Witer: Mr. Speaker, I thank my colleague for the question. The latest information we have is slightly outdated, being three months old, but as of June the appointments to the various boards and commissions made by this Government from third language group candidates is 13.6 per cent. That is an increase in total numbers of 50 per cent over those made by the previous Government. We are going in the right direction but we have a long way to go to get to that 33 per cent.

[*Translation*]

Mr. Robichaud: Mr. Speaker, I would like to start by congratulating my hon. friend from Parkdale—High Park (M. Witer) on his speech and especially that part of it that was in French. I think he deserves to be congratulated on the effort he made, and I say: Keep up the good work. In his speech, he mentioned that in his riding, the unemployment rate was one half the national average.

In New Brunswick, the unemployment rate is 15 per cent. Did I understand correctly that he said that in either case, the same effort should be made, that we should not do more for New Brunswick, where the rate is 15 per cent and in his riding where the rate is below 5 per cent? Did I understand correctly?

[*English*]

Mr. Witer: Mr. Speaker, it is precisely because of the inequities which exist in this country that this Government made a very special effort for Atlantic Canada. May I also bring to the attention of my hon. friend that the unemployment rate of 4.7 per cent in my riding has occurred since the coming to power of the Conservative Government. Since 1984, investment in this country has increased by something like $11 billion. Demand for building permits in the Metropolitan Toronto area has increased by something like 52 per cent. We simply do not have enough bricklayers, electricians and plumbers to fill the demand. We are grateful for the low unemployment rate we have but we can do better. We are also grateful for the economic conditions created by the policies of this Government.

[*Translation*]

Mr. Robichaud: I have a supplementary, Mr. Speaker.

How is it that we in New Brunswick did not see the development and everything you just described which happened in your riding? Has the Government forgotten Canada's remote areas and doesn't it have a regional development policy, in which case that explains why the unemployment rate has remained unacceptably high in our area?

[*English*]

Mr. Witer: Mr. Speaker, I think the Hon. Member would agree with me that the objective of this Government is to have full and complete employment. It has happened in the Toronto area, not because of Government intervention but because of free market forces. We are well aware that those market forces may not create the needed jobs in all regions of Canada and that is why we redirect government assistance and programs precisely to those areas that need the assistance. I would be very happy to compare the assistance that goes to Atlantic Canada with that which may go to the Metropolitan Toronto area. I think the Hon. Member will find there is no comparison. His area would be significantly higher in the government programs and funds it receives than those in the Metropolitan Toronto area.

Ms. Copps: Mr. Speaker, I have just heard the Hon. Member for Parkdale—High Park (Mr. Witer) say that, on the one hand, his Government, since it was elected, is responsible for the reduction in unemployment. In the same breath he says it has nothing to do with the Government, it is market forces. I wonder if he can clarify that contradiction.

Mr. Witer: If the Hon. Member had been listening she would have heard me clearly state that the Government has created a positive economic environment in order for those free market forces to work. I attribute that positive attitude, and the desire of the private sector to invest, to the confidence which they place in this Government.

Ms. Copps: Mr. Speaker, I understand the Hon. Member has a pressing interest in agricultural matters since he referred to them in his speech. I wonder if he could tell us whether he supports supply management in agriculture.

Mr. Malone: No, he does not.

Mr. Witer: A simple no will suffice.

The Acting Speaker (Mr. Paproski): Are there any further questions? Questions and comments are now terminated.

Mr. Simon de Jong (Regina East): Mr. Speaker, it is of particular interest to me to participate again in a debate on the Speech from the Throne. As you and all Members in this House are aware, the Speech from the Throne is an opportunity for the Government to lay out to this House and the Canadian people its intentions and its broad vision of the future of this country. It is an opportunity for the Government to explain to the House and the Canadian people what it intends to do in a general sense in the upcoming session. I think all Canadians were somewhat disappointed with this document. I do not think we expected detailed programs to be enunciated in the Speech from the Throne, but I think we did expect a new direction, a new vision to be enunciated in the document.

Certainly the politically wise, meaning the newspaper columnists and people who follow politics actively, speculated that the Speech from the Throne would offer the Government a new opportunity to set forth new directions. It was noted that the Government's popularity in the polls has been declining on a steady basis and that it would use this opportunity to attempt to rally the troops and present a new vision. We did not get much of a vision at all. It was as though a pair of glasses had been put on by the Government and they were full of mist, grease and grime, and some very muddied notions were presented in the speech.

Let us first deal with the question of agriculture. I think commentators in the media have done special pieces outlining the deep crisis which exists in Canadian agriculture today. Various studies have confirmed this. A special committee of this House dealing with agriculture has held extensive hearings as well. We have known for some time that the U.S. Farm Bill would have dramatic effects on the price of grains on the world markets. That is nothing new, Mr. Speaker, the warning has been issued for some time. Thousands of Canadian farm families stand on the brink of bankruptcy. One of the backbones of this nation is in danger. You would have expected that the Party which has enjoyed long support from western Canada and western farmers would have come to the aid of the farmers in western Canada. You would have expected the Speech from the Throne to have laid out in no uncertain terms that the Government would not allow western Canadian agriculture to slide into bankruptcy.

• (1720)

After all, the Premier of our province, Mr. Grant Devine, a Conservative, assured the voters in Saskatchewan time and again that he has an agreement with the feds. He was telling us to wait till the Speech from the Throne. In fact, Mr. Devine took an afternoon off from his campaigning to sit in front of the television set to hear of all the goodies the federal Government was going to supply to the western farmers. What a disappointed Mr. Devine we had that day!

According to the *Star Phoenix* Mr. Devine got on the phone to official cabinet Ministers in Ottawa. He was overheard by a reporter to say over the phone that heads will roll unless the Prime Minister (Mr. Mulroney) delivers on his promises. It was obvious that Mr. Devine was indeed disappointed and that the Speech from the Throne did not deliver on the promises that were made.

Mr. Benjamin: Would you believe desperate?

Mr. de Jong: Yes, Mr. Speaker, indeed Mr. Devine was desperate. You will remember that earlier this year Mr. Devine said that $5 billion was needed to ensure that western Canadian agriculture would remain viable. After some meetings of the Premier it is now down to "at least a billion, we need at least a billion right now". The Speech from the Throne did not make that quite clear. The Tories, who are polling every day, sent a message back the day after the Speech from the Throne saying that they were going to be wiped out in Saskatchewan unless something more substantial was said. On Friday afternoon we heard the Prime Minister make a vague reference to some aid package of up to $1 billion. He did not quite spell it out for us.

If the Government had been really sincere in its commitment it would have thought out this proposal. At least we are talking about big bucks, over $1 billion. The Prime Minister would have had something substantial to announce. He would have had some details. After all, the farmers in my constituency are existing with a tremendous amount of insecurity about their future. They do not need federal politicians to jerk them around. They want some definite answers. Their livelihood is at stake. They do not want to be pawns in some political game that the Tories are playing between Ottawa and Regina. It is serious, Mr. Speaker, it is their livelihood. It is not something to smirk about or to jerk them around with as the Deputy Prime Minister (Mr. Mazankowski) did when he said, "Well, anything to win an election", grin, grin. And then afterwards he said, "Oh, no, I didn't mean it. I'm sorry, we're really sincere". We do not need the grins that we are seeing on the government benches today. It is serious. There are young farm families on the verge of bankruptcy and unless there is a real commitment by the Government they will go under. There are

thousands of these farm families across the Prairies that are on the verge of bankruptcy. These farm families have supported the Tories election after election. These farmers felt that the former Liberal Governments had totally betrayed them and ignored them, and they had. However, lo and behold, this bunch today is exactly the same as the Liberals were before. The farmers have become pawns in the political games the Governments are playing.

The Government did not have any trouble bailing out the banks. Over one weekend a group of bankers came together, stated their problem and got an easy solution. Over the weekend a quick decision led to more than $1 billion in federal moneys going to bail out the banks. A handful of individuals and a handful of institutions were bailed out with no problem at all. However, thousands of farm families are being twisted and turned around by the Government and its colleagues in Regina.

So much for the promise of deficiency payments and this $1 billion which we are trying to get a fix on. Is it new money? Where is it going to come from? Is it going to be for farmers across Canada or just for the few western provinces? We are trying desperately to get some details so the folks back home will know what is coming in order that they can start planning the future. We are getting all these evasive answers. We are told that it will require more studies and more meetings. For heaven's sake, Mr. Speaker, there have been meetings after meetings after meetings until they are coming out of their ears.

Western farmers need, want, and demand some answers, not more meetings, not more poppycock, not more committees, proposals, suggestions or studies. They want action, Mr. Speaker. The three western pools have called for a minimum of $2 billion if the viability of western Canadian agriculture is going to be restored.

I do not think the Government has the backbone to make that commitment to those farm families. It is willing to make commitments to the banks. It is willing to make commitments to the corporate sector in the country. It is willing to give the corporate sector all sorts of tax write-offs and easy loopholes. It is willing to lose billions of dollars in tax breaks. Two regressive tax measures, the $500,000 lifetime capital gains tax exemption and the significantly increased before-tax contributions allowed for the registered retirement pension plans are estimated to shift about $2 billion in tax burdens away from the well-off and onto the federal deficit. The Government is quite willing to do that, Mr. Speaker. It was a snap decision. To help the thousands of farm families that are desperate back home more studies and more meetings are required. The farm families have become pawns in the political games that the folks opposite are playing.

What more can we expect from Tory Governments? I will tell you a few things about the Tory Government back home in Saskatchewan. They were respectful businessmen. They were going to set things straight. They were going to bring business acumen to the Saskatchewan economy. They said that if they were elected they would bring all sorts of new developments to Saskatchewan and get Saskatchewan going. They certainly got Saskatchewan going, Mr. Speaker—downhill.

Mr. Benjamin: Down the drain.

Mr. de Jong: In fact, in today's *Globe and Mail* we see that Saskatchewan is losing people at the fastest rate in this country with the exception of another great Tory bastion, British Columbia. It is losing more people because of a faltering economy. That Tory Government came in when there was over $1.5 billion in surpluses which the people of Saskatchewan had put away for a rainy day. That province had consistently run surpluses in its budget year after year as a result of prudent management of the public revenues and resources. Now, after four and some years of Tory rule, it has a deficit of over $2.5 billion. They are the folks who always talk about deficit and fiscal responsibility. What they have done to the Treasury in Saskatchewan is shameful. Even the Liberals, during the Thatcher years, were not as brazen in how they dispensed the public purse and mismanaged the economy.

• (1730)

The Tories ruined the economy of that province to the point that we are in debt to the tune of $2.5 billion. Those Members think it is funny. Listen to them laugh, Mr. Speaker. It is a great joke to them, but it is a debt that the kids in Saskatchewan will have to pay for several generations to come as a result of the stupidity and mismanagement by the Tories in Saskatchewan. They are the Tories who knew all about business and knew how to run a provincial Government.

I suggest that it is hard to run a provincial Government seriously if one does not first believe in government. Under the Blakeney and Tommy Douglas Governments in Saskatchewan there was a group of people who believed that running a government required responsibility and professionalism. We went out and hired professionals, and the Saskatchewan civil service was one of the best in this country. It was difficult to attract professional people to a place like Saskatchewan, which was a small rural province that did not have a large population. Certainly, there was not much excitement and action there, unless one created a challenge. We created a challenge and acquired some of the best civil servants anywhere in North America.

The Tories do not believe in government and think that a second-hand car dealer can run the show. They came in and destroyed that civil service.

Mr. Blenkarn: Who is a second-hand car dealer?

Mr. de Jong: When the Tories went after the public service in Saskatchewan, it was one of the saddest moments in Saskatchewan's political history. When they fired all those people, not only did they go on a witch-hunt that affected Deputy Ministers and heads of Departments, they went down to the level of clerks.

When I visit households in Saskatchewan I meet people who tell me; "Mr. de Jong, we will support the New Democratic candidate but unfortunately we cannot put up a sign because my daughter happens to be a clerk in the town corporation". They are afraid. People in Saskatchewan are afraid to express their political points of view because there is a vindictive, hateful Government that will stoop to the lowest of the low. It has stepped outside of the normal bounds of human decency to a degree that is hard to imagine. Those Members laugh.

Let me cite just one incident. One of the Members of the Legislature from my district, who used to be the Attorney General and is now the provincial treasurer, printed in one of his householders a year after he was elected the name of some 20 civil servants whom the Tories had fired and which jobs they had taken. That degree of witch-hunting of the individual in an attempt to destroy his or her life and professional career shows their pettiness and hatefulness. Those Hon. Members laugh and think it is a great joke. It is a crying shame and on October 20 the people of Saskatchewan will deliver a message that will be heard. It will be heard in this Parliament because it means an end to the type of witch-hunt, vindictiveness and hatefulness for which the Tories are known today.

What a difference from the Conservatives of the John Diefenbaker era! When we consider the new bunch from the right, the imports of the ideology from the U.S., the hate and venom with which they express their hate is abhorrent and foreign to this country. That is why that group will also be turfed out in the next election.

We in Saskatchewan believe that Tory Governments are something like Halley's comet, they come once in a lifetime. That is enough for us.

The Speech from the Throne also contained the promise of tax reform by the Government. A fairer taxation system is what the rhetoric is all about. Yet, let us consider the record of the Budgets that have been introduced so far by the Government. The Minister of Finance (Mr. Wilson) has in fact accelerated the trend toward unfairness. Direct taxes on persons are forecast to increase from $38 billion to $66 billion between 1984 and 1990, while, over the same period, taxes on corporations will merely rise from $12 billion to $16.6 billion. By 1990, individuals will shoulder 80 per cent of Canada's tax burden, while corporations will only pay 20 per cent. Currently, people contribute 75 per cent and 25 per cent.

The Government has promised tax reform. We are holding our breath because we are waiting for the type of tax reform the Government talks about. It is a tax reform that will mean a greater tax burden on working Canadians and greater tax breaks for the rich whom that Party represents.

We have seen a two-tier society growing in this country, with a greater number of people living in poverty while smaller groups of people are becoming richer.

Today, the top 20 per cent of Canadian families take 43.3 per cent of all income, while the bottom 20 per cent take 3.6 per cent of all income. The unfairness in our society is accelerating and, rather than reversing that trend, the Government has accelerated it with its taxation policies and programs. That is why there is no doubt in my mind that on October 20 the people of Saskatchewan will have had enough of their Tory Government, and when this Government dares to face the electorate it will also be finished.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a question of privilege. Today during Question Period, the Prime Minister (Mr. Mulroney) quoted at length from a telex sent to him by Premier Ghiz of Prince Edward Island. We on this side of the House assumed that if a request were to be made to the Prime Minister for the document it would be made readily available. However, I just learned that a request for the document from a reporter working with Canadian Press has been refused by the Prime Minister's Office.

I can certainly refer to the necessary citations, but I want to raise a question of privilege and indicate that it is contrary to the well established precedents of the House and privileges of Members for the Prime Minister to refuse to make a document available when he quoted from it in the way that he did in Question Period.

I would like you to rule, Mr. Speaker. I make this request with utmost respect, that the Prime Minister be called upon to table in the House as soon as possible the telex from which he quoted, purported to be from Premier Ghiz of Prince Edward Island.

Mr. Kilgour: Mr. Speaker, with great respect, I submit that the matter should be raised under Questions of Privilege, which should come up as listed on the *Order Paper* tomorrow.

• (1740)

The Acting Speaker (Mr. Paproski): I appreciate what has been brought up by Hon. Members and the Hon. House Leader. I will advise the Speaker. We will look at the "blues" and give a ruling tomorrow.

Mr. Cassidy: Mr. Speaker, I presume the comments made on the point of order are not part of the 10 minutes allotted to my colleague. I would like the Hon. Member for Regina East (Mr. de Jong) to clarify perhaps a situation which is very confusing to me. Today during Question Period we heard variously from the Minister responsible for the Wheat Board and from the Prime Minister (Mr. Mulroney) with respect to the situation of prairie farmers. The Prime Minister kept on talking about how new money was going to be put into the pockets of western farmers who are in a very difficult situation. However, despite his comments in this House on Friday, he would not be precise and it is clear the Government does not have a plan. I wonder whether my colleague can perhaps elucidate the meaning of those comments? Are prairie farmers going to receive money for deficiency payments? Will it be new money? Is this simply a political piece of opportunism on the part of the Government which is concerned about its Conservative colleagues in the Province of Saskatchewan? Is there a genuine desire on the government side to ensure that

the desperate plight of prairie farmers is met? Or is their problem in terms of being left almost totally exposed on the world market to competition from the EEC and the United States just going to be ignored by the Government?

Mr. de Jong: Mr. Speaker, I certainly want to thank my colleague for that question. My interpretation of what has been happening is that the Government has no clear idea or program worked through to deliver deficiency payments on the level which is needed by western grain producers.

There was no mention at all in any of the answers that this program will be a deficiency payment program. There was no clear indication that this money will be new money but, rather, it seemed to me to be reshuffled money. There is no indication it is to be zeroed in just on western Canadian farmers. My sense is that the planners, the bureaucrats and some of the larger farmers, the tight groups represented in this Conservative Party, believe that the family farm is a dead entity and should be allowed to die and just fade away, and this is an opportunity for getting rid of some 20,000 or 30,000 farm families in Saskatchewan.

I genuinely believe that some of the thinking behind the Tory inaction emanates from the notion they have that family farming in Canada is not a viable operation and, therefore, we should allow them quietly to die away.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I welcome the opportunity to put a couple of questions to my colleague, the Hon. Member for Regina East (Mr. de Jong). I am mildly confused by some of the rhetoric I heard from him. I confess to not having heard all of it, but I heard enough to pique my curiosity. I believe I heard the Hon. Member going on at great length about what he called the "mismanagement" of the provincial Government in Saskatchewan, how it had ruined the economy, how it had gone into debt, and so on. At the same time it appears that here in Ottawa it is all right for the Hon. Member and his colleagues to call at every opportunity for massive government borrowings in order to assist every area of the economy. Of course, that would have the inevitable effect of raising the deficit and bringing about the kind of irresponsibility the Hon. Member ascribes to the Government of Saskatchewan.

I am curious as to how the Hon. Member can expect to have it both ways. It seems to me he fails to recognize the fact that the Saskatchewan economy is based mainly on agriculture and somewhat on energy. He ignores the fact that both oil prices and grain prices are at historically low levels owing to world prices and to conditions outside of Saskatchewan, conditions over which we have very little control. The Hon. Member knows very well that these historically low prices are not the fault of the Government of Saskatchewan or, indeed, the fault of anyone inside this country. Therefore, I am curious as to how he can gloss over these things and ascribe all sorts of misery and mismanagement to the Government of Saskatchewan.

The Acting Speaker (Mr. Paproski): Order. I will give the Hon. Member for Regina East (Mr. de Jong) a minute to answer the question before I call it 5.45 p.m.

Mr. de Jong: Mr. Speaker, the reason we have the deficit, which we have been trying to explain over and over again, and the reason the Tories managed to run a $2.5 billion deficit in Saskatchewan in less than five years—the fastest growing deficit in North America brought about by the Tory Party in Saskatchewan—is that it gave the tax breaks to the rich and to the oil companies which is costing the Treasury of Saskatchewan hundreds of millions of dollars.

The Acting Speaker (Mr. Paproski): Order, please. It being 5.45 p.m. it is my duty, pursuant to Standing Order 62(3), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment. The question is on the amendment to the amendment. Mr. Broadbent, seconded by Mr. Riis, moved:

That the amendment be amended by adding the following words:

"and specifically, that this House condemns your Government for failing to indicate its intentions with respect to,

1. protecting the interests of Canadian workers in bilateral trade negotiations with the United States, particularly in the forest industry;

2. positive initiatives to encourage economic growth, improve employment prospects, and provide for greater fairness for Canadians in those economically depressed areas of Canada; and

3. improving the accessibility of affordable daycare for all Canadian working parents."

Is it the pleasure of the House to adopt the amendment to the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the amendment to the amendment (Mr. Broadbent), which was negatived on the following division:

The Address—Mr. de Jong

(Division No. 1)

YEAS

Members

Angus
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Broadbent
Cassidy
Copps
de Corneille
de Jong
Epp
(Thunder Bay—
Nipigon)
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Hopkins
Jewett
Keeper
Langdon
McDonald
(Broadview—Green-
wood)
Murphy
Nicholson
(Trinity)
Orlikow
Parry
Riis
Robichaud
Robinson
Rossi
Turner
(Vancouver Quadra)
Young—30

NAYS

Members

Andre
Beatty
Bernier
Blackburn
(Jonquière)
Blenkarn
Bourgault
Brightwell
Brisco
Browes
Cadieux
Cardiff
Carney
Charest
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Comeau
Cooper
Corbett
Côté
(Lac-Saint-Jean)
Crofton
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Duplessis
Ellis
Epp
(Provencher)
Fennell
Ferland
Forrestall
Gass
Gervais
Girard
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Grisé
Guilbault
(Drummond)
Hamelin
Hardey
Hawkes
Hees
Hnatyshyn
Hockin
Howie
James
Jardine
Jelinek
Johnson
(Bonavista—Trinity—
Conception)
Jourdenais
Kelleher
Kempling
Kilgour
King
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacKay
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCuish
McDermid
McDougall
(St. Paul's)
McInnes
McKinnon
McMillan
Minaker
Mitges
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oberle
O'Neil
Oostrom
Porter
Price
Ravis
Redway
Reid
Ricard
St. Germain
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Stewart
Suluk
Taylor
Thacker
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson
(Swift Current—
Maple Creek)
Winegard
Witer—121

• (1810)

Mr. Speaker: I declare the amendment to the amendment lost.

It being after six o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Tuesday, October 7, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition on behalf of a large number of Burnaby residents expressing their concern that the telephone pricing scheme known as local measured service, charging for each local call, would significantly increase telephone costs and they call upon Parliament to direct the CRTC to deny telephone companies, such as B.C. Tel, the right to local measured service.

VOLUNTEER FIREFIGHTERS—COMMEMORATIVE STAMP

Mr. Elliott Hardey (Kent): Mr. Speaker, I have the honour to present a petition that has been properly endorsed. It is from a group of Canadian volunteer firefighters, most of whom are from my riding of Kent. They humbly pray that there be a commemorative postal stamp designed to honour the many volunteer professional firefighters who have protected property over the years and often rescued Canadians.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-207, an Act to amend the Criminal Code (Gun Control).

Some Hon. Members: Explain.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to extend the present law relating to firearms acquisition certificates to the ownership, possession and use of firearms and to change the name "Firearms Acquisition Certificate" to "Firearms Possession Certificate".

Stronger and more effective gun control legislation is essential to help reduce the level of violence involving guns, especially handguns, in our society.

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

Some Hon. Members: Agreed.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-208, an Act to amend the Criminal Code (Abortion).

Some Hon. Members: Explain.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to recognize that the fundamental decision to terminate a pregnancy belongs to the woman concerned in consultation with her physician.

I would note that today marks the opening of Dr. Henry Morgentaler's Supreme Court challenge to Canada's abortion laws. Let us hope—

Mr. Speaker: Order, please. A brief explanation of the Bill is appropriate but I am sure the Hon. Member will understand that it should not go beyond that.

Mr. Robinson: Mr. Speaker, to conclude my explanation of the Bill, I would suggest if in fact politicians do not recognize the injustice of the current abortion laws, let us hope the courts will do so and strike them down.

Ms. McDonald: Mr. Speaker, I am not the seconder of this Bill.

Mr. Speaker: I apologize to the House. There seems to be a little confusion, but we will have it sorted out. The Chair understands that this Bill is being seconded by Mr. Riis. Is that the wish of the Hon. Member for Burnaby?

Mr. Robinson: Yes, Mr. Speaker.

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

Some Hon. Members: Agreed.

Mr. Nunziata: No.

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

* * *

• (1110)

SMOKING CONTROL ACT

MEASURE TO ENACT

Mr. Patrick Boyer (Etobicoke—Lakeshore) moved for leave to introduce Bill C-209, an Act to control smoking in public buildings and facilities.

Mr. Speaker, this Bill is really a measure aimed at improving the indoor environment, and is also aimed at introducing the doctrine of reasonable accommodation. This is the same Bill that I introduced in the first session, but it has been improved through further work and I am happy to bring it before the House now.

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

Some Hon. Members: Agreed.

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

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I seek some direction from the Chair. A few moments ago the Hon. Member for Burnaby (Mr. Robinson) introduced a Bill in the House concerning abortion. As I understand it, unanimous consent is required in order to have the Bill printed. At the time you asked for consent I shouted out "No, Sir". I simply ask the Chair whether I am correct in my assumption that unanimous consent is necessary?

Mr. Speaker: I thank the Hon. Member for his intervention but I must advise the House that unanimous consent is not required.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, October 6, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session and of the amendment of Mr. Turner (Vancouver Quadra) (p. 44).

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I want to start by congratulating you on your election to the high post you now hold in this House. I personally want to wish you the best of success in this most difficult position and assure you that I and my colleagues will do our best to co-operate with you in bringing more order, more discipline and better decorum to this House. I want to repeat, though, some of the things I said briefly the other day and I would like you to keep them in mind, as I know you will as a fair-minded person.

In allocating time in this House we must always keep in mind the rights of the Opposition and the need for opposition points of view to be properly expressed. One cannot always make judgments based on the distribution of Members in the House, the fact that there are 211 Conservatives and only 40 Liberals and 30 members of the NDP. One must remember as well that although that is the distribution because of our system of election, in the election itself the Conservatives got a little under 50 per cent of the total vote and the opposition Parties got the rest.

However, the important point is that if we are going to have a proper discussion involving opposing points of view in Parliament, one must make sure that the opposition Parties, although they are small in number, have an ample opportunity to put before you as fully as possible views which are opposed to the Government.

In this respect I would ask you to keep in mind the way things were done under Speakers Sauvé, Jerome and Lamoureux. If you look at the record, the opposition Members, even with majority Governments, were given ample opportunity to put their views before this House.

We have before us now a Speech from the Throne which has the same sweet words as the Speech from the Throne of 1984, in fact the same sweet words that we read in the Conservative campaign material during the 1984 election. However, of what value were those sweet words in the form of action and decisions? What happened as a result of more than 300 promises written in such a fine fashion in the Conservative campaign documents? The answer is, virtually nothing. The Government is very good with high-sounding words, image politics, photo opportunities and motherhood rhetoric, but its performance in translating that into action is dismal and its credibility is strained.

I could go even further by suggesting that this Government is even more guilty in that it often cynically makes promises and raises expectations on which it knows it cannot deliver, and perhaps has no intention of delivering. If we look at the Speech from the Throne in 1984 and the promises of the 1984 election, that is one conclusion we could come to.

However, the Canadian public is catching on to this type of image politics. We have a Gallup poll taken in September and reported on October 6 in which the newspaper headline is: "Tories' Record Rated Poorly by Majority, Gallup poll Says". Some 51 per cent of Canadians disapprove of the record of the Progressive Conservatives according to this Gallup poll, and only 26 per cent approve. That should send a message one

would think it would send a message—to the Conservatives that form is not enough. What is required is substance, commitment and action.

The Government can say over and over again that it stands for this type of motherhood or that type of apple pie, but when it comes down to presenting Bills in the House, when it comes down to voting on issues, when it comes down to putting teeth in the measures placed before us, that is another thing altogether. The credibility gap is growing, and growing each day.

I counted in the Speech from the Throne we have before us today some 57 promises, more or less commitments to do things. Some of them are very specific. For example, the construction of an ice-breaker for the North is very specific, although there is no timetable for construction and no amount of money is put forward. In any case, it is a specific promise and we will be watching it. However, we also have among those 57 promises some which are extremely vague. For example, I refer to page nine of the Speech where the Government says:

—in full co-operation with the provinces, my Government will seek to achieve high standards of excellence in education, technology development, and innovation.

Who could disagree with that? It is a goal we are all interested in. However, the Government says nothing about how it is going to do it. Is it going to introduce legislation, draw up budgets, or plan meetings for such and such a date? No, it simply makes that commitment. That, I submit to you, is part of the Government's image politics, it is rhetoric without substance.

• (1120)

We know what happened to the 338 promises made by the Conservatives in the 1984 election campaign. Most have been postponed or ignored. Very few of them have been implemented or passed by this House.

On page 2 of this hollow document, the Speech from the Throne, it says:

Two years ago, my government—

Meaning this Conservative Government.

—received a national mandate—a mandate for reform. It was a mandate that summoned Canada to the tasks of national reconciliation, economic renewal, social justice, and to a constructive internationalism. Today, my Ministers believe these goals are within reach.

That statement is so unbelievable it is almost laughable. Does the Conservative Government in fact believe that social justice is within reach? I will give further examples of the gap between what it says and what it does. It says that social justice is almost within reach, yet it cut back the moneys available for employment programs and training. The Government tried to deindex the Old Age Pension but finally backtracked because of the massive opposition in the country. In effect, the Government cut back on the indexation of family allowances. It also cut back on the rate of increases for education and health care in the provinces through the EPF programs.

We are beginning to see the results of that all over the country. In my own city of Montreal hospital beds and radiology departments are being closed and people are not getting the medical care they need. At the universities and community colleges fees are being increased. Young people cannot go to university because it is becoming too expensive. All of this is happening under a Government which says that it was given a mandate to achieve social justice and that this is almost within reach.

The same Government cut back Katimavik, a very good program to help young people adapt to the modern world in which we live. This Government raised taxes for the middle and lower-income groups in the country while giving an exemption of $500,000 for capital gains. The Government compensated bank creditors who had credits over $60,000 when we had two bank failures.

The Government that did those things said in the Speech from the Throne that it has almost fulfilled the mandate it was given in 1984 to achieve social justice. That is so unbelievable it is almost laughable. As a matter of fact, as the Governor General was reading the Speech I wrote beside that comment in the Speech "Ho, ho, ho". That is the only reaction one can have to such a claim.

Another example of that type of rhetoric with regard to social justice is seen on page 12 of the Speech. The Governor General, on behalf of the Government, said:

My Government will continue to enlist the support of all in pursuit of the common goal: a modern, tolerant, and caring nation in which its citizens are secure and prosperous.

Now, isn't that a fine statement. Who would disagree with that fine statement? The same Government that said it wants a caring nation cuts unemployment insurance benefits for the thousands and thousands of people in the country who have severance pay or early retirement pensions and are still looking for work. They may be in their 50s and have children in university and college. The Government has slashed unemployment insurance benefits for them. As a matter of fact, members of the Conservative caucus stood up and said that they opposed this, but they refused to vote against those cuts on an opposition motion of the NDP.

The statements in this speech about a caring nation and the achievements of social justice are nothing more than hollow rhetoric. I think the Canadian public is beginning to understand this because through polls they are beginning to tell the Government what they think about it and its record.

I would now like to discuss the Government's claim with respect to jobs. During the election campaign one of the Government's big promises was "jobs, jobs, jobs". Again yesterday the Minister of Employment and Immigration (Mr. Bouchard) boasted about the great number of jobs which he has created. Of course, he did not say too much about the quality of those jobs, the level of pay, or the fact that many of

them are temporary or part-time. He did not refer to the unemployment rate of 9.7 per cent. The Government is very crafty. It keeps comparing today's unemployment record with the record of the Liberals in the pit of the recession of 1982 and 1983. There were rates of unemployment in the 12 to 13 per cent range all over the world at that time. Britain, with a Conservative Government, still has approximately 12 per cent unemployment.

The point is that that is a ridiculous comparison. If we are coming out of the recession as the Government claims, why do we still have an unemployment rate of 9.7 per cent? The rate of unemployment in 1981, the year before the recession, was 7.5 per cent. Why does the Government not compare the present rate with that 7.5 per cent which was achieved under a Liberal Government? Why does the Government not refer to the fact that during the Trudeau and Pearson years from 1965 to 1980 the rate of unemployment was 5.6 per cent? As a matter of fact, in my first year in Parliament in 1965 the rate in the middle of the summer was 2.9 per cent.

These are goals to strive for but the Government is trying to mislead Canadians by comparing the 9.7 per cent unemployment rate, which is nothing to brag about, with the 10, 11, and 12 per cent rates of the pit of the recession in 1982 and 1983. The Government cannot even bring the rate down to 7.5 per cent as it was in 1981 immediately prior to the recession.

Of course, the reason the Government is not doing that is that it has no real commitment to a program to create jobs and help the unemployed. That was made clear in the speech given yesterday by the Minister of Employment and Immigration in which he more or less said that the Government leaves it up to the regions, the private sector and individuals to take care of themselves. That is a real Tory philosophy and one that they may want to defend. However, it is not what they promised in the last election and it is not the type of policy which has been traditional in Canada where there has always been a good partnership between the state, the private sector and unions on job creation.

Twice since World War II Liberal Governments have made a commitment to full employment. That commitment was made under Louis St. Laurent in 1949 and full employment was achieved for three consecutive years. The commitment was made again under Mr. Pearson in 1963 and full employment was achieved for three to four years. It can be done again but the Government does not have the political will to do it. That is the way it seems, because the Government is abdicating its responsibility for the unemployed and saying that is better left to the private sector and others. The private sector has a role to play but it must be assisted by the Government in a very meaningful and effective way.

The Government did not mention many of the other problems before us with respect to jobs. The Government's own Department of Employment and Immigration published a report in August of 1985 entitled "*Older Workers, An Imminent Crisis in the Labour Market*". Those are not our words, Mr. Speaker, those are the words of a report published by the Canadian Employment and Immigration Advisory Council. This report with respect to older workers that was submitted to the former Minister said there was an imminent crisis in the labour market with respect to these workers. It made several recommendations for improvement and, according to my count, the Government has promised to do something about one of the recommendations in the report but has not done so yet.

• (1130)

Another employment issue that the Government did not mention in the Speech from the Throne and which the Minister of Employment and Immigration did not mention yesterday was that despite a slight lowering in the unemployment rate, down from over 10 per cent to 9.6 per cent or 9.7 per cent, the number of those unemployed for more than a year has doubled since the end of the recession in 1984 and has quadrupled since 1981. There are four times as many people unemployed for more than a year in 1986 than in 1981, but that problem was not mentioned either.

Therefore, we have the matter of older workers, long-term unemployment and the trend to part-time unemployment. In his speech the other day, the Prime Minister (Mr. Mulroney) said that the great majority of jobs being created under the Conservative Government are full-time jobs. Again, he is comparing that record with the years of the recession under the former Liberal Government, which is a bit dishonest. If we go back to the time of the former Liberal Government, starting at approximately 1980 or even before, there has been a growing trend to more and more part-time jobs. That trend continued upward and it is no solace to those people who are forced into part-time jobs for the Prime Minister to say that there is a smaller percentage of part-time jobs in 1986 than there was in the pit of recession in 1983 or 1982. All economists will certify that the long-range trend is upward. It is a fact of life about which nothing is being done.

The problem with part-time jobs is that very often they are minimum wage jobs in which the people are non-unionized and have no access to pensions or other employee benefits. While some people want those part-time jobs, there is an increasing number of people who want full-time jobs but cannot get them and take part-time work because it is all they can get. I suggest that it is no solution to slough off the problem.

Let me deal with a few other matters in the Speech from the Throne, such as the whole question of national reconciliation. The Government talks of the Charter of Rights and the fact that it would like to have Quebec assent to the Constitution, but it does not deal with any detailed matters. For example, it does not mention the desirability of removing the notwithstanding, or *non obstante* clause, in the Charter of Rights which was really imposed on the Government and Parliament because the parliamentary special committee on the Constitution did not agree to have a notwithstanding clause in the Charter of Rights. In order to arrive at an agreement in the final negotiations, the provinces imposed that clause on the

Government. Our Party has taken the position that we should work toward the removal of that notwithstanding clause.

There are very few specifics with respect to language rights and education. The Government indicated in the Speech from the Throne that it will introduce legislation to deal with language rights, but what is needed is further amendment to the Constitution with respect to language rights because the current provisions are inadequate. As a member of the joint committee of the House and Senate on language rights, I can tell you that many of those groups who came before us suggested amendments, including removing the words "where numbers warrant" with respect to minority language education, and other refinements.

We will wait to see what the legislation says with respect to language rights, but legislation is not enough. We need further initiative by the Government with respect to constitutional amendments. It is only in the Constitution that one can be assured that one's rights are protected and that those rights will not be amended away by a future Parliament or future government.

Another issue that I am deeply concerned about and which is only touched on lightly in the Speech from the Throne is the matter of aboriginal rights. The Government says that it looks forward to the next constitutional conference on aboriginal rights. However, it does not say much more than that. It simply says: "In co-operation with the provinces, my Government will exert every possible effort to bring these discussions to a successful conclusion". That is essentially all it has to say about aboriginal rights. There is not one word in the Speech from the Throne with respect to the Coolican report on native land claims. That is a very important report from a commission that was established by the Government. It has made no positive statement on that report and it remains in limbo. I must say that from the feedback I am getting, that report and the issues contained in it are the ones that are of greatest concern to aboriginal groups in this country.

At the constitutional meeting on self-government and aboriginal rights which is scheduled for next year, the Government must take note of the fact that the National Chief of the Assembly of First Nations, George Erasmus, has stated that he does not intend to attend further planning meetings for this constitutional conference unless the attitude of the Government changes. Again, the Government gives no indication in the Speech from the Throne that it will change its view with respect to the entrenchment of these native rights. It was reported that after the conference in Newfoundland, George Erasmus, the National Chief of the Assembly of First Nations, stated that: "The constitutional process is going nowhere and until it is going somewhere we do not intend on participating. We will not give any credence to that process." The Government must deal with that but we have heard nothing so far with respect to these important issues.

Let me move on to the other so-called main plank in the Conservative agenda, which is economic renewal. Just two years ago the cry of the Conservative Government with respect to economic matters and economic growth was the development of a comprehensive free trade agreement with the United States. The Conservatives described it as a comprehensive free trade agreement and the Americans described it in the same way. However, in the Speech from the Throne, as reported at page 12 of *Hansard* of October 1, the Government states:

> Such pressures emphasize the importance of my government's pursuit of a mutually advantageous trade agreement with the United States.

What a backtracking operation. While no one in this country is opposed to a mutually advantageous trade agreement with the United States, that is completely different from a comprehensive trade agreement. Again, it is all part of the Conservative image politics and rhetoric rather than policies.

In addition to this new wording to describe what the Government is doing with the United States, we also see in the speech an emphasis not only on bilateral trade with the United States but on multilateral trade. When one puts that all together, it almost sounds like what the Liberal Party proposed in response to the Government's comprehensive free trade proposals two years ago. We said that we wanted to pursue a more advantageous trade arrangement with the United States, but we thought that it should be done in the context of multilateral trade agreements. This is again rhetoric with no substance.

• (1140)

The Government was going to give us a whole program on tax reform but it spent two years piling taxes on the middle and lower-income groups, giving $500,000 exemptions to those with capital gains and bailing out the higher creditors with respect to the banks.

I see my time is just about up. One could go on for a long time tearing the Speech apart and I would be quite willing to do so. But in conclusion let me say that we delayed Parliament for one month to hear the Speech from the Throne, and I really believe the postponement happened so that we could have no Question Period before the two by-elections, the one which took place in St. Maurice and the one which took place in Edmonton. After waiting one month we hear a Speech from the Throne which—

Mr. Speaker: Order.

[*Translation*]

Order! I am sorry to interrupt the Hon. Member but his time has expired.

For questions and comments, the Hon. Member for York South—Weston (Mr. Nunziata).

[*English*]

Mr. Nunziata: My colleague indicated in his closing remarks that the Government decided in early September to prorogue Parliament for the stated purpose of preparing a Speech from the Throne. Now we have the benefit of the Speech from the Throne, which took some 30 days or 40 days to prepare. Presumably the Government was thinking about

this particular Speech from the Throne throughout the summer. I would like to ask my friend and colleague whether in his view the Conservative Government of Canada has produced for Canadians, and for Hon. Members of this House, the vision of Canada for which Canadians are looking? The critics of this particular Speech from the Throne are numerous. One of the main criticisms is that the Speech from the Throne is lacking in a definitive vision for Canadians. I would like my colleague to comment on that major criticism.

Mr. Allmand: Mr. Speaker, the Speech from the Throne with its 57 promises is very much like the Conservative election campaign material in 1984 with its 331 promises. The Conservative Party promises almost anything to any group—not all of them but darn near all of them. As a result it does not have any comprehensive goal or direction. As I said, there are many high sounding promises in the Speech from the Throne with which no one could disagree. They are like motherhood and apple pie. But the Government has certainly not convinced Canadians that it is serious. The Canadian population heard those same high sounding phrases and promises in the Speech from the Throne in 1984. They heard them in the election campaign of 1984. Yet very little was done about them. Although the Speech from the Throne is in some respects a high-sounding sweet-worded document, it contains very little credibility. Some Canadians are very cynical about the promises of the Government. They want to be shown. They are from Missouri in spirit, even if they are not from Missouri in physical fact.

Mr. Robinson: Mr. Speaker, the Speech from the Throne does make reference to proposed amendments to the Criminal Code. The Hon. Member in his speech talked about the whole question of social justice. One of the amendments which I believe to be a very important amendment to the Criminal Code, indeed, so important that I introduced a Private Member's Bill on the subject today, is with respect to the Criminal Code provisions relating to abortion. As the Hon. Member knows, today in the Provinces of Newfoundland and Prince Edward Island there is no access whatsoever to women for safe therapeutic abortions. I would like to ask the Hon. Member what his Party's position is with respect to the current provisions of the Criminal Code dealing with abortion? Does his Party support repeal of those provisions, allowing this very important decision to be made by a woman in consultation with her doctor as recommended by the Canadian Medical Association and many others?

Mr. Allmand: Mr. Speaker, in the Speech from the Throne there are some provisions relating to amendments to the Criminal Code. They refer to child sexual abuse, pornography, child prostitution and so on, but they do not mention abortion.

Mr. Robinson: What is your position?

Mr. Allmand: What we have here is more or less a re-enactment of the Bill introduced in the last session which was not passed or completed. I expect we will see that Bill again.

With respect to abortion, the position of my Party has been that the law as it stands, a situation which came about after a lot of debate and many views expressed on the subject, should not be touched at the present time. That is the position of my Party. I consider this to be a sort of free vote situation. I personally believe that the present law is not adequate, but I see many failures in it. In my own province, despite the law, juries acquitted Dr. Morgentaler on two occasions. In addition, there is no consensus on the present law in the country, it is very difficult to enforce and is causing a lot of difficulties.

I know the Hon. Member brought in a Bill this morning, but I have not had a chance to look at it. This is a complex and very emotional issue and, while I do not support the present law personally, I would like to see it re-examined, perhaps by a committee of this House. I was on the committee that did a very intensive study of this issue in 1966 or 1967 which finally resulted in a Bill that did come to the House. It was a compromise Bill, we admit. I do not think, without reading the Hon. Member's Bill, I can stand up now and say that I agree with it, but I do agree that changes should be made to the present abortion legislation which should be the subject of an intensive study by this House.

Mr. Robinson: Mr. Speaker, I would like to ask a supplementary question of the Hon. Member. He has referred to the promises made with respect to previous legislation affecting the Criminal Code. One of the most controversial Bills introduced was the Bill introduced by the previous Minister of Justice dealing with the question of pornography. The Hon. Member's colleague recently issued a position paper suggesting that he did not agree with the Fraser Commission's recommendation that the so-called third tier of pornography, that is, explicit erotica, should not be the subject of criminal sanctions. What is the Hon. Member's position with respect to this question of Criminal Code sanctions against explicit portrayal of sexual activity which does not involve either violence, degradation or children?

Mr. Allmand: Mr. Speaker, the Hon. Member has an advantage over me. He is the official critic for his Party in justice matters. I am the critic for employment matters. I am afraid that I am not as much up-to-date on the very specific parts of the proposed amendment to which he refers. I am extremely interested because I was involved with the committee on Justice but I cannot remember the details of the Bill and I do not want to answer the Hon. Member's question at the present time without making a proper study of that amendment.

• (1150)

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to put a question to my hon. friend. There is a paragraph in the Speech from the Throne that deals with official languages and bilinguism, and it reads as follows:

"Appropriate legislation will be introduced in this Session to ensure, as well, that this Act conforms with the Canadian Charter of Rights."

I know my hon. friend as a diligent member of the Committee on Official Languages, an area in which he and I have taken a special interest.

Yesterday, the Secretary of State and Minister responsible for Multiculturalism (Mr. Crombie), in response to questions by the press finally announced, at least as reported by the Montreal *La Presse*:

"I will likely be working very hard on that aspect," the Secretary of State said yesterday, and he intends to table legislation before Christmas.

I would like to ask the Hon. Member, considering his involvement in these issues, and the fact that since 1969 at least, he has taken a special interest in official languages, has been a member of the committee, has a special interest in the language-of-work issue and how Quebec Anglophones are represented at the Public Service level, and also has demonstrated his interest in the issue of the primacy of the Act over all statutes, and feels that Section 2 of the Act must be given teeth to make it executory and not just declaratory, I would like to ask him: Is he confident that between now and Christmas, the Government can—has he himself been approached officially for input in this major review of the Official Languages Act involving possible amendments by the Government?

Mr. Allmand: Mr. Speaker, the Hon. Member is aware that the last Speech from the Throne contained promises similar to those made in the 1984 election campaign.

Now this year's Speech from the Throne contains promises that the Government will table a Bill or rather amendments to the Official Languages Act.

So I think that we may have a Bill or rather an amendment in this respect, but whether it will be really acceptable and provide a solution to our problems is another matter altogether. For instance, we know that in many other areas, action was always short of his promises.

Mr. Speaker: Order. The period provided for question and comments has now expired.

The Minister of National Health and Welfare (Mr. Epp).

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is an honour to participate in the debate on the Address in Reply to the Speech from the Throne. Before I begin my remarks may I take this opportunity to congratulate you on your election to the high office to which you have been elected in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): You, Mr. Speaker, along with a number of us came into the House in the same year. We have gone through some of the same issues over those years. We have seen your dedication not only to your province and to your country but also to issues that touch the individual lives of Canadians, some of which I will be addressing today. I wish you well and God speed.

Many commentators have suggested that only now in the latter half of this mandate has social justice emerged as a theme for the Government. At the same time they suggest that many of the commitments made in the Speech from the Throne are repetitions of earlier promises. The commentators, and I would suggest the Opposition, cannot have it both ways. The facts are these.

First, social justice has been a priority of the Government from day one. We take a back seat to no one when it comes to a concern for the well-being of our people and of Canada's social fabric.

Second, we made a number of commitments two years ago in the social policy field. Today, the record shows that those commitments have been honoured. I checked the previous Speech from the Throne myself and my checking bears out these points.

Third, social justice is not something that can be delivered as a service. It is a quality and a characteristic of our society which must be achieved over time and not by Governments alone. The standard against which performance should be measured is progress. Every session of Parliament in which any of us in this House have sat has embraced the goal of greater social justice. What is different is that this Government faced the reality of unprecedented and severe fiscal constraint. The mark of our commitment to a better society is seen in the social progress that has been made, in spite of such financial pressures.

Fourth, social justice cannot be achieved in isolation from economic renewal or national reconciliation. These terms have been greeted with some cynicism. Does it really matter whether we call support for farmers or help for Canadians living in Atlantic Canada or the Province of Quebec a "social initiative" or an "economic measure"? They are people who need help for a particular problem, people with families, members of the community. To the extent that we can help, justice, whether economic or social, requires that we do so.

I would like to briefly illustrate these facts. On September 24 Statistics Canada reported that in 1985, for the first time since 1980, the average income of Canadian families rose. The same report also told us, again for the first time since 1980, that there was also a decline in the number of Canadians living in low-income households. Furthermore, for the first time since 1981 the lowest income fifth of Canadian families increased their share of total family income after three consecutive years of receiving a smaller share of a then shrinking pie.

Many people questioned the Prime Minister (Mr. Mulroney) when he said "jobs, jobs, jobs". There is a close

relationship between economic renewal, more jobs, and the lower incidence of the number of Canadians living below the poverty line. That is why I say that the record should not only be judged, but it verifies what the Prime Minister has said and what the policies of the Government have been.

In short, 1985 was a year in which the standard of living of the average Canadian family rose. The poorest Canadian households not only shared in the over-all improvement but actually began to reduce the gap between their living standards and those of the average Canadian family. I believe that the Prime Minister can legitimately claim some credit on behalf of the Government for that progress. It is what it is—it is progress.

We made policy decisions to provide a fiscal and monetary environment under which real growth exceeded expectations in 1985. It was only exceeded by one country, namely, Japan. That was an investment in the Canadian people. What is pleasing to me is that Canadians realized the dividends by responding to that environment. If any additional credit should be given, that is, primary credit, it should be given to Canadians who understood, appreciated and developed their own plans within the environment outlined by the Prime Minister for the country. We fully accept that no Government can take full credit for these trends. By the same token, our critics cannot indicate that the Government is totally responsible when the trends are in the opposite direction. We are encouraged by these figures. We commend the efforts of individuals and businesses across the country who have made them happen.

Time permits me only to briefly review for the record a few of the Government's priorities for the next session. I apologize to Hon. Members for that. Therefore I will not cover the whole social policy area. I look back briefly only because the principles of social policy that we have followed are borne out in the initiatives that have been carried out in this place and across the country.

We believe that social justice demands that the greatest help should go to those in greatest need. We believe that social justice demands that government policy should be an investment in people, in order to enable them to plan and achieve their own goals. We believe that social justice involves more than the benefits that people receive through the state. The majority of public issues emerge from people's private troubles, and the solutions are not always or even primarily financial. Fostering a social environment of caring, respect for the law, freedom for individuals, preserving the values of family and community, tolerance for others, and balancing rights and responsibilities involves every part of our population. We obviously believe Government to be a player, but not the only one.

I would like to bear out in practical terms these principles. The principle that the greatest help should go to those in greatest need is reflected in two measures that have already been announced in this Parliament. One was the extension of the spouse's allowance which benefited approximately 50,000 of the poorest Canadians, most of them women. The refundable sales tax credit has been welcomed by social groups as timely and innovative. Low-income families will be the beneficiaries of this new measure, as well as of changes the Government has made to the child tax credit in terms of higher benefits and advance payments.

• (1200)

We do not intend to stop dealing with the issue of fairness, however, just because we have made progress. The process of tax reform is intended to achieve greater fairness than that which exists today in the tax system, and any reform will take into account those provisions of the tax transfer system relating to social benefits. The Minister of Finance (Mr. Wilson) has spoken to this issue and I need not comment further except to emphasize that when the Government puts forward plans for tax reform, it is social justice as well as economic renewal for which we are striving.

The second principle, that social justice seeks to help people by investing in them, is reflected in the process that has been made on pension reform. For a decade, Governments have debated changes to the Canada Pension Plan and the rules governing private pension plans. As you know, Mr. Speaker, we have reached an important milestone in these changes that deal with early retirement, disability benefits, part-time employee participation and credit splitting to name some of the changes that have been brought in.

On behalf of the Government, I am pleased to reiterate that on January 1, 1987, these major changes will come into effect in Canada and many Canadians are already phoning our offices, not only to endorse the changes but to thank the Government and the Prime Minister for the leadership that was taken. It comes down to national reconciliation. It was only possible to do this with provinces, some of which have different political philosophies than us, but all which know that national reconciliation as led by the Prime Minister is good for Canada, and good for the people. That is why we got an agreement on the Canada Pension Plan.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Pension reform is important because it represents an opportunity for people to invest in their own futures. We want people to take greater responsibility for their retirement because their futures are at stake and because people should be not limited in retirement to enjoying only that which can be provided through the state. What is interesting is that the Canadian people believe that too. It is not only us who are saying it. When talking to ordinary Canadians, the same thing applies.

The same principle applies in the area of child care. When the Martin Task Force reports to the House on child care, and when the Government responds to that report, we will be judged in part on how well we have invested in the future of our children and their parents.

I know members of the Opposition did not expect the child care package to be mentioned in the Throne Speech because they had a certain fixation about what they thought the Government was all about. I want to tell them that the Prime Minister made a commitment in the debate held during the 1984 election campaign that, if elected Prime Minister, he would collectively, with the provinces, with parent groups and with child care advocacy groups put forward a task force, not to debate once again if there should be child care but how best we could implement it, how best may we help families and how best we may help women who are in the paid workforce. He tied it together as well with pension reform, making a total package. I am proud to be serving with a Prime Minister who fulfils his commitments and promises.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Just today, the Prime Minister and Mila launched Family Week. Why? Because we—I hear NDP'ers chuckling.

Mr. Riis: There are 51 other weeks for families as well, Jake.

Mr. Epp (Provencher): Shame, shame. That is just the point I was going to get to. He said that it is not only one week but 52 weeks. Would Hon. Members not want to support, and should Hon. Members not support a Prime Minister and a Government that has put forward positive models of success? I wish Hon. Members would support that.

Mr. Riis: Tell that to the family farm out in your own province, Jake.

Mr. Epp (Provencher): Now that I have their attention, perhaps we may continue. We have talked about pension reform. We have talked about the need for child care. I have said very clearly to the House today that the Prime Minister will be carrying forward this agenda item at the First Ministers' Conference in November, and we look for support, not only from the provinces and from various groups but, we would hope, from both Opposition Parties which have made this point an issue as well.

The other point I wish to address today is that social policy concerns a number of problems that deprive so many Canadians of a secure and happy life. These are the problems of family violence, child abuse, pornography and juvenile prostitution. I realize, and I am sure other Hon. Members as well realize, that we cannot and do not believe we can resolve or remove, through the Government only, drug abuse as a social evil. However, we have especially sought to emphasize prevention and to help people pick up the pieces when prevention has not worked.

The Government has moved strongly in the area of child sexual abuse and pornography legislation which will be brought back into the House and will include legislation dealing with juvenile prostitution. The Minister of Justice (Mr. Hnatyshyn) will have more to say about that. These programs and their success will be achieved only as we look at lives that are put back together and as potential abuse is prevented.

In the remainder of my time, I wish to address the issue of drug abuse, a continuation of our desire to improve the quality of life in the nation's communities and in our families.

The Prime Minister referred earlier this fall to the Government's intention to develop a national drug strategy. I and my colleagues, the Attorney General, the Solicitor General (Mr. Kelleher), the Minister of National Revenue (Mr. MacKay), the Minister of State for Youth (Mr. Charest), the Secretary of State for External Affairs (Mr. Clark), the Minister of Indian Affairs and Northern Development (Mr. McKnight) as well as the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) have all been working since the spring to develop a comprehensive approach to the problem of drug abuse. Our concern about drugs is not recent. Hon. Members of the House know of my own campaign in the areas of tobacco and alcohol abuse. These too are drugs and their abuse costs Canada millions of dollars in health care and a price that cannot be calculated in personal and family tragedy.

I would suggest that we are winning in the war against inappropriate advertising particularly targeted to youth of tobacco and alcohol and there is an unparalleled awareness of the dangers of smoking and the abuse of alcohol. We are making good progress, but the problem of illicit drugs is more profound because of the international networks, the hidden character of drug marketing and the enormous risks of drug dependency which include medical emergencies and, of course, death.

We do not believe that the problem of drug abuse is uniformly reflected across the country. Any Hon. Member of the House who has visited our communities knows that that is the case. What is important is that the Government is determined to attack this urgent problem and we will do so methodically and in keeping with the Canadian way of responding to social needs. It is the Canadian way to deal with a problem like this by emphasizing public education and awareness, rehabilitation of the victims of drug abuse and primary prevention of the demand as well as to rely on law enforcement and legislative measures to curtail supply.

We do not see the victim of drug abuse as having no responsibility for having used or misused drugs. We are aware, however, of the pressures that often lead people down that slippery slope to drug dependency, and once they have begun that slide they have for practical purposes become victims. If we cannot be completely effective in primary prevention, we must emphasize rehabilitation of victims.

Action must be taken on several fronts. First, there must be federal leadership in bringing together the efforts of the provinces and communities in reducing the demand for drugs.

Second, there must be increased efforts to stop the production and distribution of illicit drugs. Reduction measures will include public awareness, education, research and hopefully a variety of provincial acitivities.

I am placing drug abuse on the agenda of two federal-provincial conferences to be held later this fall with Health Ministers and Social Services Ministers in order to explore with them areas in which our Governments can work together through our schools, parent-teacher associations, neighbourhood and community groups, provincial addictions agencies and business organizations, just to mention a few.

The Government will introduce changes to legislation dealing with illicit drugs, notably to the Food and Drugs Act and the Narcotic Control Act, to consolidate and modernize the legislation underpinning enforcement efforts. Some of these changes will enable us to respond more swiftly to rapid changes in the drug market. This will give us a basis for dealing more effectively, for example, with the problem of so-called designer drugs including angel dust and MEM.

Third, there must be involvement in international efforts to combat drug abuse, just as the Minister of Fitness and Amateur Sport did in Dublin last week, and we commend him for his efforts. It is clear that the drug problem is an international one. I will be asking my fellow health Ministers in the Commonwealth to address the issue of drug abuse at our meeting in Nassau next week. Canada will increase its funding for the United Nations fund on drug abuse, and Canada intends to accede to the convention of psychotropic substances of 1971. This action will be welcomed in the international community, as well as our active participation in the UN 1987 world ministerial conference on drug abuse and illicit trafficking.

• (1210)

The effects of drug abuse can be devastating for families, and young people in particular, as can an inappropriate response which sets one generation against another or blames the wrong people for the problem or fails to take into account our unique national fabric.

I said that our Government's performance in the social policy field reflects our views that economic growth and social justice are mutually reinforcing, and that success must be measured in terms of progress, not perfection. However, the Government does not wish to take the credit for social progress, because we have tried to make it clear that our vision of social justice involves all partners in society. We are confident that our social agenda is on track. It is in tune with Canadian traditions and Canadian values. We intend to proceed with it, and I thank the House for its time.

Some Hon. Members: Hear, hear!

Mr. Allmand: Mr. Speaker, the Hon. Minister is recognized as an honest man. I credit him with that reputation, but because of it I ask him if he feels that the following statement in the Speech from the Throne is a truly honest one. It reads:

> Two years ago, my Government received a national mandate—a mandate for reform. It was a mandate that summoned Canada to the tasks of national reconciliation, economic renewal, social justice, and to a constructive internationalism. Today, my Ministers believe these goals are within reach.

Can the Minister honestly say that the goal of social justice is within reach in this country? I give him that improvements have been made; improvements have been made under his Government and improvements have been made under our previous Governments. However, to me that statement is so far out of line that it is unbelievable. I do not see how a Government and he, as a Minister of that Government, can say that the goal of social justice is within reach. What is his reaction to that statement in the Speech from the Throne?

Mr. Epp (Provencher): Mr. Speaker, I thank the Hon. Member for acknowledging that progress has been made. In my speech I used the word "progress". I am one who believes very sincerely that perfection in a human state will not be achieved. However, I believe that as humans with a responsibility in the House we must move forward in the areas of social progress, some of which I mentioned today, some of which I did not mention today but support, and others that maybe the Hon. Member feels are more important than the ones I stressed.

The Prime Minister put forward four points to Canadians in the 1984 election campaign. If we look at each one of those points—what the Prime Minister put forward and what Canadians adopted and accepted by giving him a mandate to lead the country—we can honestly say that good progress has been made. We can argue about degree, but let us at least accept one thing. On the four principles put forward by the Prime Minister, Canadians today have seen legitimate progress when they compare the record of September, 1984 with the period of the Throne Speech in 1986.

Ms. Mitchell: Mr. Speaker, I should like to ask the Minister about some of the past policies, since he said that the Government would be judged by how much it has done for children. I think that is a very valid criterion to use because we all know that children are the future of society and of the country. I am somewhat concerned about the philosophy which he always espouses, that the Conservative Government is really concerned with children and families that are in greatest need. If they are really concerned about children, it seems to me that they should be concerned about all children and all families in Canada.

The particular policies which were reflected in the family benefits reforms took away the indexing of family allowances and reduced that program for all children and all families. I think it was really a reflection of how little value is put on the importance of all children and on the cost of social programs for which all taxpayers in Canada have to pay.

I think of another example. While there was some slight increase in the child tax credit, the eligibility for that credit was reduced, so that average families, and in fact very marginal families do not receive any child tax credit. Would the Minister reconsider those two policies? Does he plan to reindex the family allowance? Would he consider increasing the eligibility for child tax credit?

I should also like to include in my question that I agree with the Minister that we are all very much concerned that there be action as quickly as possible on the whole matter of child care. I would hope that he would endorse our position, and I think the position of the committee, that we allow for federal initiatives and that we do not have to await the approval of the provinces.

Mr. Epp (Provencher): Mr. Speaker, the Hon. Member's first point dealt with the partial deindexation of family allowances. She did not place, for instance, as much emphasis on the changes to the child tax credit. There has been a fundamental difference between her position and my position on that point, and that has not changed. I say to her that as a Government we removed in part the full indexation of the family allowance and increased—and I would suggest that it was not insignificantly—the child tax credit.

Ms. Mitchell: Only for the poor.

Mr. Epp (Provencher): As I said, it was not insignificant. At least that is my interpretation. If we look at the social value of the child tax credit, I think my point remains. Additionally, we are moving forward the payment of the child tax credit so that parents will receive two payments in a given calendar year. In fact, they will receive a payment in the November-December period. That in itself is an advantage and has been endorsed.

I should like to make a third point—and I do not think the Hon. Member can deprecate it—that the best benefit for all children is a better employment picture. I do not think we should lose sight of that. If we want to look at a balanced view, I think we should look at that point additionally.

Also the Hon. Member referred to the child care task force of which she has been a member. I commend her and the other Hon. Members for the many hours they spent on their report. Obviously it would be important for me as Minister to keep my counsel until I have received the counsel of the task force before endorsing any position.

Mr. Boyer: Mr. Speaker, it is very encouraging to hear the Minister of National Health and Welfare (Mr. Epp) give an overview appraisal of social justice and the importance of it to the Government, particularly when he referred to matters like spousal benefits, family benefits, and pension improvements for veterans. They should be put into the context of a Party with a social conscience and a Government to which social justice is a very important dimension. It is in that context particularly that I was happy to hear the Minister address the national crisis of drug addiction.

I should like to ask a specific question which has to do, at least in my view, with getting at the very root of the problem. The RCMP has estimated that the profits annually in the country from the drug trade are $10 billion, that is, ten thousand million dollars annually in Canada. Could the Minister outline any further steps which the Government is prepared to take, not only to regulate in the way he outlined, which I support, but to get at that profit that is certainly a big part of the cause of the drug crisis in the country?

• (1220)

Mr. Epp (Provencher): Mr. Speaker, the Hon. Member uses a figure that I can only affirm; by all the estimates we have received the profits are in the billions. That is on the financial side. The Minister of Justice (Mr. Hnatyshyn) has announced publicly that he will be bringing in amendments to the Criminal Code, which is another part of the drug strategy that we have, relating to profits from crime. I will not outline it any further. I believe that that is within the mandate of the Minister of Justice and he should be doing that. I hope it will commend itself to all Members of the House.

There is one point, Mr. Speaker, if you just give me a moment, that is important for me to stress. I have been, as a Member of this House, not discouraged but disappointed; disappointed not because of criticism the Government might receive on issues, for instance, of a drug strategy. That is legitimate, I understand that and I have been here long enough to know that. But I have been disappointed that on the one hand our newspapers and electronic media, day in and day out, are full of the tragedies of alcohol abuse, drug abuse and the effect that abuse is having on families in our communities. On the other hand, I have been disappointed that when the Prime Minister or any of us in this House, from both sides, bring forward programs which relate to those issues they are criticized or judged only as a political response. I have more respect for Members of this House. We have our differences. We know that. But there are certain fundamentals and certain assessments in society on which we agree; specifically, when all of us leave this place we hope that through our initiatives, whether legislation, committee work or whatever, society will be better for it. I am convinced that whether it is pornography, alcohol abuse, tobacco abuse or, drug abuse, Canadians agree with parliamentarians who want to improve the state of the average Canadian, that the abuse in these areas can be reduced and that we can put forward positive models to Canadian youth rather than the cynicism I so often see.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Debate. The Hon. Member for Regina West (Mr. Benjamin).

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I would seek the unanimous consent of the House to ask further questions of the Minister of National Health and Welfare (Mr. Epp). I know the Minister—

Mr. Deputy Speaker: I regret to tell the Hon. Member, to the Chair's knowledge unanimous consent has not been given.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order which concerns another point of order. I believe you gave the Hon. Member for Regina West (Mr. Benjamin) the floor, and I can accept that. I would remind the Chair that the motion before

the House concerns the amendment moved by my leader, the Leader of the Official Opposition (Mr. Turner), and that the question is to be put on this motion tomorrow afternoon. I might also remind the Chair that yesterday, the Liberal Party had only two speakers, the New Democrats, three and the Government, five. Today, I would ask you, Mr. Speaker, to give some Liberal Members the floor so that we too can comment on the amendment moved by the Leader of the Opposition.

Mr. Deputy Speaker: I have duly noted the representations made by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). The Hon. Member for Regina West (Mr. Benjamin).

[*English*]

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I would like to call to your intention that the intent of the reform with respect to the question and answer period was that, in this case, Members on the government side would only be recognized when there were no Members from Parties other than the speaker rising to be recognized. What happened just a few moments ago, Sir, is that you recognized a Member of the Party of the person who had been speaking when there were two or three Members from Parties not of the Party of the speaker rising to seek the floor. I just wanted to bring that to your attention.

Mr. Deputy Speaker: Without wanting to get into a debate on this matter, and I have discussed that point with the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), it is my view that during the question and comment period the priority should be given to Members of a Party other than that of the speaker, but the priority is not to the point of exclusivity.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I can understand very well the position of the Hon. Member for Winnipeg—Birds Hill. That is why in this particular case, after the Hon. Minister had finished his speech, I did choose a Member of the Official Opposition first, a Member of the New Democratic Party second and a Member of the government side third. However, I would be willing to discuss this matter further with the Hon. Member and, of course, with the Speaker.

On debate, the Hon. Member for Regina West (Mr. Benjamin).

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to begin by congratulating Mr. Speaker on his election to the office of Magistrate of this House. I also want to add my congratulations to the Deputy Speaker and to the two assistant Speakers who occupy the Chair from time to time. I believe that all four of you will treat us well and fairly and will serve this House in the interests of the Members of this House.

I want to begin by first commenting on a situation that is presently confronting the people of this country, particularly the people of western Canada. It concerns the lock-out of the longshoremen in Vancouver Harbour. I want to say that I have no intention of getting into the details of the dispute, other than to say that it essentially is about the handling of containers. When a container contains products destined to two or more shippers somebody has to unpack them and repack them, according to the shippers and the destinations. That is what the dispute is about, and it is something that needs to be resolved between the employers and the union. I will not discuss that any further.

I want to say that a major part of the operations of the Vancouver port can be, should be and must remain in operation. These operations have nothing to do with containers and containerization. People in the three Prairie provinces are extremely concerned about the complete shutdown overnight of grain movement to Vancouver, a situation which did not even happen on grain movement to Thunder Bay just a few weeks ago—at least some grain moved. But in this instance there is a complete shutdown. As a result, thousands of employees on the railroads and in other aspects of the industry have been laid off.

What has to be brought to the attention of this House is that I, in my examination of grain terminals in Vancouver or anywhere else, have yet to see a container and the handling of bulk commodities like grain having anything to do with the dispute. The essential part of the dispute is between the longshoremen and the employers about container handling. Similarly with lumber, I have seen lumber being loaded and unloaded, and all other kinds of lumber products, and I have yet to see that they have anything to do with a container. This operation has nothing to do with the essential part of the dispute going on at the moment.

• (1230)

As a Member of this place from Saskatchewan, the whole western half of which moves grain to Vancouver and Prince Rupert, I call upon the grain companies and the union to immediately open the grain terminals and move the grain. As far as I am concerned there is no excuse whatsoever for the grain elevators in Vancouver to be closed down. I understand from news reports today that the union has offered to keep moving the grain but not the containers. Mr. Garcia, the union president, said they are prepared to work the grain, but if the employer closes the doors they cannot get at the work. So there is no excuse whatsoever for the grain elevators in Vancouver to be shut down. It has nothing to do with the current dispute.

I suggest the same thing applies to most if not all of the movement of lumber out of Vancouver Harbour. Little if any of that product is moved by container. There is no reason whatsoever why everyone else involved in the production of grain and lumber should be victimized by a dispute which has nothing to do with them. Therefore I have to say that the elevator companies, and this includes my friends in the co-operative elevator system, the Prairie Pool and the UGG, that they must open their terminals immediately and move the grain.

As I understand it, of the 3,700 longshoremen in the union, not more than a handful, probably about 20, are required to

handle ships loading grain. I doubt if there would be more than 40 or 50 required for the handling of lumber. Therefore, the lock-out should be for what the lock-out is about, namely, the handling of containers and their contents. That is what the lock-out should be confined to.

Thank goodness the Government finally got the the two sides together in Thunder Bay. Mr. Kelly banged a few heads together and made them keep sitting until they reached an agreement. I see the former Minister of Labour sitting across the way. I am beginning to wish he was still in that portfolio. I did not think I would ever say that. However, I wish he still was the Minister so he would load Mr. Kelly on the next plane to Vancouver where he could bang a few heads together, make them sit up all night until their bladders are full and finally reach an agreement.

I also want to say something about another area of concern. I am particularly distressed about what occurred during Question Period yesterday concerning the issue of deficiency payments. If there was ever an issue which is not political in its principle, it is that issue. All the political parties, all the farm organizations, all the elevator companies agree that there must be a deficiency payment so grain producers can remain reasonably competitive and viable in the face of what is being done to them by the U.S. and the EEC. It is not a political issue, it is something on which all sides agree. I submit the payment should be at least $2 a bushel starting with number one red spring and prorated amongst other grains. The money is sent to the Canadian Wheat Board which then raises initial prices to the producer by that amount. That is the way it should be done and that is the way it is done. That applies to all grains under the jurisdiction of the Canadian Wheat Board, wheat, oats and barley. If the Government is willing to include flax, rye, canola and other specialty crops, they will get no argument from us. However, the major part of our export market is wheat, oats and barley.

That is what has to happen but what do we get? Yesterday, in response to my Leader asking whether assistance for grain producers was going to be new money or old money, the Prime Minister (Mr. Mulroney) said:

> It will be new money and good money in the pockets of the farmers.

A few minutes later the Minister of State for the Canadian Wheat Board (Mr. Mayer), in response to a question from my colleague from Regina East, said:

> The money which is being talked about will be additional money for agriculture within the fiscal framework.

A few minutes after that the Minister of State for Finance (Mr. Hockin), in response to the Hon. Member for Lethbridge—Foothills (Mr. Thacker), said:

> It will be a reallocation within the given fiscal framework.

What the devil will it be? Will it be new money? Will it just be within the fiscal framework? Will it be a reallocation of funds only within the Department of Agriculture, or does that include other Departments? The Government does not know what the hell it wants to do. Does it mean the Prairie Farm Rehabilitation Act is wiped out? Do funds from that program go towards the deficiency payment? Surely that is self-defeating. Does it mean that other agricultural programs will be reduced or cancelled in order to provide a deficiency payment? Surely that is self-defeating. We need to know in the next day or two.

Since the issue of deficiency payments is not political, it can have nothing to do with an election in Saskatchewan or anywhere else. However, what is political is whether the Government is deliberately playing fast and loose with the concerns of grain producers in western Canada, indeed, the concerns of agricultural producers all over Canada, for the sake of playing some simple political game. We need to know whether the $1 billion is for all agricultural producers across the country, because an excellent case can be made for corn producers and other agricultural producers in Ontario and Quebec. A case can be made for agricultural producers in the Atlantic provinces and the interior of British Columbia. What does it cover? Who does it cover? We cannot find out.

• (1240)

Agricultural producers in the country resent being treated as though they were a bunch of ignoramuses who can be hoodwinked, fooled and handled with the utmost of cynicism. Therefore the Government must say today, and I hope it will at two o'clock, or tomorrow at the latest, what it will be, who it will be for, when it is going to happen and where and how it will get the money. I have a suggestion. Cancel half a dozen of those fighter planes, which we do not need and do not use very much anyway, and we will have the money. In any case, the Government is all over the lot on this issue and it is about time it made up its mind on what it wants to do, on how, when, and where and for whom it is being done.

I want to mention another item. I wish the Minister of Transport (Mr. Crosbie) were here. I wish him well in his new portfolio. Frankly, I do not think it is something he really wanted or is really interested in. I do not think it is something he gives a darn about. He was placed in the wrong slot. I support him in keeping the Newfoundland railway. However, if he is going to keep it, he had better do something with it. A large capital investment is required to make something out of the Newfoundland railway in order that it can serve that province properly and become viable. That will require rebuilding the road-bed, standard gauge track, straightening curves and a host of other things. If those are not done, it cannot succeed. It is designed to fail.

That brings me to the other item I want to mention, namely, the situation regarding VIA Rail. We could not get a copy of the Rail Passenger Action Force report regarding VIA Rail. Last week the consumer organization, Transport 2000, made public a copy of that task force report. When I read that in conjunction with what is called "The Last Spike" or "The Last Straw" namely, the Progressive Conservative Party task force report on rail passenger service, I begin to think it was not the Conservative Party that got elected to the Government.

Almost none of the recommendations of the Rail Passenger Action Force or the task force report of the Progressive Conservative Party on rail passenger service have been implemented and the Government has been in power for two years. All of the ills which the former Minister of Transport, the Member for Vegreville (Mr. Mazankowski), and myself have been pointing out repeatedly every year since 1976 are still there.

No self-respecting businessman or self-respecting Government would start up a business operated with old, worn out, written-off equipment. If you were to ask a bank manager for a start-up loan for such a business he would laugh you out of the store. That is exactly what happened to VIA Rail in 1976. It got stuck for $80 million for old equipment owned by CN and CP.

The Rail Passenger Action Force was chaired by Dr. Hugh Horner; you could hardly call him a raving socialist. That task force could not understand why the taxpayers of Canada who already owned that CNR equipment had to pay for it a second time. They say the same thing about station facilities and other facilities. They could not understand why the people of Canada had to pay a second time for something they already owned. If that is the sound business practice of which the Conservatives talk, no wonder the country is going to hell in a handbasket. For two years the Government has failed to put a stop to that nonsense. The Government should be requiring Canadian National and Canadian Pacific to refund the money that the taxpayers paid for the second time for that equipment and for station facilities.

The only alternative to re-equiping VIA Rail, as recommended by the action task force, is to close down the entire system outside the Quebec-Windsor corridor. We still do not have the new locomotives on stream. The orders for the new railway cars have not yet been placed in spite of announcements annually since 1976 of the purchase of new railway passenger cars. All the Minister could say in response to me yesterday was that he hoped to have a chance to make an announcement like his predecessors. That is not good enough. It remains designed to fail. If the Government wants to have, as it says it does, a rail passenger system worthy of the name, it will have to put some money where its mouth is and it will have to make something of it so that people will use it.

Mr. Malone: Mr. Speaker, I would like to have the opportunity to comment and ask questions on many parts of the Hon. Member's speech, but I particularly want to focus on those comments the Hon. Member for Regina West (Mr. Benjamin) made early in his address which are of concern to anyone whose constituency reflects the prairie grain industry. In particular, I share the concern he has about the grain handling capacity at our ports. I will ask only three questions in order that I do not take more than my share of the time.

Does the Hon. Member subscribe to the view that there ought to be some third party liability in conjunction with labour union strikes? Would he favour a system of declaring the movement of grain, bearing in mind its importance to our national economy, an essential service? Does he subscribe to the view that in the areas where there are farmer-owned co-ops the farmers should be able to handle the grain during strike periods and be their own handlers? I would find it helpful if the Hon. Member could respond to those three questions.

Mr. Benjamin: Mr. Speaker, I am not sure what the hon. gentleman is talking about when he talks of third party liability. I just do not know what he wants to know. I would be happy if he would elaborate on that question. I do not understand the purport of his question with regard to grain movement.

• (1250)

The Hon. Member asked about the movement of grain being an essential service. The same thing can be said about a host of other goods and services in Canada such as railroads, the post office and airlines, or lumber and forest products. All are services to the public and the nation, and are essential services. However, one must allow the collective bargaining process to proceed. When it breaks down and fails then it is the responsibility of the Government of the day and all political parties to come to a conclusion as to whether or not it requires government and parliamentary intervention. That intervention should always be used only as a last resort.

We cannot simply pick out the movement of grain as an essential service because one can make up a list as long as one's arm about what are essential services. If that principle is applied in law, then the collective bargaining process is negated, along with the rights of employers and employees in most if not all of the workforce in Canada that works under a collective agreement. It would apply to all municipal, provincial and federal employees. Where would it stop? What is considered an essential service?

I can understand taking such action in a war situation, but otherwise it seems to me that each case must be judged on its own merits. If the collective bargaining process completely breaks down and all resources of the Government have been exhausted, of course, any responsible Government of any political party will have to move in and declare that sector an essential service for the good and welfare of Canada. However, this cannot be done ahead of time.

As far as farmers handling their own grain is concerned, first I want to say to my hon. friend that they have enough trouble handling their own grain on their own farms. They are having enough trouble harvesting it. I have read news reports of farmers from Alberta who wanted to go to Thunder Bay and operate the grain terminal. I found that strange, because hardly a bushel of Alberta grain goes to Thunder Bay anyway. I thought it was just posturing of the dumbest kind. Furthermore, of all my good farmer friends, who are my friends, I do not know of one who knows what to do or how to work in a grain terminal in Thunder Bay, Vancouver or anywhere else. It is a dirty job and requires different capabilities than what it takes to take off the crop and put it in the granary.

Again, it seems to me that the problem is that the farmer-owned grain companies need to be told by the farmers themselves how they want their own facilities operated. The farmers need to retake control of their own elevator companies.

Mr. Malone: Mr. Speaker, I am quite surprised that the Hon. Member for Regina West would say that the farmers do not know how to handle grain.

Mr. Benjamin: I did not say that.

Mr. Malone: Read *Hansard* tomorrow.

With respect to the bargaining process, the Hon. Member said that it must work, but that when the problem is serious enough a government of any political stripe must act. Bearing in mind the serious potential on the West Coast, is that time now, and do we have the Hon. Member's support that it is time to act *vis-à-vis* the West Coast situation?

Mr. Benjamin: No, I certainly do not believe that the time is now. If the hon. gentleman was listening to my speech he would know that all the grain could still be moving through Vancouver. There is no excuse whatever from either side of the dispute for it not to be moving. Similarly, most if not all the lumber could be moving because it has nothing to do with the current dispute. That is why I said that grain producers in Alberta and the western half of Saskatchewan are being victimized by the employers' association in Vancouver Harbour. It is time for the Government of Canada to call upon the elevator companies to open their doors and tell the longshoremen to get in there and handle the ships.

There are several more steps yet to be taken yet in the dispute, including mediation and conciliation. As I said, Mr. Kelly should not be brought back to Ottawa but sent on to Vancouver from Thunder Bay so he can knock some heads together in Vancouver Harbour.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, first of all—

Mr. Gauthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, I do not wish to interrupt the Hon. Member, because I think it is entirely proper she should have the floor, but I would like to remind you, Mr. Speaker, that Citations 301 and 302 in Beauchesne are very clear on the matter of alternating government and opposition speakers. Once again, I would remind you that yesterday, we did not have the number of speakers we would have wished. We had only two, while the Government had five. And today, when we are discussing a motion to amend the main motion, an amendment moved by my leader, I think we should not be put in a position where we are unable to speak to that motion.

Mr. Deputy Speaker: I quite understand the objections raised by the Hon. Member. However, where the Hon. Member refers to the principle of alternating, I think that up to now we have upheld that principle. However, I remember what the Hon. Member said earlier about what happened yesterday, and I am bearing that in mind.

Debate. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Duplessis: Mr. Speaker, first of all I would like to congratulate you on the way you have performed your duties as Deputy Speaker in the past, and I wish you every success in the continuation of those duties.

I would like to avail myself of the privilege of making my speech at three o'clock, since we have hardly 30 seconds left.

[*English*]

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

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, this House stands adjourned until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

JEWISH NEW YEAR

CALL FOR RELEASE OF SOVIET *REFUSNIKS*

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Jews throughout the world are ushering in their calendar year 5747 with the prayer of hope that this new year may bring with it greater political will by all world leaders to negotiate toward peace, toward a sense of personal security, and toward political stability for all mankind.

There is a phrase in our *Rosh Hashanah* liturgy which says "All men will come together in unison to respond whole heartily to divine will". This truly is the universal wish of all people, for peace on earth, goodwill to all.

A first step in that direction would be the release of Soviet *refusniks*, particularly those who are suffering from terminal cancer, to allow them the dignity of dying with their loved ones at their side. We insist that the Soviet Union honour its

signature on the Helsinki Accords, that it act in a humanitarian way and let them leave. Otherwise such oppression diminishes the Soviet Union as a nation in the eyes of all Canadians. May we see progress toward these goals in the coming year. I take this opportunity to wish all my co-religionists a healthy new year, "*Le Shana Tova Tikatayvou*".

* * *

NATIONAL PARKS

ELLESMERE ISLAND—ACCESS COSTS

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, last month the Minister of the Environment (Mr. McMillan) officially opened Canada's newest national park on Ellesmere Island. I would like to take this opportunity to advise Canadians of the costs involved in visiting their new park. The return airfare between Montreal and Resolute Bay in the High Arctic is $1,600. The charter rate from Resolute Bay to Ellesmere Island is in the neighbourhood of $1,750 per person. Add another $500 for meals and accommodation and the travelling expenses alone come to an astounding total of $3,250. If you include other costs such as outfitting and pocket-money, the total easily comes to $4,000.

A private outfitter in Resolute Bay told me that the majority of travellers are European, Japanese, and American, with Canadians making up only 10 per cent. I ask you, Mr. Speaker, who in his right mind will travel to the park when one can go around the world with that kind of money? I think it is high time for the Government to look into making remote areas accessible and affordable to our citizens.

* * *

MUSEUMS

NATIONAL MUSEUM OF NATURAL SCIENCES—FUND RAISING FUNCTION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, tomorrow the Progressive Conservative women's caucus is holding an event at the National Museum of Natural Sciences. The proceeds from this event are to go to the museum trust fund and certainly since our museums are under-funded, any additional funds will be welcome. However, a few questions must be raised. Why should public servants, paid by the taxpayers' hard-earned money, be diverted from their normal duties to organize an event for a political party, however worthy otherwise the event may be? Why should exhibits be moved and the normal work of the museum be disrupted for an event sponsored by a political Party? Why should money raised by the museum on time paid for by the public, on premises paid for by the public, be diverted into a special fund which does not go through the normal budgeting procedures and which is not scrutinized by the Standing Committee on Communications and Culture?

I ask the Minister of Communications (Miss MacDonald) to put partisan advantage aside and clean up these improper practices.

* * *

[*Translation*]

NEW BEAUCE

CELEBRATION OF 250TH ANNIVERSARY

Mr. Gilles Bernier (Beauce): In 1736, Mr. Speaker, France's King Louis XV ratified the granting of three *seigneuries* located along Quebec's Chaudière River. They were called Nouvelle-Beauce.

This year, nothing will be spared to celebrate this 250th anniversary in the Beauce region. It will be an opportunity for all Beauce residents to proclaim their identity and their Canadianism, and to demonstrate their dynamism in the economic, social and cultural sectors.

If only because of their typical accent and their independence, the people of Beauce have left their mark in the history of Quebec. The Beauce region was the first territory which the French colonized along the shores of the St. Lawrence River.

For a long time during the 20th century the Beauce region was the symbol of a catholic and rural community, faithful to Quebec traditions. Still, the spirit of initiative and the entrepreneurship of Beauce residents were epoch-making, and the region is still the hub of small- and medium-sized businesses in Quebec.

Happy 250th anniversary to all Beauce residents!

* * *

• (1405)

[*English*]

HUMAN RIGHTS

U.S.S.R.—RELEASE OF DR. YURI ORLOV

Hon. Bob Kaplan (York Centre): Mr. Speaker, this past Sunday Dr. and Mrs. Yuri Orlov were allowed to leave the Soviet Union for New York under the terms of the so-called Danilof deal.

Dr. Orlov is a distinguished high energy physicist who has suffered persecution, imprisonment, and harsh internal exile for his efforts to expose human rights violations in the Soviet Union. He founded the Helsinki Watch Group in 1976, for which he was arrested in 1977 and charged with treason against the Soviet state.

Since his arrest thousands of people around the world have worked for his freedom and that of his wife, Irina. Nowhere has this effort been more intensive than in Canada where hundreds of academics and others have worked to secure Orlov's release from the Soviet Union.

I want to bring this long and successful effort to the attention of the House, and of all Canadians, as we celebrate their first few days in the West. I congratulate those, including colleagues in this House, who worked long and diligently to put pressure on the Soviet Government regarding this subject. I particularly wish to note the efforts of the Canadian Committee of Scholars and Scientists and its secretary, Professor Israel Halperin, of the University of Toronto.

* * *

NARCOTICS

SUPPORT FOR GOVERNMENT ACTION AGAINST DRUG ABUSE

Mr. Elliott Hardey (Kent): Mr. Speaker, the Prime Minister (Mr. Mulroney) is correct in moving now to wage a campaign against the spreading use of narcotics by Canadians. Even though seizure of illegal drugs was valued at $335 million by June of 1986—$100 million more than the total in 1985—the traffic goes on. The volume of drugs being consumed by Canadians is going up, taking a tragic toll in wasted lives, broken families, and spreading crime. For more than two decades Canadian young people have grown up in a climate of tolerance, even the promotion of drug use. Consuming drugs has now become acceptable among successful professionals.

To change this attitude the Government must enlist the help of all leaders of society, including artists and entertainers. When we infuse in our culture a truly persuasive bias against drug use, only then can enforcement of laws against narcotic trafficking have much hope of success.

* * *

NUCLEAR ENERGY

HAZARDS POSED BY SUNKEN SOVIET NUCLEAR POWERED SUBMARINE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the sinking of a Soviet nuclear-powered, nuclear-armed submarine once again points out the contempt for the future and for questions of inter generational morality that is involved in the commitment to nuclear energy and nuclear weapons characteristic of both East and West.

An American general is quoted as saying that we do not have to worry about the fuel inside the sub's reactors because it is encased in a heavy metal that will "likely"—and I draw attention to the word "likely"—deteriorate only over thousands of years. Even if this were true, how would we feel if huge doses of lethal poisons had been needlessly scattered and stored throughout the world by ancient civilizations in order to meet short-term economic and military goals, and these poisons were only now being released into the environment? Would we not question the morality of such civilizations? Indeed.

So we should question the morality of our own generation and civilization for putting at risk the natural environment and the human health of future generations, all this in the name of a so-called cheap energy that is actually more subsidized than any other energy option and which will only be viable for several decades in any event, and in the name of a nuclear deterrence strategy that can only end in global disaster. Let us have the courage to step off the nuclear treadmill—

Mr. Speaker: Sixty seconds, please. The Hon. Member's time has expired.

* * *

REGIONAL ECONOMIC DEVELOPMENT

ASSISTANCE FOR WESTERN PROVINCES

Mr. Murray Dorin (Edmonton West): Mr. Speaker, western Canadians can be pleased with the Government's continuing commitment to our region in the Speech from the Throne and in the Prime Minister's response to it.

Unprecedented emphasis on agriculture and international negotiations, domestic measures in co-operation with provincial Governments and farm organizations and the development of an effective $1 billion financial assistance program to enhance the cash flow of Canadian grain farmers are welcome news.

In energy, besides important measures already taken, there is a promise for co-operation with producing provinces and industry to sustain Canada's energy prospects.

• (1410)

There is renewed emphasis on trade with Pacific Rim countries. Special emphasis will be given to diversifying the economic base of western Canada, for this provides the key to sustained and lasting economic growth, insulating us from the volatility of world commodity markets which now plagues us.

The Government has committed itself to preserving our traditional industries while making fundamental changes that will result in stability as well as prosperity, things in which all western Canadians and, indeed, all Canadians can share.

S.O. 21

NUCLEAR ARMAMENTS

CALL FOR RESOLUTION SEEKING NUCLEAR TEST BAN TREATY

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, on September 17 I wrote to the Secretary of State for External Affairs (Mr. Clark) urging him to make a clear statement calling upon the United States to halt its nuclear testing immediately to match the Soviet moratorium and asking the leaders of the United States and the Soviet Union to begin negotiating a comprehensive test ban without delay. This weekend Mr. Gorbachev and Mr. Reagan will be meeting in Iceland. I call upon the Secretary of State for External Affairs to seize the opportunity presented by this meeting and to provide the people of Canada with a means of sending a clear message to those two leaders through the Parliament of Canada.

I call upon the Secretary of State for External Affairs to introduce a resolution in the House forthwith exhorting the super powers to initiate concrete steps this weekend in Iceland, steps that will lead to a comprehensive test ban treaty in the near future. Canada's voice is respected. Surely there is no better occasion—

Mr. Speaker: Order, please. The Hon. Member's time has expired.

* * *

SCIENCE AND TECHNOLOGY

SUPPORT FOR PROGRAM OUTLINED IN SPEECH FROM THE THRONE

Mr. David Daubney (Ottawa West): Mr. Speaker, I rise as a member of the Standing Committee on Research, Science and Technology to commend the Government on the emphasis placed in the Throne Speech on science and technology and especially on the establishment of a National Advisory Board for Industrial Technology to be chaired by the Prime Minister (Mr. Mulroney). Research and development are fundamental components of the Government's plans for economic and social development.

Working with provincial Governments, universities, and the scientific and industrial communities, the Government has set in motion a program which will lead Canada into the next century. Many have predicted that gloom and doom would be the result of technological innovation and automation. In fact, as an Economic Council of Canada study recently noted, exactly the opposite is the case. Innovation produces competitive companies, and the markets of competitive companies expand and their sales grow, generating economic prosperity for all Canadians.

SOCIAL AFFAIRS

UNIVERSAL CHILD CARE SYSTEM ADVOCATED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, dramatic changes have occurred in Canadian families over the past decade, changes which require new government initiatives. Over 60 per cent of women are in the workforce. They need affordable child care. Over 11 per cent of families are headed by single parents, many with very low incomes. They need incomes which are above the poverty line and opportunities to get out of the welfare trap. Ninety per cent of our children are cared for in unlicensed situations or care for themselves. We must have an accessible, universal child care system.

The federal Government should celebrate Family Week with deeds, not just with words. I call on the Government to recognize all families by reindexing the family allowance and extending the child tax credit to assist average families with the cost of raising children. I thank all parents for the contributions they are making to the future of Canada.

* * *

EMPLOYMENT

MINISTER'S STATEMENT ON MAKE-WORK PROJECTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my shock and disappointment at the statement made yesterday by the Minister of Employment and Immigration (Mr. Bouchard) who stated his intention not to implement any make-work projects this winter. Make-work projects are not a solution by themselves but they serve a useful and important role by providing much needed income to the many regions of the country that are not fortunate enough to be a part of the boom economy of central Canada.

I am not alone in urging the Minister of Employment and Immigration to take this action. People from many towns in eastern Nova Scotia have written to the Minister asking that immediate action be taken to deal with this serious human problem. The Minister has chosen to turn his back on this plea for assistance.

This Minister is no better than his predecessor. I had hoped for a more caring and compassionate Minister who would see that blindly following the Canadian Jobs Strategy has caused untold hardship to thousands of Canadians. All Canadians have been cheated, not only by this Minister but by the previous Minister.

• (1415)

THE LATE RABBI ABRAHAM FEINBERG

Mr. John Oostrom (Willowdale): Mr. Speaker, last Sunday Rabbi Abraham Feinberg of Holy Blossom Temple, Canada's largest Reform Jewish Congregation, passed away at the age of 87.

For 33 years Rabbi Feinberg was a determined man who championed any cause which affected the disadvantaged of our society. He was a natural leader who led the fight for world peace from Canada. He fought hard for the elimination of poverty, for an effective and constructive role for the aged, and for racial harmony. Rabbi Feinberg was the social conscience of our society, and Canada was truly fortunate to have had this outstanding individual make very significant contributions to our society.

To all individuals who will be paying their respects at tomorrow's memorial service honouring this great man at Holy Blossom Temple, I wish to add Canada's.

ORAL QUESTION PERIOD

[*English*]

LABOUR RELATIONS

PORT OF VANCOUVER LOCK-OUT—EFFECT ON GRAIN PRODUCERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. It relates to the crisis affecting western grain producers. Of course the latest threat is the lock-out in the Port of Vancouver. The Government should have been able to anticipate this situation for months. Of course the union has been in a legal position to strike for the last two weeks. Why is it that the Government has been so inactive to this date, failing to anticipate an additional major crisis affecting our grain producers?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, within hours of a negotiated settlement or tentative settlement in Thunder Bay, we were faced with a lock-out situation at the Vancouver and Prince Rupert ports, mainly over the container clause. Today we sent a telex to the authorities of the ports to ask them to let the grain be transported, particularly because it does not concern the container clause and also because of the willingness of the longshoremen to transport grain.

[*Translation*]

AGRICULTURE

INQUIRY WHERE GOVERNMENT WILL FIND FUNDS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, again concerning the crisis in the grain industry, I should like once more to direct a question to the Prime Minister with respect to payments to grain producers.

What does the Prime Minister intend to do to find the funds required for these payments? Increase the deficit, slash other farm programs, or reduce social programs?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the program to which I referred on Friday will be financed within the fiscal framework in the same way that we financed such new initiatives as the fuel tax rebate, drought assistance, and commodity-based loans, for example, assistance to sugar-beet farmers. I would point out that we have been able to respond to these needs in the past at the same time that we have been able to maintain our spending targets. The program about which we have been talking will put a billion dollars of increased cash flow into the hands of Canadian farmers beyond that which they are now receiving.

SOURCE AND DELIVERY OF FUNDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if there is an additional cash flow to farmers, it either comes at the expense of the deficit of the Minister of Finance, or from a reallocation of other programs already dedicated to farmers, or at the expense of some other program. Where is the new money coming from, and when will western farmers receive that money?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have already indicated that we are meeting on Thursday and that we hope to have further meetings with the leaders of the agricultural organizations beyond that. This is new money in the hands of farmers, and I know my right hon. friend will not oppose that.

* * *

EMPLOYMENT

PRIVATE SECTOR JOB CREATION—MINISTER'S STATEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday in his speech to the House the Minister suggested that the private sector, the provinces, and individuals should have the principal responsibility for job training and job creation in Canada. In abdicating his federal responsibility in this respect, was the Minister forecasting further cut-backs in the federal employment

budget, which has already been cut by $300 million since 1984? Is that what he is suggesting?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I wish my colleague from Notre-Dame-de-Grâce—Lachine East had been here yesterday to listen to the whole speech. I said that, as Government, we must share the load with the private sector, with the various interest groups, I did not say that they would be on their own to develop programs, with the support of the Government. And the results speak for themselves. I am referring to the results of the employment strategy, and I must commend my colleague for putting up the kind of sound structure about which you had been dreaming for years.

• (1420)

[*English*]

TRAINING OF WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I read his entire speech this morning. While I was not here yesterday, I read it several times and he did say: "Practical training and job experience lead to permanent jobs". Was the Minister really serious when he made that kind of statement? Does he not realize that there are thousands of workers in Canada who are trained, who have had experience but still cannot find jobs? Doesn't he realize—

Mr. Speaker: Order, please. Would the Hon. Member please put his question.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, can my hon. colleague tell me that without training these workers would be working today?

* * *

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister also on the matter of assistance to Canada's hard-pressed grain farmers. The Government did indicate in response to a question from me yesterday that the money would not be coming from existing agricultural programs. I would like to clarify two other potential sources. Will the Prime Minister give assurances that the funds for spending to aid our grain producers will not come from cutbacks in other federal programs nor will the provinces, already hard-pressed, be asked to contribute?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the funds will be into the hands of the farmers who need the help. I know my hon. friend will support what we are trying to do. They will not come from existing agricultural programs but from within the framework.

SOURCE OF FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I do not know what the Prime Minister had for lunch, but we are not getting very far today. I acknowledged that the Prime Minister said yesterday that it would not come from agricultural programs. We are asking for assurances that the funds will not come from existing federal programs, social programs, other programs, housing programs, and we are asking for assurances that the Government of Canada with all its resources will not be asking the provinces to pay.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I get the impression that my hon. friend is doing everything he can to prevent a Government from helping farmers.

Some Hon. Members: Hear, hear!

An Hon. Member: It is going to cause trouble.

Mr. Mulroney: Why throw all these road-blocks at a Government that is trying to help farmers? What we are saying is that we intend to meet on Thursday and again next week. We are devising a program that will be within the fiscal framework which will not diminish existing agricultural help to farmers, and we are seeking a method to put additional funds in the hands of the farmers. I would hope that my hon. friend will stand up and support a Government that is supporting farmers.

REQUEST FOR IMPOSITION OF CORPORATE TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister did not answer the Leader of the Opposition nor has he answered me today or yesterday on funds from other sources or from the provinces.

Mr. Turner (Vancouver Quadra): One more try, Ed.

Mr. Broadbent: I will try a third question, Mr. Speaker. Considering that his friend, Ronald Reagan, has increased corporation taxes by $120 billion in the United States and that we have 79,000 profitable companies that are not paying a cent in tax, will the Government of Canada, instead of cutbacks in other areas and instead of going to the provinces, bring in a reasonable corporate tax to get a minimum of $3 billion in additional revenue and use that money to aid Canadian farmers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if he waits until the Budget maybe he is right.

• (1425)

GOVERNMENT EXPENDITURES

PRIME MINISTER'S TRAVEL ENTOURAGE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Solicitor General and concerns butlers and maids.

Some Hon. Members: Oh, oh!

Mr. Boudria: Yesterday the Minister said that the presence of Miss Narcisco, the maid, was required on the Oriental trip because of security requirements on a trip of an extensive nature. In view of the fact that Department of National Defence records indicate that the same person travelled to Quebec City for the Shamrock Summit, can the Minister tell us if he considers Quebec City to be a foreign destination and a very heavy security risk? Or, would he admit that a butler is a butler and a maid is a maid?

Mr. Speaker: Order, please.

Mr. Crosbie: And a squalid nuisance is a squalid nuisance.

Mr. Speaker: Order. The Hon. Member has put his question and I hope that all Hon. Members will let the Minister to which it is directed respond.

Mr. Turner (Vancouver Quadra): We can hardly wait, Mr. Speaker.

Hon. James Kelleher (Solicitor General of Canada): I think, Mr. Speaker, given the world we unfortunately have to cope with today, that no reasonable person would want us to in any way deny all the necessary security arrangements for the head of our state, the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): He is not the head of state.

BUTLER'S DUTIES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is directed to the Prime Minister. Would he put an end to the mystery of the butler and, the maid? Will he tell us who done it? We want to know. No ifs, ands or butlers.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Mr. Speaker—

Mr. Turner (Vancouver Quadra): You are looking after the baggage, Joe.

Mr. Clark (Yellowhead): I wonder if I might try to lift the Liberal Party above trivia.

Some Hon. Members: Hear, hear!

Miss MacDonald: That is their Leader's task.

Mr. Crosbie: That is one heck of a job.

Mr. Clark (Yellowhead): During the trip in question agreement was reached to have Canada become part of the G-7, which had never been done under a Liberal Government. During the trip in question a process was started that resulted in having agriculture considered under GATT, which has never been done before. During the trip in question the Prime Minister took the opportunity to express directly to Korean authorities our concerns about human rights in that country. Those matters might not be important to the Liberal Party and their experts in trivia, but they are important to the people and the future of Canada.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MALAYSIAN MINISTER OF FOREIGN AFFAIRS

Mr. Speaker: Order, please. I wish to draw the attention of Members to the presence in our gallery of His Excellency Dato Rais Yatim, Minister of Foreign Affairs of Malaysia.

Some Hon. Members: Hear, hear!

* * *

FINANCE

NON-PAYMENT OF CORPORATE INCOME TAX

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Finance. Can the Minister confirm that in 1983 there were 79,000 corporations in Canada which had a total profit of more than $13 billion but paid no corporate income tax? Will he also confirm that if these companies had been taxed at the average rate for corporations they would have yielded some $3 billion—

Mr. Speaker: Order. The Hon. Member must know that questions which require a detailed response of that kind are not appropriate for Question Period. Perhaps the Hon. Member can put his question again.

Mr. Cassidy: Mr. Speaker, will the Minister agree that if corporations that were not taxed had paid tax three years ago, they would have provided $3 billion in revenue which could have been used to help farmers in western Canada today?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would have to make some inquiries in order to

ascertain the accuracy of the allegations in the question. After I do that I would be very happy to respond.

DEPARTMENT'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, perhaps the Minister could explain why, when this information, which is based on statistics from StatsCan, was made available to his Department two weeks ago, his Department did not go immediately to look at this source of revenue which could be helping farmers in western Canada who are suffering today?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I will repeat today what I said yesterday. Tax reform is a major objective of this Government. Consultations and work towards that are beginning now and will continue over the next few months. We will take into consideration findings of that sort.

* * *

[*Translation*]

PENITENTIARIES

REQUEST FOR EXPLANATION OF FIGURES MENTIONED BY PRIME MINISTER

Hon. Jean Lapierre (Shefford): Today, Mr. Speaker, I will ask the Prime Minister again to justify the 38 per cent unemployment rate he gave for Port-Cartier. The Prime Minister was probably exaggerating once again and probably included the sick, pensioners and pregnant women as part of the unemployed population. My question to the Prime Minister is as follows: Could—

Mr. Speaker: Order! I think it is very important to realize that if you have a question, it should be put directly. An argument about statistics is not an appropriate subject for oral Question Period.

Mr. Lapierre: Thank you, Mr. Speaker, but when a sentence starts with the words "*Est-ce*—", that means it is a question. Could the Prime Minister inform the House why he has misled the House and Canadians? May I ask him why he doesn't correct this bad habit of exaggerating?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member for Shefford wants statistics. He will have them. What the people of Manicouagan have heard today is that 38 per cent of the people of a riding, who in 1984 received part of their income from unemployment insurance are not people—

Mr. Lapierre: Answer the question!

Mr. Bouchard: I let you ask your question—let me answer it. I am trying to understand the Hon. Member's logic. Thirty-eight per cent of the population of a riding, plus people on welfare, or the labour force, if you prefer, plus people receiving welfare, plus people who are no longer seeking employment, isn't that enough to want to take care of what your hon. colleague called regional disparity? Even in the riding of the Prime Minister of Canada, we have to take care of—

Mr. Speaker: Order, please. The Hon. Member for Shefford (Mr. Lapierre).

REQUEST FOR EXPLANATION OF WORKS UNDERTAKEN IN PORT-CARTIER

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Minister of Employment and Immigration doesn't know what he is talking about, because the statistics the Prime Minister used were not the unemployment statistics. However, Mr. Speaker, my supplementary is directed to the Solicitor General. I would like to ask him why and at what cost the work at Port-Cartier has been speeded up so that it will be completed by September 1988.

• (1430)

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can only repeat what I have said on many occasions.

Mr. Nunziata: Quit stonewalling.

Mr. Kelleher: The decision to move to Port-Cartier was a government decision. It was made to alleviate the economic disparity which persisted in that area. I am quite sure that the Hon. Member would have no objections to such a laudable objective of the Government.

CONSTRUCTION OF PRISON IN PORT-CARTIER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question, too, is on the location of the Port-Cartier prison in the Prime Minister's riding. If in fact the rationale for the location of this prison was the high rate of unemployment in that particular constituency, can the Solicitor General explain why the prison was not located in Rimouski which had a higher rate of unemployment, in Chicoutimi which had a higher rate of unemployment, or in Gaspé which had a higher rate of unemployment? Why this particular goody to the Prime Minister's constituency when other ridings in Quebecc had much higher levels of unemployment?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Of course, Mr. Speaker, when the Government . . . I am trying to see the logic of the New Democratic Party. You want us to help regions that need help. In the riding of Manicouagan, we are dealing with an employment situation known to everybody in Quebec. Everybody knows the North Shore is one of the worst off areas in terms of jobs. And Members opposite are to blame. So what else can we

do? We are helping the people on the North Shore, and later we will help the people in the Saguenay—Lac-Saint-Jean area.

INQUIRY WHY PRIME MINISTER CHOSE HIS RIDING AS LOCATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, everybody in Quebec knows full well that the Prime Minister made a gift to his riding when at the same time... Mr. Speaker, my supplementary question is directed to the Prime Minister. Can he tell the people of Quebec why he chose his own riding when there are so many others where the unemploymnent rate is much too high? Why?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, when any riding experiences high unemployment and economic hardships, why should we forget it, because it happens to be the riding of the Prime Minister? I am asking the question to Members of the Opposition.

* * *

[*English*]

FARM CREDIT CORPORATION

PENALTIES CHARGED ON EARLY MORTGAGE PAYBACKS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Minister of Agriculture. What steps are being taken to change the policy of the Farm Credit Corporation with regard to penalties on early mortgage pay-backs?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question and his ongoing interest in the financial difficulties which Canadian farmers face. It is our assessment that indeed chartered banks continue to charge a penalty for early payment. The Farm Credit Corporation does have a policy, however, which will eliminate such a penalty under certain circumstances. If the Hon. Member wishes to bring specific cases to my attention I would be happy to inquire whether the cases he has in mind would qualify.

* * *

[*Translation*]

DAY CARE

PROVISION OF SERVICES—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a question for the Minister responsible for the status of women. In her absence, I direct it to the Prime Minister. During the election campaign two years ago the Conservative Party singled out day-care services as a priority. The Speech from the Throne makes reference to launching discussions between the Governments of the various provinces, the private sector and the unions. Mr. Speaker, can the Prime Minister tell us when these endless discussions will stop and when his Government will take action concerning day-care services? What kind of concrete action does he intend to take and when?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has turned to concrete action.

Mr. Broadbent: Just turned to concrete.

Mr. Epp (Provencher): During the election campaign the Prime Minister made two commitments on child care. One was a task force, not on whether but on how to best implement it. The Hon. Member has been sitting on this task force. We expect that report at approximately the end of November.

Second, in this Throne Speech the Prime Minister has clearly indicated that he is now moving from that commitment to the next commitment of implementation. The Hon. Member surely recognizes that there are a number of partners in the relationship for the provision of child care. We hope she will support the Prime Minister and the Government on the actions that have been taken.

[*Translation*]

INQUIRY WHETHER NEW FUNDS WILL BE ALLOCATED TO DAY-CARE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to know—if such services are indeed a priority and we are about to enter the second phase—whether the Government is prepared to guarantee that new funds will be set aside for day-care services in the next Budget instead of simply redistributing the money already earmarked for social programs. Are you prepared to allocate new funds to day-care services?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will not relate to the next Budget, that is not my mandate. I will say, as I said in my speech earlier today, that possibly the Liberal Party and the New Democratic Party did not expect this strong positive action to come so soon. It is coming. The Hon. Member should start supporting the very things to which she gave lip service and to which the Prime Minister is giving action.

* * *

SHIPBUILDING

CONSTRUCTION OF POLAR 8 ICEBREAKER

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of Transport. How soon does the Minister expect to award the contract for construction of a Polar 8 ice-breaker which his predecessor was hoping to announce last spring?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as I am sure all Members of the House know, the

Government is committed to proceeding with the Polar 8 icebreaker. A contract for that purpose will be awarded and announced as soon as the contract is ready, the contractee is ready and the contractor is ready.

TIMING OF CONTRACT ANNOUNCEMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, how many more times does the Minister expect the Conservative Government to be able to make this announcement without having awarded the contract?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, when the time comes for me to make the announcement I hope the hon. gentleman will be as pleased with the announcement as I will be pleased.

* * *

[*Translation*]

PHARMACEUTICAL PRODUCTS

EASTMAN COMMISSION RECOMMENDATIONS—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I am grateful to all my colleagues.

I would like to direct a question to the Minister of Consumer and Corporate Affairs.

During the Liberal Party public hearings on pharmaceutical patents, most witnesses stated that the Eastman Commission recommendations were an acceptable compromise.

Now that the Minister is revising his Bill, can he assure us that the Government will bring the legislation in line with the Eastman Commission recommendations?

• (1440)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, let me personally welcome the Hon. Member back and say that she has made an amazing recovery and we are all very pleased.

Some Hon. Members: Hear, hear!

Mr. Andre: What I indicated yesterday is what the Deputy Prime Minister indicated. There will be some refinements to the legislation but they will not be major changes. We are convinced that the package basically provides far more benefits to Canadians than costs. When one makes a change where the benefits outweigh the costs by a considerable margin, then it is a worth-while thing to do.

[*Translation*]

PRICE OF NEW DRUGS—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, a supplementary to the same Minister.

In answer to a question yesterday the Minister indicated that there will be absolutely no increase in drug prices.

My question relates to new drugs. Can the Minister assure us that there will be no price increase for new drugs?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know how to talk about increases in drugs that are not yet discovered. Increases over what? However, the legislation provides for a drug price review board which will be chaired by Doctor Eastman to ensure that the prices of any drugs not yet discovered—but hopefully including some discovered in Canada to benefit the health of Canadians—will be reasonable. That is the purpose of the drug price review board. We feel confident that the mechanisms we will have in place will guarantee that.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN ATLANTIC CANADA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. His speech in the House yesterday was disappointing to people in Atlantic Canada. Since the Government has come to power, the seasonally adjusted unemployment rate for August in Atlantic Canada went from 13 per cent to 15.9 per cent. What new measures is the Government willing to introduce to help the people in that region?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, in the Speech from the Throne, we announced the creation of a special agency for the Atlantic provinces. Naturally, the Department of Employment and Immigration will be working very closely with this agency. I said yesterday in my speech, as I said in the regions, and especially in the Atlantic provinces, that after a year of implementing the job strategy, we now intended to consider, while maintaining the basic principles of the strategy, how certain adjustments could be made, especially for the Atlantic region, so that we could provide special assistance for these provinces, as was pointed out by the Prime Minister recently.

That is what we intend to do, but I wish the Hon. Member would understand that after only one year of implementing the job strategy, it makes sense to maintain the strategy before we look at its impact and make the necessary adjustments.

[*English*]

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Rod Murphy (Churchill): Mr. Speaker, in that one year the unemployment rate has gone up in Atlantic Canada. Will there be new money going into Atlantic Canada to reduce unemployment? Will there be new money going into the Atlantic Canada Opportunities Agency, or is it money that already exists and goes to that region? Is it new money?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, looking for new money seems to be very popular with the New Democratic Party Members today.

What I am saying is that the Government, and that is the question—yes, Mr. Leader, you asked and we are going to answer. You are asking whether the Government is going to do anything special for the Atlantic provinces. You may be anxious to bring the unemployment rate down, but we have already started, and I can give you the figures after the Question Period. Our goal is to keep up the good work.

* * *

[*English*]

SUPPLY AND SERVICES

MAINTENANCE CONTRACT FOR CF-18 FIGHTER AIRCRAFT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Supply and Services. It concerns the engineering and maintenance support contract for the CF-18. Will the Minister tell the House what other considerations, other than price and the capacity for technical competence, are being evaluated by the Government in the awarding of this very important contract in the various regions of the country?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I can inform the House that the matter is still being considered by Treasury Board. The issue is a very complex one, and of course we intend to take into account all the factors involved. As soon as the study is completed, a decision will be made which we will be delighted to announce.

[*English*]

REQUEST FOR TABLING OF CORRESPONDENCE RECEIVED FROM PREMIER OF NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I hoped that the Minister would have outlined the various considerations that Cabinet will be considering. However, in the spirit of openness and civility that the Government wishes to demonstrate, will she table in the House for the benefit of all Members, correspondence and records of telephone calls that she has received from the Premier of Nova Scotia with regard to IMP Group Ltd.?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I would like to add that whatever that decision may be, its focus must be on Canada's industrial interests as a whole. Failure to focus on those interests would be an affront to the electorate of this country.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SEWAGE TREATMENT FACILITIES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. Given the rhetoric in the Throne Speech about water quality in Canada, why, in his recent meeting with provincial Environment Ministers, was the Minister unwilling to make a commitment on behalf of the Government to spend—I am sorry to use the phrase again—"new money" on upgrading sewage treatment facilities across Canada? Incidentally, this is something which is badly needed in the Atlantic provinces and which, if done by the Government, would increase employment in those areas? Why the lack of commitment to take that very necessary step?

Mr. Speaker: Order, please. Hon. Members will realize that when they put a perfectly good question there is no particular need to repeat it.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the premise of the Hon. Member's question is false. It is not true that I resisted overtures from my colleagues to have the federal Government assist the provinces and, through the provinces, the municipalities with municipal infrastructure. In fact the federal Government is up to its eyebrows in such support. Last year in Ontario, for example, I signed an agreement with Jim Bradley, Minister of the Environment in that province, for a $65 million subvention from the federal Treasury for municipal infrastructure support in the Great Lakes region alone. There are agreements with other provinces amounting to tens of millions of dollars. The federal Government is totally committed to helping the provinces and the municipalities in that and other ways.

GOVERNMENT POLICY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am glad that you liked the question. I do not want to ask the Minister of the Environment about what he has already done, but whether or not the Government is ever going to give the kind of massive commitment that will be needed to upgrade the sewage treatment facilities in Canada. Why was there no

commitment to spend that kind of money which the Minister knows is greatly needed?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I really am puzzled because at the meeting of the Council of Environmental and Resource Ministers we agreed that all the jurisdictions involved, including the federal Government, the provinces and municipalities, would have to link arms to lick this problem. In fact the federal Government has spent millions of dollars in the past, is doing so now, and will continue to do so.

* * *

EMPLOYMENT EQUITY

CROWN CORPORATIONS' MANDATORY RETIREMENT POLICY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of Justice. Canadians are encouraged by the Government's intention to abolish mandatory retirement. However, one of my constituents who is approaching the age of 65 was recently informed by his employer, the CBC, that the corporation's mandatory retirement policy is still very much in effect. Given the Government's support to end mandatory retirement, when can Canadians expect legislation on this issue, and will it apply to Crown corporations?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the mandatory retirement policy which is embodied in the Public Service superannuation regulations applies to government Departments, corporations and agencies subject to the Public Service Superannuation Act. These regulations were repealed as of July of this year. However, the Crown corporations continue to be subject to the Canadian Human Rights Act which refers to the normal age of retirement.

• (1450)

As Hon. Members will know, there has been a response to *Equality for All*, and we are committed an early introduction of amendments to the Act—

Mr. Speaker: Order. I am sure Ministers would want to respond briefly and to the point.

* * *

NUCLEAR ARMAMENTS

TEST BAN TREATY—REQUEST FOR INTRODUCTION OF RESOLUTION IN PARLIAMENT

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given the meeting this coming weekend between General Secretary Gorbachev and President Reagan, would the Secretary of State bring a resolution to the House for adoption by unanimous consent of all Parties exhorting the superpowers to take concrete steps at this meeting in Iceland leading to a comprehensive test ban treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I respect the spirit in which that suggestion is offered and I hope the Hon. Member will also respect the spirit of the response. I think what is of interest to us all is to encourage the two superpowers gathered there to come to an agreement on issues where they can find agreement. I do not think it would be much help to us, or to other countries, to offer advice which might be seen as gratuitous to the two superpowers as they meet.

MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I cannot think of any issue which affects all of the world and mankind more than a comprehensive test ban treaty. I had assumed this was the policy of the Government. It seems to me the opportunity is available now to speak with a clear voice to both superpowers and the best way to do that is through a resolution of this House. Would the Secretary of State not agree?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would agree that there is always an opportunity to speak. What is unique about the meeting in Iceland, and the meeting we hope will follow, is that there will be action forthcoming. What is clear about the state of the world now is that the action the world needs is action which can be taken by those two superpowers meeting together.

We should be doing everything we can to encourage a constructive result of that meeting. Lecturing from afar will not necessarily add to a constructive result.

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CANADA POST CORPORATION

NORWOOD POST OFFICE—MEETINGS ON OFFICE CLOSURE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Post Office in Winnipeg is holding a series of meetings regarding the closure of the Norwood Post Office. In these meetings the Post Office has separated seniors, ordinary citizens, and business people. It has closed a meeting except to a handful of residents by invitation only. Will the Minister intervene to open this meeting to any resident affected by the closure of this post office, and to open the meetings to the press as is appropriate in a democracy?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion and Canada Post): Mr. Speaker, I simply want to remind the Hon. Member that this was a corporate decision.

We have been informed that the customers involved have indeed been consulted and that a decision will be announced in due time.

MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, does the Minister consider that discussions with 60 of the 4,000 residents involved constitutes real consultation? When he entered public life, did he not assume responsibility for effective consultation?

Hon. Michel Côté (Minister of Regional Industrial Expansion and Canada Post): Mr. Speaker, I would like to tell the Hon. Member that we have been asked to reduce the postal deficit and that the Minister of Finance has instructed us to try to do so by 1987-88. Such decisions must therefore be made by the Canada Post Corporation and we do not intend to interfere.

* * *

[*English*]

ENERGY

JOB-CREATION CAPACITY

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister has been quoted as saying that energy is not a job-creation sector. Does this mean that his Department has dropped the objective of energy as an engine for growth?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the development of the energy sector is a reality in every country. First of all, energy is the basis of a country's industry and can also become an export. The energy sector is therefore a tool for job creation in a country, but it is not an objective of the Department of Manpower and Immigration that the energy sector be used to create jobs.

* * *

RAILWAYS

CN SHOPS AT POINT ST. CHARLES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of State (Transport), and that is because his senior Minister has refused outright to intervene in this matter and persuade CN not to transfer activities—

Mr. Speaker: Order, please. The question.

Mr. Guilbault (Saint-Jacques): Although his senior Minister refuses to do so, is the Minister of State (Transport) prepared to intervene in this matter with CN to prevent the worst from happening at Point St. Charles?

Hon. André Bissonnette (Minister of State (Transport)): Mr. Speaker, I think my hon. colleague very accurately described this week what the circumstances are at CN in Montreal. The company has made a number of corporate decisions which I think were justified. It said its locomotives were in better shape than ever before and needed fewer repairs. That is why the corporation has closed down a number of plants or repair shops. On the other hand, CN has announced that it is seeking contracts elsewhere, in the United States, to improve, not worsen, the situation in Montreal. Do not forget that over 100,000 jobs have been created in Montreal by the private sector, and CN can do the same.

MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): I may conclude, Mr. Speaker, that the Minister will not intervene either. I wonder why a Minister, the Minister of State (Transport) is so reluctant to rise in the House and defend people in his province who are being threatened by the actions of a Crown corporation. That I cannot understand, but perhaps the Minister would care to explain.

Hon. André Bissonnette (Minister of State (Transport)): Mr. Speaker, as usual, the Liberal Member is dramatizing the issue, as there have yet to be any lay-offs in Montreal. A statement was made by someone, not with the CN, who said that something might be happening, but CN's response was positive and with regard to the creation of new enterprises and new forms of management to preserve jobs and improve the job situation in Montreal.

* * *

[*English*]

INDIAN AFFAIRS

REINSTATEMENT OF PERSONS TO STATUS RANK

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It refers to the intolerable delays which native people are experiencing in being reinstated under Bill C-31. Would the Minister tell us what progress has been made since May in reducing the predicted waiting time of three to four years for these people to get reinstated?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is aware, the waiting period has been reduced. There were original estimates of some 65,000 or 68,000 applications for reinstatement to status. The reinstatement to status is something the Department and the Indian people take as being very important.

There has been up to this point some 12,000 people returned to status. We hope to be able to continue that. However, it is an important matter and sometimes there is research necessary which is very important with respect to a return to status.

REINSTATEMENT PROCESS—REQUEST FOR ADDITIONAL RESOURCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, since in the first year of reinstatement only one in five applicants have been reinstated, would the Minister advise the House what additional resources he is prepared to grant both to his Department and to the native organizations which are doing so much of the groundwork so that the reinstatement process can be speeded up?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is aware, there is a process for creating band membership. There is money to flow to those bands once they have established a membership code to allow them to continue to monitor and maintain that membership. I can assure the Hon. Member that the Department, my officials and myself are doing everything we can to ensure the return of those people to accurate status and that there is nothing which would jeopardize the original status.

* * *

• (1500)

LABOUR RELATIONS

WEST COAST PORTS LOCK-OUT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is for the Minister of Labour. I am pleased the Minister has acted on behalf of prairie farmers. However, will he tell us how soon he will give direction to the Port Authority and the unions to act on behalf of Commissioner Larson's recommendations? The port is shut down, which is a very valuable tool to the economy of western Canada and to all of Canada.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, considering the requests I have just made today, I will at least wait until I receive an answer, and act accordingly.

* * *

[*Translation*]

QUESTION OF PRIVILEGE

DETAILS REGARDING INCOMPLETE ANSWER

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would like to correct an answer I gave earlier to the Hon. Member for Shefford (Mr. Lapierre). Regarding the 38 per cent figure referring to persons who at some time during the year 1984 drew unemployment insurance, this of course applies to Port-Cartier only. And it supports what I was telling the Hon. Member for Hamilton East (Ms. Copps), namely that it is quite considerable. So the 38 per cent does not apply to the whole riding of Manicouagan but only to the town of Port-Cartier.

* * *

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, yesterday during the Address in Reply to the Speech from the Throne the House Leader for the Official Opposition raised a question of privilege. I would like to submit that his question of privilege fails on three brief grounds.

First, the point was raised well after Question Period in the middle of the Address in Reply to the Speech from the Throne, some two hours later. Second, the telex was raised by the Prime Minister (Mr. Mulroney) in response to a question from the Hon. Member for Gander—Twillingate (Mr. Baker) and not the House Leader. Third, the question of privilege was raised as a result of a reporter allegedly being refused a copy of the telex by the Prime Minister's Office and not a Member of Parliament.

The Prime Minister was reluctant as a matter of courtesy to release the telex without permission from the sender with respect to the entire message. However, immediately the matter was raised by the reporter, inquiries were made. I understand that this morning discussions were finalized between the Prime Minister's Office and the office of the Premier of Prince Edward Island. We are pleased at this time to table the said telex on behalf of the Government.

Mr. Speaker: I think all Members of the House would join with me in congratulating Members for having resolved this question of privilege, as it started out, and which I think probably was a point of order, in the very civilized way in which it has been resolved.

GOVERNMENT ORDERS

[*Translation*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and of the amendment of Mr. Turner (Vancouver Quadra) (p. 44).

Mr. Speaker: Order, please. When the House took recess at one o'clock, the Hon. Member for Louis-Hébert (Mrs. Duplessis) had the floor.

[*English*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, please permit me to congratulate you on your recent election as Speaker of the House of Commons and to wish you good luck in your new function. Many responsibilities are given to you, but I am certain that you will respond to them with much dignity and reassurance. Personally, I assure you of my entire co-operation.

• (1510)

[*Translation*]

It is with great pleasure that I rise in the House this afternoon to make a few comments on the Speech from the Throne opening the second session of the 33rd Parliament.

Mr. Speaker, I rejoice at the course which this Government intends to steer during the coming months. As Michel Roy wrote in *Le Devoir* of October 2: "It is a good speech. It spells both continuity and change." Continuity, because the major themes already featured in the 1984 legislative program remain a priority: national reconciliation and economic renewal; change and something new, because from here on in more emphasis will be put on social policies.

Now that economic recovery is definitely under way and considering that economic conditions are constantly improving, this Government, with its usual sense of fairness, is now endeavouring within its means to further improve on the existing social system, to the benefit of each and every Canadian man and woman.

The proposals in the Throne Speech reflect the realistic concern for justice shared by the Cabinet. Economic conditions now make it possible to address social measures, and this is what we are doing inasmuch as we can.

Mr. Speaker, when I decided to run for election in the riding of Louis-Hébert well over two years ago, my idea was to promote in particular four goals that were of special concern to me.

The first was to have Quebec sign the constitutional agreement and resume its rightful place in Canada, and to see that its rights are respected. The Mulroney Government had promised to work with all Canadians towards national reconciliation.

Within two years, tremendous progress has been made. The *Francophonie* Summit, which I had the opportunity of attending, is indisputable proof that this Government has succeeded in launching open and frank discussions. Before our Conservative Government, this summit which was so important to the French-speaking world never could have been held because federal Liberals would not agree with their Quebec counterparts to determine Quebec's participation. Thanks to the efforts made by our Prime Minister and the Cabinet, that first summit was organized and it met with tremendous success. Moreover, we are already planning the second one to be held in Quebec City in September, 1987. The practical results of such co-operation are a subject of no little pride to me as a Member from the Province of Quebec and the Quebec City area.

In that same line of thought, we see in the Throne Speech that this Government is committed to holding constitutional negotiations with Quebec, and that the consultations that have already begun are of utmost importance in the expectation that Quebec will take its rightful place as a full partner in the Canadian federation.

I am therefore highly confident, because past deeds speak for the future. Based on the improved relationship developed over these last two years, I feel certain the forthcoming months will be most promising.

I want now to tell every man and woman in Quebec that I will continue working arduously on that important matter. To me this has been and still is a high priority, and I want to spare neither time nor energy to ensure that our two levels of Government come to an agreement.

My second objective was to work toward helping Canada, as an industrialized nation, take on a leadership role on the world scene. To achieve this, it was necessary to ensure that the elected Government would bring the Canadian economy back on track, promote the expansion of modern and competitive industries, and make technological progress the engine of this modernization. This would be an essential component.

After two years in Government, our record is quite impressive.

Our government has created some 563,000 jobs in Canada since September 1984, a record that no other government has been able to achieve in the past two decades. As a matter of fact, jobs are created at a faster rate in Canada than in any other OECD country.

The unemployment level is lower than it has ever been over the past four years, interests rates are substantially down and the rise in consumer prices has also been held in check.

These results clearly demonstrate that we have kept our promises. Last Wednesday, however, our Government has indicated its firm commitment to promote even more strongly the economic recovery by continuing to stabilize our public finances, taking new trade initiatives and carrying out a reform of the tax system.

My third objective, which has always been and continues to be very important to me, was to ensure a promising future for our young people by creating new jobs. That is why I see in the pursuit of a free trade agreement with the United States a major challenge for Canada. The important negotiations in which we are involved now will make it possible for Canadian corporations to enter a market twelve times bigger than our own, making it necessay for them to become more competitive, again by updating and developing new technologies. We are

living in an era of internationalization, where our own future well-being will depend very largely upon international trade. That is why our Government is trying to find new and secure markets for our exports and carrying out bilateral negotiations with the United States. As a member of the committee on Canada's international relations which held public hearings throughout Canada, I can assure you that Canadians share our government's view that successful negotiations would guarantee future generations of Canadians a promising economic future.

Finally, my fourth objective was to make it possible for women to play a more significant role in our society. Because we represent 52 per cent of the Canadian population, it is quite normal to see to it that our interest is adequately promoted.

Our Government is quite sensitive about the advancement of women in our society; that is why in implementing the new Canadian Jobs Strategy, we will set up for the first time objectives focussing on the participation of women, greatly helping them to find a long-term and productive job.

The Throne Speech has revealed the high priority which the Government is placing on the elimination of obstacles impeding the full and free participation of women in our national life. We are happy with the significant increase we have witnessed these past few years in the number of women appointed to the highest levels of the Public Service and to various Federal boards and commissions. However, this is only a first step towards full equality. I would urge the private sector to follow this example, and we need the co-operation of the private sector to guarantee the success of our endeavour.

Adopting the employment equity principle, as outlined in the Abella Report, is entirely in line with the Government's commitment to full equality for women. The measures announced to ensure that Crown corporations, federally-regulated businesses and contractors providing goods and services to the federal Government give women and visible minorities better employment opportunities have already been adopted by the House of Commons.

Personally, I am one of those who firmly believe women must be encouraged to set their sights increasingly on decision-making and executive positions, and not only in the traditional sectors but also in the sectors of the future.

As you probably know, I am very interested in the high technology industry. During the last election campaign, I was anxious to see carried out one of the most important projects in my riding, namely the creation of a National Optical Institute at Sainte-Foy. So I was of course very proud to have the privilege of taking part, with the Prime Minister of Canada and the Premier of Quebec, in the official announcement made on June 5, 1986.

Mr. Speaker, the institute will provide for the creation in Canada of many new and permanent jobs and for stable economic development, both at the local, provincial, national and international levels and it is further proof of the national reconciliation that has taken place.

I said earlier, Mr. Speaker, that women should obtain jobs in high technology sectors, and I think that this major project is a unique opportunity for them to find employment in these sectors. This project will also be a way to promote and encourage co-operation between governments, universities and the private sector in the field of research and development. This goes to show that our Government is aware of the increasing importance of developing science and technology in Canada and that it will spare no pains to promote its expansion.

Mr. Speaker, as the Member for a riding where the technology sector is a very important one, this announcement was very welcomed indeed. As a woman, as a former teacher and as a wife and mother, I am very glad to note that our Government has emphasized the need to eliminate obstacles to a full and free participation of women in our national life and to promote social justice and the family unit. As I often point out, I firmly believe that the family unit is the basis of our society. For me, family life is an essential aspect of the normal development of any individual and any society.

As stated in the Throne Speech, the Mulroney Government is resolved to defend and strenghten the institution of the Canadian family.

We in this House may have a special understanding of the importance of family life. I am certain that we have all realized at one time or another how difficult it is to reconcile the exigencies of a heavy workload with the desire to be with our families. We all know the importance of the support, the encouragement and the understanding we receive from our family if we are to do our job in this place.

In addition, we all understand how important it is to improve the quality of our time with our family, whatever its quantity. For most Canadians, the family is a place where there is a climate of love and trust and where each member can achieve a balance between his personal needs, the requirements of his social position and the pressures put on him by the need to get an education or to earn a living.

We ask a lot of our family unit and it asks a lot of us in return since we are responsible for ensuring its success and survival. When something threatens the family unit, there can be tragic consequences for its members. In our efforts to strengthen and support the family, we must not idealize the family unit or view it so narrowly as to exclude the experience of many Canadians. It is true that most Canadian families are what some would call traditional families. There is no doubt in my mind that when both parents participate as much as necessary and whenever possible they do the most to promote the development of their children.

However, Mr. Speaker, we must not forget that there are many single parents in our country who work hard to provide a positive family environment for their children. These men and women must meet special challenges, including what still remains of the stereotypes they represent for people with outdated attitudes. In addition, we must also recognize the role of

the women and men who have the love and understanding needed to act as step-parents.

Our society has produced many variations of the traditional family unit and entertaining a narrow view of the legitimacy and viability of these new families will not change the fact that they exist.

Of course, the family is not living in a state of perpetual harmony. The various pressures which it is exposed to both from outside and inside can potentially ruin the ability of even the best parents and that of their children to adapt. But now that the public has become aware of the problems resulting from the various types of violence against children, women and old age people, increased efforts are being made to prevent and eradicate this violence and understand its causes and consequences. I believe that in the difficult times we are living, we could do a lot by giving families and their members the necessary means to tap their own resources as groups and individuals.

Mr. Speaker, it is in that perspective and taking into account the fact that our society is only beginning to adjust to the new dynamics of family relationships and responsibilities, due especially to the increased number of families where both parents are working, that the Government, once the committee on child care has tabled its reports, will propose to Canadian men and women steps to make available adequate child care services.

In order to put together the best possible proposals to meet the needs of our community, discussions will be initiated with the provinces, the business communities and the unions to implement a concerted approach to child care.

As a wife of 27 years and as a mother of two children, I am delighted with this excellent initiative, because I am aware of the impediments which an active professional life can create to a rewarding family life.

Therefore, I recognize the value of the initiatives entered upon and I will wholeheartedly support any step aimed at making it easier for women to enter the labour market by providing them with the peace of mind of knowing their children are safe and well cared for.

I must also refer to the statements concerning effective action against child sexual abuse, violent forms of pornography involving women and children, child prostitution, and the serious and growing threat posed by the traffic in illegal drugs. As a former teacher, Mr. Speaker, I am deeply concerned about the use of drugs by young people, having been confronted with dramatic situations in which young people would lose control of themselves and even become violent. This is why I will support any measure put forward by this Government to stop that scourge. The future of our society is at stake. The Government has already indicated it is firmly committed to taking efficient measures against the serious threat of hard drugs. To that end, we will propose a national strategy for fighting against drugs, and our Government will continue to work in this country and abroad to stop the use of drugs by amateur athletes. These men and women often serve as examples for other young people who look up to them, and often envy their success. This is why we must be especially alert in that area. Certainly all Canadian parents will welcome those initiatives. Thus we will build tomorrow's society.

Finally, Mr. Speaker, may I say without reservation that I am very proud of the proposals contained in the Throne Speech. Those policies are a true reflection of the realistic sense of fairness and justice that is guiding the Mulroney Government. That is sound administration. The dawn of this new session is quite promising, because every Canadian man and woman are assured that the Government will spare no effort to follow up on the work already started, forge ahead on the initiatives already introduced, and introduce new ones. It is a privilege to be part of this Government.

Mr. Deputy Speaker: Questions, comments? The Hon. Member for Verdun—Saint-Paul (Mr. Chartrand).

Mr. Chartrand: Mr. Speaker, I would like to make a few comments on the speech made by the Hon. Member for Louis-Hébert (Mrs. Duplessis), in order to add to her statements. She referred to high technology in Canada. The time has come in my view to realize how important it is for any civilized country, any progressive country to have very advanced technology, to increase its research and development effort, because employment will be so much better for our young people if that effort is made, if technology advances. This is what this Government has been doing since the beginning of its mandate—we have been trying to give the maximum for people to carry on the research needed, to improve on the quality of all Canadian products.

• (1520)

In the area of jobs, it is a fact that this Government has produced jobs at all levels over these last two years. Creating jobs can only lead to one thing: the unemployment rate goes down throughout Canada, people are happy because they can work, they can feel useful and indeed prove to their family and all their fellow citizens that they are doing something for their country, that they are making a worthy contribution. Who is the real winner in all this? If people have steady jobs, make money and are prosperous, if technology is progressing, if new products come on the market, I think that invariably the consumer stands to gain, as the Hon. Member for Louis-Hébert pointed out. He or she will benefit from everything Canadians and the Government of the day have to offer.

The other major issue which she underscored is the reform of the Canadian tax system. Precious few former administrations had the nerve to acknowledge that our tax system is due for a thorough overhaul. Our Government had this in mind and came to grips with the matter so that the reform will soon take place. I would suggest that the Hon. Member displayed sound judgment when she said that the tax system reform is one of the highlights of the Speech from the Throne.

And then, I am greatly concerned about young Canadians. The Hon. Member for Louis-Hébert was quite right when she told the House that work is what young people are seeking now, they want to be able to work, they want to be able to study, but do so to make a success of their lives; they want something to do so they will feel useful to their fellow Canadians. What we have been giving them in the past two years is experience, practical experience which will lead to satisfactory and gainful employment, they will be able to work and feel useful in the future. There again the Hon. Member for Louis-Hébert proudly pointed out that the Speech from the Throne will pave the way for more new jobs and better training for youths.

She also paid particular attention to free trade. Free trade means very long and hard negotiations, but the only people who really stand to gain anything are Canadians because we have a huge market in the United States and we must corner it, something which no previous Government, particularly the last one, tried to do. On the contrary, they were always fighting against the American Government.

With respect to foreign trade, the world at large is aware of the quality of our work and of our products. Therefore, as the Hon. Member for Louis-Hébert put it, there is every reason to produce even more and export all our products, for this will create more jobs for Canadians.

Another significant issue about which she spoke at length is the role of women in our system, a very important role. As she so aptly put it, once again our Government has given women employment equity. Women will always be very sensible persons, with plenty to say not only from the back benches but from the forefront, of every society, of every Government.

There is one thing all of us are a little jealous of, and I mean the National Optical Institute which was set up in her constituency. I want to commend her for securing the National Optical Institute. This is something to be proud of. All Members in my view can be jealous of that achievement because again it points to this Government's commitment to research and technology.

Turning now to the matter of drugs, this is one of the most important subjects in the Throne Speech. It is highly important in my view that our Government should spare no effort in controlling drug abuse in Canada. This is just about the most nefarious thing for our youth, that propensity to drugs, the propensity to evasion. I therefore feel she was absolutely right in stating that the use of drugs is something that should be assailed, and this Government will do it. And I am certain we will succeed.

Finally, I want to say that I am very pleased with the speech made by the Hon. Member for Louis-Hébert, and I congratulate her for it.

Mr. Deputy Speaker: Does the Hon. Member for Louis-Hébert (Mrs. Duplessis) have a comment?

Mrs. Duplessis: I greatly appreciate the comments made by my colleague. In his remarks, I think he left out the most important subject, that is national reconciliation, the successful discussions we will be having with Quebec so it can take its rightful place as a full partner in the Canadian federation and sign the constitutional agreement.

[*English*]

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to make some remarks about the Throne Speech. First I should like to congratulate you, Mr. Speaker, on your appointment to the position of Deputy Speaker. As well, I should like to congratulate the Speaker on his election last week. We on this side of the House certainly wish you and the Speaker well in your deliberations over the next two years. We as members of the Opposition are convinced that, given the co-operation of Hon. Members on all sides of the House, we can in fact make this place work a little better. We have had some difficulties in the past, but I sense a genuine willingness to make this place work and to try to co-operate with all Hon. Members.

Having said that, I should now like to turn to the Speech from the Throne, a document that was introduced to the nation last week with considerable fanfare. It seems that the bottom line is that the Speech from the Throne is simply an exercise in rhetoric. It is a lot of high-falutin phrases and promises. Given the track record of the Government, Canadians are asking themselves whether in fact the Government will deliver on the 57-odd promises contained in the Speech from the Throne. As you know, the Government decided it needed an extra month to allow Mr. Dalton Camp the opportunity to review the public opinion polls and to draft a Throne Speech that would set a new course for the Government. Given the fact that the Government needed an extra month, Canadians expected from this Throne Speech a vision for Canada, some indication from the Government where it wanted to take the country, some definitive action. Instead, what Canadians were given was simply a Throne Speech that for all intents and purposes was similar, if not identical, to the one delivered two years ago. It was a warmed-over Throne Speech. It was recycled with some consideration given to the public opinion polls.

• (1530)

Canadians no longer trust the Government. It is obvious from the public opinion polls that Canadians have lost trust in the Prime Minister (Mr. Mulroney) and in the Government. They made some 330 odd promises during the election campaign in 1984, and upon taking office the Government started breaking the promises one after the other.

The Prime Minister still has the audacity to speak about the Liberal record of Government of the last 16, 18 or 20 years. The Prime Minister and the Conservative Government now have a record of their own, and Canadians know what that record is all about.

To refresh the memories of Hon. Members opposite, I would like to tell them what the Conservative record of government consists of. It consists of bank failures, tuna scandals, ministerial resignations such as you have never seen before and broken promises. I do not want to waste any time being specific about the Conservative record of government, but it was clear that what was needed for this Government was major surgery. It brought in the doctor and the nurses. Dalton Camp, Atkins *et al* were brought in at public expense as civil servants to give advice to the Government of Canada on how it could get itself out of a very serious mess. Parliament was prorogued because the Government was adrift, wallowing in a quagmire of scandal after scandal after scandal. The plug was pulled on that session of Parliament to give the Government a fresh start. That the Government should prorogue the House would suggest a recognition that something was wrong and that the Tories wanted to embark upon a new honeymoon, if you will.

While it may have been possible for the Prime Minister and the Conservative Party to hoodwink the people of Canada in the election campaign of 1984, no longer do Canadians trust the Government.

The Government in its Throne Speech talks about social justice. A Member of the government Party earlier this day made a statement that the Conservative Party is a Party with a social conscience. Really, who are the Conservatives trying to kid? There is a whole section in the Throne Speech entitled Social Justice. It is Part 4 of the Throne Speech. I challenge the Prime Minister opposite and Members of the governing Party to provide for the Opposition and for Canadians a definition of social justice and why the Conservatives think that their Party is the Party with social justice. I went to the dictionary, Mr. Speaker, and I went through some of the political material that has been written over the years to try to get an understanding of what is meant by social justice. What does the Government mean when it speaks of social justice? In order to get an understanding of what the Conservative definition of social justice is, it is important to look at the Conservative track record of Government. Let us analyse it for a moment and see what the Conservatives mean by social justice.

The Conservatives speak about deindexing senior citizens' pensions. Yes, that is a Conservative definition of social justice. If one truly believes in social justice, one does not try to deindex senior citizens' pensions. That is not just, it is not equitable and it is not fair. It was only after many weeks of national debate that the Government recognized it was unjust and it backtracked on that particular proposal. For the Government to start talking about social justice would lead one to question its credibility seriously.

Social justice, according to Mulroney—

Mr. Malone: Order.

Mr. Nunziata: —means de-indexing family allowances, which the Conservatives did. Is that fair, is it just and is it equitable? Of course it is not when you have hundreds of thousands of single parents in Canada having difficulty making ends meet and the Government decides to take money away from them. That is not social justice. Is it social justice when the Conservative Party of Canada decides to take money away from families and those in need in the same Budget in which it gives a $125,000 cash bonanza to the wealthy in society? That is what the Conservatives tried to do and did. Yet they have the nerve today in the Throne Speech to talk about social justice. It is not social justice. It is not economic justice. Canadians can see through the facade. If this Conservative Government thinks it can hoodwink the people of Canada on yet another occasion, let me tell you, Mr. Speaker, Conservatives have another thing coming because Canadians no longer trust them. The Conservatives have frittered away the mandate given to them two short years ago.

Mr. Berger: Two long years ago.

Mr. Nunziata: Two long years ago, as my friend and colleague points out. What is left of the mandate given to the Conservative Party is but bodies in the House of Commons. The Conservative Government no longer has the mandate that it received two years ago.

We have been sitting in Parliament in this session for but a few days. We have found that the Government intends to carry on with its old ways. We know that Mr. Camp *et al* are trying to convince the boss, the Prime Minister, not to come to the House of Commons any more, to stay separate and apart, at arm's length with the House of Commons, because they fully recognize that when the Prime Minister speaks the Conservative Party is in trouble. They have looked at the public opinion polls and told him to stay away from the House. We have been told that the Deputy Prime Minister (Mr. Mazankowski) fully intends to run the nation's business on behalf of the Government of Canada. The Deputy Prime Minister was not elected by the people of Canada to carry on the functions of Prime Minister. The Prime Minister was elected for that, and he has a duty to Canadians to come to the House of Commons and be accountable for the Government and answer questions put to him during Question Period.

• (1540)

Mr. Malone: He has been here every day.

Mr. Nunziata: What we have found over the last several days is that the Prime Minister has sat on his hands. When questions are put to him, he has refused to answer. One would have thought that, given the Sinclair Stevens scandal and the attempt to stonewall on that issue, the Government might have learned a lesson. That lesson is that it is incumbent upon the Government of the day to be forthright and provide answers to Opposition questions put in this House.

Another issue which is causing the Prime Minister and the Government some embarrassment is that of the prison which will be constructed in the Prime Minister's riding. As you know, that particular maximum security institution was

scheduled to be built in Drummondville. That location was chosen on the basis that it met certain criteria and on the basis that the new institution would complement the existing institution in Drummondville. That is why the original institution was built where it was, in comtemplation of a second phase. However, the Prime Minister decides he has to help the people of Baie Comeau, Port-Cartier, and Manicouagan, the people of his riding, because he made a lot of promises during the election campaign and he has to deliver. So what does he do? He calls the Solicitor General (Mr. Kelleher) and the Minister of Public Works (Mr. McInnes) and tells them to move the prison to his riding. As if they had not already had enough, he wanted a $60 million prison built in his riding.

What is the cost to Canadians of this decision to help out the Prime Minister? We know it will cost $15.8 million more in construction costs. That is a colossal waste of taxpayers' money. That is not the end of it. It will also cost an additional $3 million a year in operating costs. Where is this Government's sense of economic justice and fairness? To satisfy the Prime Minister, the taxpayers of Canada are being forced to pay an additional $15.8 million in construction costs and an additional $3.3 million every year in maintenance costs. The Auditor General is examining that decision and he will be submitting a report to Parliament on October 21. There is no question that he will be severely criticizing the Government for that decision.

Mr. Malone: How do you know?

Mr. Nunziata: Simple logic tells you, my friend, that if you move a prison in order to satisfy the Prime Minister's wishes at an additional cost of $15.8 million, the Auditor General is going to be highly critical of that decision.

That again leads me to question the credibility of this Government. It seems to be concerned about the deficit. We on this side of the House recognize that it is important to be fiscally responsible.

Mr. Malone: When did you think of that?

Mr. Nunziata: Yet the Government is prepared to fritter away $15.8 million initially and $3 million annually because of the Prime Minister. Yet does he have the nerve to stand up in the House and answer questions? No, he does not. He does not have the courage or the backbone to stand up and try to defend that decision.

Mr. Malone: I rise on a point of order. First, to suggest that any Member of this House lacks courage is unparliamentary and Beauchesne's will show that to be the case. Second, any review of *Hansard* for the past week will show that the Prime Minister has answered questions every day. The Hon. Member says he answered no questions. That kind of misrepresentation ought not to be allowed to stand in *Hansard*.

Mr. Deputy Speaker: I do not consider the points raised by the Hon. Member to be points of order.

Mr. Nunziata: Mr. Speaker, all I can say to the Hon. Member is *res ipsa loquitur*. I will stack my credibility and integrity against the Prime Minister's any day.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Any day, my friend.

Mr. Malone: What a mouldy bottom of the stack you would make.

Mr. Nunziata: The Prime Minister also indicated in this House, and I know he did not intend—

Mr. Malone: You do not deserve to be here.

Mr. Deputy Speaker: Order. We have been doing well for the past week. Let us continue, please.

Mr. Nunziata: Mr. Speaker, I know Members opposite are getting a little bit—

Mr. Malone: The Hon. Member for Crowfoot.

Mr. Nunziata: Indeed, the Hon. Member for Crowfoot (Mr. Malone). They are getting a little bit touchy, but when one starts striking at the truth, the reaction we get is obvious.

Mr. Malone: You could not spell "truth" if we gave you the five letters.

Mr. Nunziata: All I can say is *res ipsa loquitur*.

The Prime Minister said to this House on Friday that there was a 37 per cent unemployment rate in Port-Cartier. I know he did not intentionally mislead Hon. Members. I know it was a mistake. The unemployment rate in Port-Cartier is not 37 per cent or 38 per cent as the Prime Minister said in this House and elsewhere as the reason for justifying the decision to relocate the prison. The unemployment rate, if he should check the record, is 15.8 per cent. He was either being innocently naive or deliberately dishonest, but I am not going to suggest he was deliberately dishonest because it would not be appropriate to do so.

You are indicating that my time has expired, Mr. Speaker. I would be prepared to answer any questions from my hon. friends and colleagues opposite. The Speech from the Throne leaves something to be desired. As you know, the Leader of the Official Opposition (Mr. Turner) has moved an amendment to the Throne Speech indicating non-confidence in the Government of Canada. All I can say is that while we may not have the numbers in here to succeed on that particular amendment, I am convinced we have the numbers in the country to defeat this Government.

Mr. Deputy Speaker: The Hon. Member for Crowfoot (Mr. Malone) on a question or comment.

Mr. Malone: Mr. Speaker, in the Throne Speech the Government indicated its desire and intention to rid this nation

of pornography, particularly hard core and violent pornography. I just want to ask the Hon. Member, given his speech today, if he would indicate to the House whether we have his support in our efforts to eradicate that serious problem in this country?

Mr. Nunziata: Mr. Speaker, the Hon. Member knows full well that the Official Opposition fully supports effective legislation to deal with the problems of pornography in Canada. In fact, on behalf of the Liberal Party of Canada, I responded to the legislation introduced to the nation before the summer. I indicated then, and I will indicate again, that we in the Liberal Party believe there is no penalty harsh enough for those who would sexually abuse children. There is no penalty severe enough to deal with those who would resort to pornography, violence and degradation. We fully intend to support any legislation brought forward which will combat the problem of pornography in Canada. We are committed to that goal.

• (1550)

The Government said in its Throne Speech that it is committed to stopping the importation of pornography into Canada and that it is declaring war on pornography and drugs. However, let us examine what it has done over the last number of months which will make it much easier to import pornography and drugs into Canada. The Government has adopted a new honour system within the Post Office. Parcels coming into Canada no longer have to be picked up by the addressee. The Post Office now delivers the parcel and subsequently invoices the individual for the duty. We all know that that will make it much easier for smugglers to bring more illicit drugs and pornography into Canada. The Government also cut 120 custom inspectors. If the Government is serious about the control of pornography and illicit drugs, it should increase the number of customs inspectors. The Government should rescind its decision on a new postal honour system which will make it easier to import narcotics into the country.

Mr. Robinson: Mr. Speaker, I listened with interest to the comments of the Hon. Member for York South—Weston (Mr. Nunziata) with respect to the decision of the Prime Minister (Mr. Mulroney) to move the proposed prison at Drummondville, Quebec, to Port-Cartier in his own constituency. Many of us in the House share a sense of concern at this waste of taxpayers' money, both in terms of capital cost and of annual operating costs. There is as well, Mr. Speaker, the question of the remote location of this prison. It is far away from the families of prisoners and from the support services which are so necessary.

I think the Hon. Member for York South—Weston will want to look a little further back in history than to the Port Cartier decision. Canadians remember very clearly that a Liberal Government made exactly the same decision with respect to the prison at Renous in the Province of New Brunswick. Another prison was to be built adjacent to Dorchester penitentiary but because of blatant political patronage on the part of the then Liberal Member for Miramichi, who is no longer in the House, at substantial additional cost to the taxpayers of Canada the Atlantic institution was being constructed at Renous. Lo and behold, that prison as well was far away from the necessary support services and involved substantial additional costs.

The Hon. Member for York South—Weston is quite right to say that the Auditor General is examining the decision with respect to the prison at Port-Cartier. I suspect that the Auditor General will also have a thing or two to say about the waste of taxpayers' money involved in constructing the Atlantic institution at Renous, New Brunswick, for blatant political reasons as well.

Let us cut the hypocrisy of the Liberal Party on the issue of the location of prisons. They did the same thing when they were in power as the Conservative Government is doing today. That is why it is time for a real change in this country to an NDP Government to end these phoney arguments.

Mr. Nunziata: You have to hand it to the NDP, Mr. Speaker, they like to dream. We recognize the criticism which was leveled at our administration when we were in office. We did something about it. We commissioned an inquiry into the issue of the location of prisons in Canada. I know the Hon. Member is extremely familiar with the Carson Report. It was tabled in this House on November 30, 1984. That commission recommended that correctional institutions in Canada be located based on correctional considerations rather than on a need in the Prime Minister's riding or on political patronage. The Government has failed to respond to the recommendations of the Carson Report. It has also failed to respond to the report of the Nielsen task force which recommended a moratorium on all prison construction.

We recognize that Canada has one of the highest incarceration rates in the western world. The goal is to reduce the prison population in Canada. Of course, we must keep those who present a danger to society incarcerated, but we must try to reduce the prison population because of the extraordinary costs involved in constructing prisons and keeping inmates incarcerated. It costs $40,000 a year to keep an individual in jail and in excess of $70,000 to build an additional prison cell.

We on this side of the House adopt the recommendation of the Carson Report and that of the Nielsen task force report. We believe that there should be a moratorium on all future prison construction and that we should direct our efforts toward finding ways of decreasing the prison population in Canada.

Mr. O'Neil: Mr. Speaker, I was interested to hear the member of the Liberal Party from Toronto speak so strongly against regional development initiatives. This confirms the long-held suspicion that Atlantic Canadians had about the Liberal Government which was in Ottawa for the last two decades. The Liberals do not want to spend any money to bring about regional economic development. The Hon. Member cited the figure of $15 million and suggested that

such a cost should not be paid for regional development initiatives.

The Member spoke about the isolation of the inmates and the lack of support services. Is he not aware that the people of northern Quebec must leave their homes and their support systems to find employment? Atlantic Canadians have done this for decades as well.

This position is, of course, supported by the New Democratic Party, which perhaps best explains why we have not been successful in the last two decades in solving the regional economic development problems of Atlantic Canada.

Mr. Nunziata: Mr. Speaker, I am very pleased that the Hon. Member has given me the opportunity to remark further upon the issue of the Port-Cartier prison. As I indicated in my original remarks, the unemployment rate in the Port-Cartier region is 15.8 per cent. I am not for a moment suggesting that I support the placing of prisons based on regional economic disparity. However, if you want to locate a prison using that consideration, surely you would not place it in Port-Cartier where the unemployment rate is 15.8 per cent, but rather in Cape Breton where the unemployment rate is 25 or 30 per cent. I am surprised that the Hon. Member has not stood up for Atlantic Canada in order to receive more funding for his part of the country in view of the extraordinarily high rate of unemployment there.

In closing I would like to point out that if the location of this maximum security institution was based on correctional considerations we would note that there is no double-bunking in the Province of Quebec. However, in the Atlantic region, in Ontario, in the prairie provinces, and in the Pacific region there is considerable double-bunking. Therefore, if you want to build a prison based on need, you would not build it in Quebec.

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I am very pleased to rise in the House today, particularly following the address by the Member for York South—Weston (Mr. Nunziata). I think there are some things the people of Canada would like to hear about social justice, particularly the women of Canada whom I intend to address.

This is my first statement in the House since I was named Minister responsible for the Status of Women. I want to make it quite clear how delighted I am to be carrying issues forward on behalf of Canadian women, the issues and the people I have been closest to and have cared about the most all my life.

• (1600)

Before turning to the details of the Throne Speech, let me remind Hon. Members that this month marks the fifty-seventh anniversary of the Persons Case, the famous court decision which granted the status of a person to women and thus made them eligible for appointment to the other place. In 1979, the Persons Awards were established and these awards recognize outstanding contributions toward advancing the status of women in Canada.

I am proud to inform the House that this year's recipients of Persons Awards have just been named. They are Elizabeth Carr of Don Mills, the Hon. Muriel Fergusson of Fredericton, Denyse Rochon of Montreal, Berenice Sisler of Winnipeg, and Helen Yeo of Charlottetown.

Today's women are now officially persons and we, in our day and age, cannot imagine it otherwise. However, there are still many areas where it is difficult for women to be fully accepted as we would like them to be, as persons throughout our society. Our Government is committed to ensuring that across every spectrum women are indeed persons with equal rights and equal opportunities.

The view of the Government, as confirmed in the Speech from the Throne, is that issues of concern to women are an integral part of all our objectives; national reconciliation, economic renewal, social justice and constructive internationalism. Whether we are talking about science and technology or about regional development, our Government is committed to ensuring that women are equal beneficiaries of and participants in government programs and initiatives. The particular priorities outlined in the Speech from the Throne as well as those already under way are child care, immigrant women, pornography, and wife battering.

I am very proud to say that last week's Throne Speech represents another step forward in our Government's comprehensive package of initiatives for women. There is no simple definition of women's issues. They are variously described now as social issues, family issues, societal issues, and social justice issues. However, let us always remember that the issues we are talking about were put on the agenda many years ago and put on that agenda by women. They were not well addressed by former Governments. We recognize, of course, that the complexity of these concerns requires a variety of responses, a variety of solutions. We have worked hard to ensure that issues of particular concern to women are part of our cabinet discussions and that we seek women's views in our economic policy development at every stage.

We put a high priority on removing the barriers that have prevented women from participating freely and equitably in the mainstream of Canadian life. We came into office with a plan to meet that priority, and two years ago we announced that plan in our first Speech from the Throne. Since then we have built a solid record of achievements, and now we are moving forward again. We are using those achievements as a base to continue our efforts to address women's inequality.

Let me name just a few areas where we have already made some substantial progress. In the first Speech from the Throne, our Government made a commitment to pension reform. Since then, we have moved quickly toward the goal of ensuring a more secure retirement income for all Canadians, but especially for women who are hardest hit by poverty as they grow older. In my last portfolio as Minister of State for Finance I

worked very closely with my colleague, the Hon. Minister of Finance (Mr. Wilson), to put an end to 10 long years of debate on pensions and to forge an historic pension agreement with the provinces. As a result, beginning in January, 1987, Canadians will receive improved benefits under the Canada Pension Plan, including mandatory credit splitting on marriage breakdown. We have made other pension changes to ensure earlier vesting, portability and better pensions for women in employer sponsored pension plans.

In another area, we will give first priority in this new session to legislation authorizing prepayment in November of the 1986 child tax credit. We have pressed forward as well with our ongoing commitment to women in the labour market where they have often lacked opportunity to work and contribute at full capacity. Our employment equity legislation has been designed to counter the long years of women's underemployment and to give women a chance to capitalize on their abilities. Through employment equity, we have taken an important first step in ensuring that companies under federal jurisdiction meet the challenge and reap the benefits of being equal opportunity employers.

We have also amended the Indian Act to remove its discriminatory references to native women, and passed legislation to facilitate the enforcement of support payments. In keeping with our earlier commitments, we brought forward women's concerns at all national discussion tables and will continue this when First Ministers meet next month in Vancouver.

• (1610)

[*Translation*]

Our Government is proud of that progress. But we know there is still much to do. It is clear that problems faced by women cannot be solved overnight, but we have acted faster and more sensibly than the previous Governments, and we will continue to do so.

The last decade has witnessed deep changes in labour market structures in this country. The massive influx of women in the labour force, especially mothers of young children, has changed our economic and family life. Women still shoulder the heaviest part of the burden of family responsibilities.

In our first Throne Speech, we committed ourselves to giving women equal access to the labour market. True to that commitment, we have established a parliamentary committee on child care. We have made sure that the committee has everything it needs to complete its work and we are impatiently looking forward to the tabling of its report next month. The report will be our plan of action in the field of day care. The recommendations of the parliamentary committee will guide us in our discussions with women's associations, the provinces, business circles and labour unions.

The Speech from the Throne has reaffirmed the conviction of this Government that time has come indeed to have women participate fully in all stages of the decision-making process. We were committed to increasing the number of women appointed to various federal councils, boards and agencies, and we have gone a long way towards that goal. Already, more than 25 per cent of our discretionary appointments involved women. We have also intensified our efforts to increase the number of women in the upper echelons of the public service. Right now, 381 women are among senior management in the Public Service. When we came into office there were only three women at the deputy minister level; we now have seven, including some who were appointed more than once over the past two years. As deputy ministers, all these women hold key positions. My own Deputy Minister for privatization is Mrs. Janet Smith. Our Government is determined to set an example for the private sector of a fair and equitable administration.

And now, Mr. Speaker, allow me to emphasize the determination of our Government to give women more ready access to better employment opportunities. For too long now the labour market has taken advantage of the fact that women are underpaid. We must help them leave the traditional job ghettos and secure jobs which are fully consistent with their experience, their education and their aspirations.

[*English*]

We are determined to ensure that women receive fair compensation for their work. Within the next few weeks the Canadian Human Rights Commission will be publishing additional guidelines to facilitate compliance by employers to implement the legislation requiring equal pay for work of equal value in federally-regulated industries. My colleague, the President of the Treasury Board (Mr. de Cotret), is working very closely with Public Service unions to fully implement this legislation within the federal Public Service.

[*Translation*]

When we came to power two years ago, we quickly realized that federal employment programs did not meet the needs of Canadian women. We immediately undertook a complete review of these programs and replaced them with a new training and employment strategy known as the Canadian Jobs Strategy.

The positive effects of this initiative are now starting to be felt. For the first time, the federal employment strategy includes employment equity measures such as targets for women's participation. These targets have helped women and unemployed people find lasting and productive employment.

Over the next two years, we will continue to monitor the effectiveness of our programs, to make sure that Canadian women fully avail themselves of these training possibilities.

While dealing with training, Mr. Speaker, I should like to mention that I met this morning here in Ottawa my provincial and territorial counterparts. We discussed ways by which the two levels of Government could co-operate to improve training programs available to women. The results of our discussions will be submitted to the Prime Minister (Mr. Mulroney) and

the provincial premiers to be examined next month at the next First Ministers' Conference.

[*English*]

My Government fully intends to tap and build on the economic strengths of women. In recent years we have seen a large number of women launch small businesses of their own. We are taking steps to encourage further and nurture the entrepreneurial spirit which has been shown not just by men but by the women of Canada. We intend to simplify regulations, improve procurement procedures and strengthen the Unsolicited Proposals Program for small countries and entrepreneurs.

I have spoken at some length about the measures we intend to take to address women's economic inequality. However, I want to stress that our commitment to women includes social justice, and that is equally firm. As the Speech from the Throne stated, we are dedicated to the pursuit of one goal, that of a modern, tolerant and caring nation in which its citizens are secure and prosperous. To this end we intend to bring before the House some important legislative initiatives to support and strengthen the institution of the Canadian family, among them the introduction of measures to end violent and degrading forms of pornography involving women and men, legislation to take effective action against child sexual abuse. We intend to address the problem of child prostitution and initiatives against the traffic in illicit drugs, which will help to improve the quality of life for Canadian families, for Canadian parents and, in particular, for Canadian young people.

[*Translation*]

Over the past several months, our Government has been working to develop a national strategy to completely wipe out the drug abuse problem in our society. As my colleague has already indicated, the problem of drugs, especially the illegal ones, has been aggravated by the existence of an international distribution network, contributing to a growing social crisis.

Our Government recognizes that this problem is not limited to the illegal drugs, but results also from the abuse of various chemical substances and medication. Unfortunately, this abuse problem is widespread and affects much too many Canadian men and women throughout this country. Accordingly, the Government will devote a lot of time and energy to solving this urgent problem. We will put the emphasis on public awareness and education generally and the rehabilitation of drug abuse victims.

[*English*]

A great many social justice issues affecting women require joint federal-provincial action. We have worked very hard to establish a good working relationship with the provinces. Federal, provincial and territorial working groups have been set up to facilitate joint action in the areas of child care and wife battering. We intend to continue and enhance these relationships to take effective action in other areas of mutual concern. One pressing area which I will be discussing with my provincial colleagues concerns the needs of immigrant and visible minority women. I am looking forward to taking part in a national conference to be held in Winnipeg in November to address these concerns of immigrant and visible minority women which are special among the needs of women as a whole.

We also intend to work closely with the provinces to provide assistance to the victims of crime, and I firmly believe there must be a stronger sense of the special needs of women as victims of crime, as well as support for police programs to prevent crimes against women. Clearly, this will be a full and productive session of Parliament and, as Minister responsible for the Status of Women, I intend to ensure that women continue to make progress. I will do my utmost in that direction. I seek the support of all Hon. Members of the House in achieving that goal. After all, women make up half of our population. That is common knowledge. At the same time, our Government recognizes that half the talent in Canada, therefore, also rests with women. We as a Government, and as a country, intend to assemble this talent and provide opportunities for its meaningful expression in the home, the workplace and at all of the tables in our Government in dealing with our future because we know that as a country we need that talent. We need its creative expressions and we will be the poorer if we do not use it.

Mrs. Finestone: Mr. Speaker, I welcomed the words of our Minister as she expressed her concerns for women. I listened with a great deal of interest. I sincerely hope the agenda which she laid out will be realized, and the sooner the better.

If I may correct just one point, the Minister said that women make up 50 per cent, or half the population. It is a miniscule point, but we are 52 per cent. As a majority, therefore, I sometimes wonder if we have forgotten that we have a majority of talent which needs to be used in the most constructive way.

There were a number of issues my colleague referred to in the House. I am curious to know how she would respond to those particular issues. She talked about social justice, about a modern and tolerant nation, and a society which would be built with the best interests of this partnership in mind. I think that is a fine goal. However, if that is the Minister's goal, and I think it probably is, I would like to see some amendment of attitude and a different kind of attitude and thought with respect to issues which do impact upon women. For example, I would like to see the kind of mentality which would suggest that the deindexing of the Old Age Security would indicate a lack of appreciation of the fact that the majority of people over 65 years, and particularly those over 75 years, are women. The obscenity of our generation and our society is the poverty in which women live today, particularly older women. It is really key that this issue be addressed, especially in terms of the deindexation of the old age pension, which was tried and, fortunately, did not succeed, and in terms of the deindexation of the family allowance and the cut-back with respect to the child tax credit. The measures primarily affected middle-income families. They had a definite impact on that level of our society, and it is of great concern. The Minister talked

about putting these social justice issues on the parliamentary agenda.

• (1620)

I would refer the Minister to another piece of legislation which her Government brought forward, namely, Bill C-62, the Bill dealing with employment equity. I hoped it would have teeth in it in order that it could actually promote the role of women, native people, immigrants and the handicapped so that they could obtain justice and equity. Unfortunately, all the right words are there but the Government has taken no concrete action. When legislation has no teeth in it, nothing remains but hollow promises. I hope the Minister will watch this area over the next year and bring forward the type of amendments that will put the needed teeth into it, especially in terms of punishing people for not acting as opposed to not filing a report.

I would now like to deal with the child care program. I see across the way one of my colleagues who sat on the committee which prepared the *Equality for All* Report. The committee travelled across the country at great cost to Canadians. It was an important undertaking. We heard about the basic building blocks to allowing women, in particular immigrants and native women and families, the partners in society, the right to equal access and equal opportunity. That right comes with child care, regardless of the type. Quality affordable care enables these women to enter the market-place. It is well known that a family today needs two incomes to meet the family budget. Our task force looked at the subject, as did the Cooke task force. It has been under consideration since Senator Florence Bird chaired the Royal Commission on the Status of Women which was set up in 1968. Since that time it has been a major plank in the discussion, and one about which we are still talking. I know that we each build on the strength of the other, but since the release of the last task force report, the time has come to promise at least some new dollars, not recycled ones, for the area of child care.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. Will the Minister please reply.

Mrs. McDougall: Mr. Speaker, I wish to thank the Hon. Member for the hopefulness that she expressed concerning my role in the Government. I can assure her that it is well placed—

Some Hon. Members: Hear, hear!

Mrs. McDougall: I was about to go on to say that it is well placed because I know I have the support of my cabinet colleagues for the measures we wish to undertake, and the support of the Prime Minister.

In dealing with the Hon. Member's last point first, let me say that the Government and I regard child care as a major priority. It is an issue which has been around for a long time in my life, even before the Royal Commission on the Status of Women. It was a silent issue for many years. I agree with the Hon. Member when she says that it should be a priority of the Government. It was very much a forward looking part of the Speech from the Throne. I would be disappointed if the Hon. Member expected the Government to move ahead of the parliamentary task force which, as I understand, is doing some extraordinarily good work in this area. I am looking forward very much to seeing what will be contained in the report. I think it will round out the examination which can be carried out at our level. It is something on which the Government is fully committed to move forward. I agree with the Hon. Member that there is no point in having equal pay for work of equal value if one cannot get out the door. There is no point in having good training programs if one cannot get out the door. This is an issue which we fully intend to look into.

The Hon. Member raised the issue of employment equity and of there not being any teeth in the program. We are somewhat ahead of the Hon. Member in that we are monitoring the progress of the program, and we will continue to do so. I am proud to say that this approach is working. Things are happening. Putting teeth into legislation without allowing people a chance to respond is inappropriate. The Hon. Member knows as well as I do that once something is put into legislation it is difficult to remove it. The Government's hope is that by the time the Hon. Member and I are older and looking back on our political careers this type of action will not be necessary. At that time Canadians will take it for granted that women are equal participants because of the things we are doing today, things which are being done by this Government.

Mr. Robinson: Mr. Speaker, I would like to congratulate the Minister on her appointment as Minister responsible for the Status of Women. It is obviously a key portfolio. I have two brief questions for the Minister.

The Minister referred to the Government's commitment with respect to pornography legislation. Specifically, she referred to the Government's intention to move forward in terms of violent and degrading pornography. Does this mean that the Government will not proceed with the other element in the Bill of the former Minister of Justice which dealt with what has been called explicit erotic pornography involving adults in which there is no violence and no degradation but consensual adult activity? Is it the intent of the Government to move away from the repressive proposals in the Bill put forward by the former Minister of Justice?

My second question is in respect of another area of glaring inequality affecting women. I refer to the current abortion laws in Canada, laws which effectively deny women in the Provinces of Newfoundland and Prince Edward Island, as well as many women in other parts of the country, access to safe therapeutic abortions. Instead of being coached by the Minister of National Health and Welfare (Mr. Epp) perhaps she could address these two important concerns of Canadian women.

Mrs. McDougall: Mr. Speaker, with regard to pornography, as the Hon. Member knows, and I thank him for raising this

issue, it has been the subject of fairly lively public debate. The Minister of Justice (Mr. Hnatyshyn) has said publicly that he is reviewing this issue. I know for a fact that he is undertaking such a review. He has said that he will be looking at some of the questions concerning the area of definitions.

I would also like to tell the Hon. Member that when one enters into this type of issue, no matter where the line is drawn someone will say that we have gone too far and someone else will say that we have not gone far enough. I caution the Hon. Member by saying to him that when the Minister of Justice comes back, after having reviewed the issue, this debate will go on no matter where that line is drawn. I think that the point which is important to the women of Canada is that we are committed to doing something about violent and degrading pornography.

Some Hon. Members: Hear, hear!

Mrs. McDougall: With respect to the Hon. Member's second issue, once again, it is an important one for Canadian women. As the Hon. Member knows, the issue is presently before the courts. It is a matter which I will be watching with great interest, as I know he will be, and all Members of the House will be. However, until it is dealt with I would prefer not to comment on the issue.

Mrs. Finestone: Mr. Speaker, I would like to ask the Minister how she will move in her own caucus to assure the promotion of women when, in the Public Service, we have seen a nomination which is a very politicizing one for women since Maureen O'Neil left this particular sector. CBC had two nominations open and the Government named two men to the positions. If we want to move women into these sectors based on credibility and confidence, and when sex stereotyping in the media is such a serious issue, then the CBC board could do with some women on it.

Mrs. McDougall: Mr. Speaker, I am sure that the Hon. Member is not suggesting that all those Liberals who were appointed for years and years were incompetent.

Mr. Forrestall: You cannot have it both ways.

Mrs. McDougall: The new co-ordinator of the Status of Women is one of the most highly regarded activists in the women's movement in this country. I am proud that Kay Stanley is reporting to me. With respect to appointments in the Public Service, I can read to the Hon. Member the list of deputy ministers, all of whom are highly qualified. I refer to Margaret Catley-Carlson, Treasury Board; Huguette Labelle at the Public Service Commission; Maureen Law at National Health and Welfare; Jennifer McQueen at the Department of Labour; Geneviève Sainte-Marie at Environment Canada; and Georgina Wyman at the Department of Supply and Services. I think this is a record of which we can be very proud. I think we can be equally proud of the other appointments of women we have made. I look at the boards and commissions of the Government and the women who have been appointed to them. First of all, the percentage has increased—

• (1630)

Mrs. Finestone: Just because they drive cars on an Air Canada board?

Mrs. McDougall: The Director of Air Canada was the mayor of a major Canadian municipality and a highly qualified woman. The percentage of women appointed through Governor in Council appointments has increased from under 18 per cent under the previous Government to 25 per cent today. I am sure the Hon. Member would agree that we are, therefore, doing a good job at some of these appointments.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise today in my seat in the House of Commons with a very, very heavy heart. I, like many, many Canadians, feel betrayed. I am saddened by the actions of a Government which has, in a sense, turned its back on the people of Canada.

Over the summer while Members of Parliament were in their own home constituencies, we were telling our constituents that we were awaiting a new Throne Speech from the Government. As a matter of fact, the Government asked us to take an extra month to enable it to prepare a thoughtful Throne Speech that would indicate a new direction for Canada. The people of Canada were anxiously awaiting this Throne Speech because they really believed and hoped that the Government would show a new direction for the country to take and would be taking Canada on a new course. They hoped the Government would be establishing a new and clear direction for our future.

The people of Canada were hoping that there would for the first time be a new vision of what one of the richest countries on the face of the earth could accomplish in the next weeks, months and years ahead. However, when the Governor General read the Speech from the Throne, that was not there. It really only provided for the *status quo* continuing in the future. There was no direction, no clear idea of where the country was going.

As a Canadian, and particularly as a western Canadian from the interior of British Columbia, I was looking to see if there was something in the Throne Speech that would indicate a commitment to providing assistance to the hard-pressed mining and exploration industries. There was nothing like that there. I was looking for some indication that the Government had intended to take seriously the plight facing the forest industry of Canada. There was nothing in the Throne Speech for the forest industry. There was nothing in it to assist the tourist sector and the farmers and hard-pressed cattle ranchers of western Canada. There was nothing in it of particular interest to the small business sector or to small manufacturers, particularly those in the regions struggling during these very difficult economic times.

It was a real disappointment, Mr. Speaker. That can be added on to months and months of disappointments. I suppose we were hoping for a Government that cared, that had integrity and that would be honest with the people of Canada.

I remember hearing the Prime Minister (Mr. Mulroney) time and time again say that we are going to have to change this system of patronage. In the famous debates of 1984, he went on at some length about patronage. Have things changed? They have changed. They have gotten worse. Now we find that the Prime Minister is appointing well-known, high profile Canadian Tories like Dalton Camp to the Privy Council Office, not a political office but a government office.

Then the Prime Minister said that the kind of pork-barreling to which we have grown accustomed under the Liberals would have to change. We have seen unbelievable levels of pork-barreling in Canada of late. The most obvious example that has received much consideration recently is the intervention on the part of the Prime Minister to move a prison into his own constituency, a constituency in Quebec that has already received tens of millions of dollars worth of federal support. I would ask my friends opposite, particularly those from the regions of Canada, have their constituencies received tens of millions of dollars worth of federal Government support? No, Mr. Speaker, that is not the case, but the Prime Minister's constituency has.

We have seen the arts of patronage and pork-barreling taken to a new level. I remember the Prime Minister of Canada pointing to the former Prime Minister, Mr. Trudeau, and saying that the kind of political office that he had created by surrounding himself with 60 political hacks would have to change. No longer would that be appropriate under a new Conservative Government. He was right. It was not appropriate. The present Prime Minister has doubled his staff and now has 120 political hacks surrounding him.

When we consider the kinds of changes the new Government has brought in, we find that it has essentially worsened the situation that we came to know under the previous Liberal administration. I as a British Columbian am particularly concerned with the lack of action shown in the Throne Speech.

British Columbians have been hardest hit by an uncaring Government. British Columbians have had their lives set back many, many decades as a result of the programs of the provincial Government. Something happened just the other day, hard on the heels of an already very harmful step taken by the federal Government which, through Bill C-96, significantly cut back on post-secondary education. Millions and millions of dollars that traditionally would have gone to the provinces to help train young people were cut back. Provinces like British Columbia will, in the next five years, have cuts from transfers for post-secondary education in excess of $60 million.

What was the reaction to that on the part of the Minister responsible for post-secondary education under the Vander Zalm Government in British Columbia? The Minister, Russ Fraser, said, as reported in the Vancouver *Province* of Sunday, October 5:

> Poor people should go to school only if they can afford it—
>
> —Russ Fraser, the minister responsible for post-secondary education, says it may be time people changed their priorities.
>
> "Maybe they should put off their education if they can't afford it,"—

This is from an individual from the Province of British Columbia who has been given responsibility for post-secondary education. He is saying that if one is not from a relatively wealthy family and cannot afford education, then one should forget it for now. This is occurring in one of the richest parts of one of the richest countries in the world. The Minister of post-secondary education is telling us that we are going to have an elitist system and that only people from relatively wealthy families will now be able to benefit from post-secondary educational opportunities.

Mr. Robinson: He's a Tory.

Mr. Riis: He is a Conservative. I would like to tell my friends opposite that if they do not change their minds and start bringing in programs that will help compensate for the regressive legislation in the Province of British Columbia which is being brought in by the Social Credit Government, they ought to heed the advice of one of their former colleagues, Mr. John Reynolds. Mr. John Reynolds sat in this House for some time. He recently ran for the leadership of the Social Credit Party in British Columbia. He was not successful, but he did say that the Prime Minister understands only one thing, polls, and that the federal Government takes 12 per cent from British Columbia and gives only 3 to 4 per cent back in terms of federal procurement. "The Prime Minister said he would change", said Mr. Reynolds, "but he let us down and he ignored British Columbia". He said that nothing has changed from the previous Liberal administration and if the Tories don't change their programs, there will not be a single Tory Member of Parliament elected from the Province of British Columbia.

I think John Reynolds was right. Unless the policies of this Government change in favour of the regions of Canada and in favour of all Canadians, there will be no Conservatives elected from these parts of the country.

Mr. Malone: Reynolds for Leader of the NDP.

Mr. Riis: I hear sniping from the benches opposite. Unfortunately, the Minister who spoke recently has just left. I was going to remind her of the kind of morality that her Government presumably brings to Canada.

• (1640)

Not long ago in a speech in the City of Toronto the Minister was quoted in a major metropolitan newspaper as saying "There's one underlying motive in business shared by all—it's greed". She also said: "There's nothing wrong with that. We support it wherever it happens". That was the then Minister of State for Finance saying that the Conservatives supported

greed whenever they could and wherever it occurred, that that was the motivating force in the country. I want to dissociate myself and my Party from that position; we do not believe that greed is a motivating force or that it ought to be supported wherever and whenever it happens.

We have many concerns when it comes to the practices of the Government. We notice that today increasing numbers of Canadians find it very difficult to pursue post-secondary educational plans, whether it be in a vocational school, a technical school, an institute, a college, or a university. This is especially so in the Province of British Columbia where the provincial Government has seen fit to cut back on grants to students, making it an almost exclusive responsibility of the federal Government's loan program. It is not uncommon for young people to be graduating from our post-secondary institutions with $25,000 to $30,000 of debt and being unable to find employment in the areas for which they were trained.

I find it rather odd that Governments which say that they cannot afford to maintain support for post-secondary education, such as the present federal Government or the Government of British Columbia which says that it must cut back on post-secondary education, can find substantial amounts of money for selected groups. I remind my friends and colleagues that it was only over a weekend that the Government was able to commit itself to $1 billion of taxpayers' money to assist a number of uninsured depositors and to help bail out two Canadian banks. Who were those depositors? There was a number of small depositors; there is no question that we ought to have assisted them. However, should we have assisted the Bank of America, Citibank, Wells Fargo Bank, the Bank of New York, and the Bank of Japan? They were large international banks which had millions and millions on deposit. In some cases they had in excess of $25 million on deposit. Should we have used taxpayers' money to support and bail out those depositors? I think not. If a Government can find $1 billion over a weekend to assist such depositors, surely to goodness that same Government should be able to support young people in post-secondary educational institutions to develop their talents and expertise.

As a Member of Parliament from British Columbia I am particularly concerned about the actions of our Premier of late. Canada had a case before the International Trade Commission, before the Department of Commerce, in response to a countervail threat which would in fact result in the loss of somewhere between 25,000 and 30,000 jobs in the Canadian forest industry. The Premier of British Columbia decided to indulge in some public musings. He and his Minister responsible for forests went around the province saying that perhaps our stumpage rates were too low, that perhaps we were subsidizing our industry, and that perhaps we should carry out a review. That forced the federal Government, the industry, the unions, and the provinces involved in this countervail threat to make an eleventh hour proposal to try to rescue this sabotage effort by the Premier of British Columbia. The American forest companies have responded with a no, now that the Canadians have essentially admitted to unfair trade practices. One American Senator said that Canada had been caught with its hand in the cookie jar. They have now got us, in that essentially the Government of Canada, at the encouragement of and in response to the initiative taken by the Premier of British Columbia, was forced to concede that we were guilty before the verdict had been delivered.

It is of concern to us all when we consider to what extent this is a fair and caring Government. What kind of Government would introduce legislation, as the present Government plans to do, which would result in additional drug costs to Canadians of up to $650 million per year by 1995? The Canadian Drug Manufacturers Association tells us that if the patent law legislation is brought forward and passed, the people of Canada will be paying hundreds of millions of dollars more for their drugs each year. That will place a very heavy burden not only upon our various health institutions across the country but particularly upon elderly Canadians. Again that is something a fair, caring, and concerned Government would not be introducing, to say nothing of the unemployment insurance changes which were brought in where people who had paid into the insurance for years and years were unable to take advantage of it as a result of legislation. It is a bit like purchasing fire insurance on one's home and not being able to collect it if the home burns down. In the spirit of fairness that provision should have been deleted, certainly removed retroactively.

On a daily basis we hear of our farming sector being in grave difficulty. I know from speaking to the people who produce food in my own constituency that they are under extreme pressure. However, one of the major programs brought in by the Government does not provide assistance, support, or long-term low interest money. It provides money for people to get out of farming. In other words, the Government wants the number of family farms to be reduced. It wants people to get out of farming. Essentially, if we continue as we are today, the agricultural sector of Canada will be left to the large corporate sector, and we will have agri-business in place at the expense of the family farm.

What about the promise of the Polar 8 ice-breaker contract to British Columbia? We could argue about it, but the previous Minister said that an announcement was coming shortly. The previous Minister of Transport indicated that tenders would be restricted to West Coast shipyards. We waited for weeks and weeks, months and months, and as late as today the Minister of Transport (Mr. Crosbie) still had nothing to say about keeping that government commitment of many months ago to the people of British Columbia.

What about real support for reforestation, silviculture, fisheries enhancement, or for the development of urban infrastructure? Today we heard the Minister of Employment and Immigration (Mr. Bouchard) say that they wanted to assist in real job development in Canada. There is no better way for the Government of Canada to invest in the future of Canada and to provide serious long-term training opportunities

than to invest money in reforestation projects, in fisheries enhancement projects, in urban infrastructure developments across the country, and in assistance to West Coast shipyards through the contract for the Polar 8 ice-breaker. These are the kinds of initiatives which the Government could take at this point. They would not be make-work programs. They would not be spending money; they would be investing money in the future of Canada. Rather than having hundreds of thousands of Canadians who are dependent upon UIC or welfare, they could be gainfully employed in long-term jobs and could contribute to the future of Canada.

We have urged the Government on a daily basis to take that kind of approach, yet all we see are cuts and cuts. The Minister of Employment also said that the regions would have to fend for themselves. The Throne Speech indicated a concern about unemployment in the regions of the country and that another bureaucratic structure would be created in Atlantic Canada. There was no money, no support, no financial endorsement; just the creation of another system of bureaucracy. That will not result in economic development, new economic opportunities, and consequently long-term jobs.

The people of Canada wanted to see some action and some commitment. For years and years under the previous Liberal administration we saw very little in terms of any direction for Canada. People were sick and tired of the floundering around. They wanted more than a Throne Speech which tried to cover all political bases to allow the Prime Minister, members of the Cabinet and members of the Government to go out and say: "We are concerned about you. We are interested in your region, your particular part of Canada". Rather than try to cover all political bases, the Government ought to have identified three or four critical areas so that the people of Canada would perceive a clear direction unfolding. We did not see that. The Government says that it cannot afford it. We can afford it in part through a reform of the tax system. We have found out that 79,000 corporations were profitable over the last number of years and did not pay a single cent in income tax in some years.

• (1650)

We see the unfairness of the tax system evolve. Rather than 50/50 per cent from the corporate and the personal side of the tax system, it is now 82/18 per cent, with 82 of the tax revenues coming from individuals, not corporations. We see the bias in favour of the large corporations at the expense of the small manufacturers. We see the bias in our tax system, the bias toward large corporate central Canada at the expense of the regions of Canada. That is the kind of unfairness that Governments have built into the system over the years. The people of Canada wanted to see that change.

As a result of consultations with people like Howard McDermid, Kenna Cartwright, Peter Ralston and Gordon Priestman and many, many others in my constituency, ideas, programs and thoughtful policies were suggested which would create the much needed jobs, provide a fairer form of Government and a fair set of opportunities for Canadians, particularly British Columbians. Those are the things we ought to have. When the people of Canada elected a Tory Government to run the country, they did not mean ruin the country. Basically what we are seeing today is a continual deterioration of the hopes and aspirations of Canadian families and individuals.

Mr. Hnatyshyn: Bring back Ian Deans.

Mr. Riis: It is time that we had a change of government focus, a new initiative and a real direction for our country. I do not think there is an individual in this House who would not say they were fortunate to live in the best country of the world and the most prosperous. All it requires is the will to get on so that all Canadians can benefit in its valuable and rich resources.

Mr. Malone: Mr. Speaker, I am always amazed that members of the New Democratic and Liberal Parties can give these scathing speeches and then wind up saying that Canada is the best nation in the world. Obviously, everything cannot be done wrong while still having the best country in the world.

Would the Hon. Member for Kamloops—Shuswap (Mr. Riis), after having asked us in our Speech from the Throne if we could have focused on only three or four critical areas, give us his commitment, if at some future date there are only three or four focused directions of a Government, that NDP Members will not rise and say we should have done more, that other things should have been in the Speech and list what should be covered? Is it the Member's view that three or four is the right number and that he will never again rise in his place, if that is done, and say: "Gee, you ought to be talking about some other issues that are not there"?

Mr. Nunziata: You are being absolutely ridiculous.

Mr. Malone: Would the Hon. Member give that commitment so the people will know how much he is committed to the words that he says?

Mr. Riis: Mr. Speaker, I have had lots of questions put to me in this House. This is a very interesting question, which is all I can say, interesting in that I can think right off the cuff of four or five things that the Conservatives would likely have as critical planks in their platform that I could never support. I could imagine a whole number of points that I could not support. I believe it is time that the Government provided us, through a Throne Speech, a Budget or whatever, with a mechanism with a very clear direction that will launch Canada into a new era of economic prosperity, fairness, justice and honesty for all, and if that were the case, then you bet, Mr. Speaker, I would support it. But to support a number of the policies that I know the Hon. Member holds very dear to his heart, I could not bring myself to do that.

Mr. Robinson: Mr. Speaker, I have listened with great interest to the very thoughtful remarks of my colleague, the

Hon. Member for Kamloops—Shuswap (Mr. Riis). I know he was back home in his constituency in Kamloops touring the riding this past weekend at a very critical time in the history of British Columbia, consulting with people like Howard McDermid, Kenna Cartwright and Peter Ralston. Would my colleague elaborate a little bit on what some of the major concerns were of the people in his community as he travelled around the community, particularly focusing on the failures of the Government of British Columbia to address those concerns at this critical time in B.C. history?

Mr. Riis: Mr. Speaker, I will be pleased to respond to the thoughtful question put forward by my colleague. When speaking with these individuals, including a fine, upstanding contributing citizen such as Gordon Priestman, I found that their concerns primarily are that the provincial Government, in co-operation at times with the federal Government, has failed to address some of the serious problems facing the people of central British Columbia. I am thinking of access to educational and training opportunities. The biases that are built into the system make it very difficult if not actually prohibit many, many people from average income or less than average income families to pursue educational and training opportunities. Then there is the lack of commitment to assist the agricultural sector, the small struggling farmer or rancher. There is simply nothing there to give them the courage and support to go on. One could easily add to that the small business and small manufacturer who has to compete with the giants in a very unjust and unfair system.

Perhaps the greatest concern is the concern that these individuals hold about the lack of support for the long-term development of our forest resource. It is the forest resource in central British Columbia that holds the long-term promise, the long-term economic and job-creation hope. Yet provincial and federal Governments have for too long let us down in maintaining that resource so that we could be guaranteed a sustained yield of production.

Serious cuts have been incurred by the Social Credit Government which have cut back on services people require. I know that this is a very general attempt at a response to my hon. friend, but in economic and social matters a great deal should be done and must be done by a Government that puts people first, not corporations first.

Mr. Nunziata: Mr. Speaker, I would like to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for his comments this afternoon. Over the last two years I have grown to admire the Hon. Member. It is of some regret to me that he is not a member of our caucus. Perhaps the future might bring us together as colleagues in the same Liberal caucus.

The Hon. Member for Kamloops—Shuswap is also a neighbour of sorts. I am originally from Revelstoke. Kamloops is not far from the good Town of Revelstoke. I just want to bring to the attention of the House that that part of the country seems to produce good parliamentarians.

Mr. Robinson: But mistakes are made every now and then.

Mr. Nunziata: I want to ask the Hon. Member about the so-called four pillars in the Throne Speech. The speech itself is based on what the Prime Minister loves to term the four pillars: national reconciliation, economic renewal, social justice and constructive internationalism. I know that the Hon. Member agrees with me when I say that we have heard it all before. I would like the Hon. Member to give me and this House a western perspective with respect to the pillar known as national reconciliation. As he knows, not long ago a Conservative Premier started talking about western separatism. I would like the Hon. Member to comment about that particular pillar and whether he believes, from his perspective in western Canada, that there has been national reconciliation over the last two years.

Mr. Riis: Mr. Speaker, I have two things to say in response to my thoughtful friend. One is that just the other day the Prime Minister was visiting western Canada. When a number of Gainers employees who are struggling for their very economic existence were attempting to make a point with the Prime Minister, he called them separatists. That did not go down well in western Canada. I think that the view reflected by the Prime Minister in terms of his unthoughtful nature was best reflected in statements uttered by the Premier of British Columbia and the Premier of Alberta over the last few weeks that in a sense the present Conservative Government has abandoned western Canada. In terms of any national coming together of east and west, I am afraid that the policies of the present Government have widened that gulf. So now the feelings of alienation, in fact even "separatism" as expressed by our Prime Minister, have crept back into the vocabulary of many western Canadians.

• (1700)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Energy—Price of gasoline; the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens)—Pharmaceutical Products—Recommendation of the Eastman Commission—government position. (b) Price of new drugs—government position; and the Hon. Member for Burnaby (Mr. Robinson)—Penitentiaries—Reasons for locating prison in Manicouagan. (b) Reasons of Prime Minister for choosing his own riding.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and of the amendment of Mr. Turner (Vancouver Quadra) (p. 44).

Hon. J. Robert Howie (York—Sunbury): Mr. Speaker, the Throne Speech contains some very good news for New Brunswick and Atlantic Canada. For the first time in a very long while the special needs of Atlantic Canada are being recognized in the Speech from the Throne, and for this I am extremely grateful.

The Speech calls for positive proposals for new policy initiatives from those who live and work in the region, and in my remarks today I intend to respond to that call. Whether my proposals or others are implemented is not important. What is important is that a giant stride forward has been taken in meeting the challenge of regional disparity and in doing something about it.

The Speech points to the establishment of an Atlantic Canada Opportunities Agency. The agency will be constituted to facilitate and co-ordinate federal development initiatives. It is designed to make use of the expertise available in the Atlantic region and it will invite the maximum participation of other Governments and organizations. It will be an important development instrument.

At the present time, the economy of the Atlantic provinces appears to be going through a "crisis of confidence". This crisis is both economic and psychological. It has become clear that a substantial stimulus from offshore oil and gas—if it comes at all—will be delayed into the next century. Employment in many traditional industrial activities is declining. In addition, because of severe financial constraints, the rate of growth of federal transfer payments—in recent years, the major determinant of the region's rate of economic growth—is scheduled to decline.

These factors have, of course, their adverse psychological effects on an economy suffering from high levels of unemployment and a heavy burden of taxation. These psychological effects depress both consumer spending and investment spending and help promote a business climate where the emergence of many young, vigorous entrepreneurs is most unlikely.

It is thus imperative that the Government of Canada undertake a new initiative to expand and diversify the economic base of the Atlantic region. This new initiative by the federal Government must be strong and determined and, by its nature, must be seen to be strong and determined. It, too, must have its economic and psychological effects, but they must be growth-promoting and confidence-building.

Since the creation of the Atlantic Development Board in 1962, substantial amounts of money have been spent by the Government of Canada to encourage economic development in the Atlantic provinces. Very little of this money, however, has gone to the private sector to encourage directly the expansion of employment in manufacturing. Most federal funds have gone to provincial Governments to expand the infrastructure or the social overhead capital of the region. Any survey of federal spending for regional economic development in the Atlantic provinces over the past two decades will reveal that direct incentives to industry have been relatively small, indeed, so small as to be most unlikely to have any significant impact on the process of economic development.

The fact is that there has never been a determined and realistic effort by the Government of Canada to expand and diversify the industrial base of New Brunswick and the other Atlantic provinces. Industrial incentives, in aggregate, have been relatively weak, weak in relation to those available in central Canada and, perhaps more important, the will in Ottawa to promote industrial change in Atlantic Canada has been extremely weak. Citizens of New Brunswick and other Atlantic provinces contrast the enormous efforts and expenditures made by the federal Government to expand the automobile and aircraft industries of central Canada with the puny and perfunctory efforts at industrial development east of the Quebec-New Brunswick border.

Industrial development can only succeed if there are strong incentives for industry and if there is the will in Ottawa to assist in using these incentives to promote economic change. Regional industrial development must become an important and pervasive objective of all the key economic Departments of the federal Government. In the past, industrial development in the Atlantic region has only been of peripheral interest.

The situation can be perceived by considering the two major federal industrial initiatives of recent years: automobiles and aircraft. Both have been very expensive for the federal Government and both have failed to provide any direct benefits for the Province of New Brunswick. Indeed, there has been no attempt to utilize these industrial initiatives to promote economic development in New Brunswick. The people of New Brunswick may accept that most direct benefits of indusrial initiatives by the federal Government will go to central Canada. They find it very difficult to accept that all direct benefits will always go to central Canada. In the future, major industrial initiatives by the Government of Canada must have an Atlantic dimension. This means that an attempt must be made to direct at least some of the benefits of such initiatives east of the New Brunswick-Quebec border.

In the situation where directing activities into the Atlantic region requires additional incentives for the private sector, this should be done as long as the over-all benefits exceed the over-all costs. If benefits to the Atlantic provinces do not meet this

criteria, the federal Minister concerned should be required to make a statement as to why this is the case.

It is proposed that a new federal policy to expand the industrial base of the Atlantic provinces should include the following provisions:

First, that in future all major industrial development initiatives of the Government of Canada must have an Atlantic dimension on the basis that I have stated. This means that Crown corporations, such as the Canada Development Corporation, in their industrial-promoting activities, must observe the provision of the Atlantic dimension. It, of course, means that DRIE, in its ongoing activities such as its encouragement of automotive parts manufacturers, would always meet the requirements of the Atlantic dimension.

Second, that a tax incentive be offered to manufacturing, including processing, companies establishing new, expanded or modernized facilities in the Atlantic provinces which would permit them to write off the full capital cost of such facilities against their corporate income tax payable from all corporate activity. This provision to be in effect for an initial period of 10 years.

Third, that a wage subsidy of 30 per cent in respect of persons employed by such firms be authorized for the first three years of operation, to offset the higher costs involved until such workers are trained.

I have some supporting arguments for an Atlantic dimension.

First, given the very high levels of unemployment in the Atlantic provinces, it is most unlikely that Canada will ever achieve anything approaching full employment without a very substantial expansion of the industrial base of the region. Theories of market adjustment are interesting, but they ignore the effects of social justice legislation on labour mobility.

Second, at the present time, annual federal expenditures in the Atlantic provinces exceed annual federal revenues from the Atlantic provinces by roughly $9 billion. This is estimated at half the structural deficit of the Government of Canada. Given present national policies, the outlook for the private sector of the Atlantic economy is to remain very weak and for federal expenditures in the region to remain far above federal revenues from the region. More rapid economic development in the region can make a substantial contribution towards reducing the federal Government's structural deficit.

• (1710)

Third, the acceptance of the concept of the Atlantic dimension can lead to important demonstration effects in the Atlantic provinces. Demonstration effects are an important concept in development economics. They result when new industrial projects get under way and prove to be successful. This demonstrates that industrial projects can be successful and encourages other entrepreneurs to get projects under way in the region or area.

Fourth, successful industrial projects deriving from federal initiatives will also demonstrate that the federal Government really is interested in the economic wellbeing of the Atlantic provinces. This, of course, promotes national unity. At present many citizens of the Atlantic provinces believe that the federal interest in industrial development stops at the Quebec-New Brunswick border.

Fifth, studies have shown that many corporations in central Canada, when planning expansion, never consider locating in the Atlantic region. The Atlantic dimension policy would greatly increase the consideration given to industrial expansion in the region.

In concluding my remarks, Mr. Speaker, I would be remiss if I did not mention that I represent one of Canada's most historic ridings. In my constituency is located the City of Fredericton, seat of government for the Province of New Brunswick and home for the University of New Brunswick and St. Thomas University. Both have distinguished alumni sitting in this House.

Now under construction in Fredericton is a multimillion dollar forestry complex involving the Government of Canada, my home province, the University of New Brunswick and the other maritime Governments. When completed, this complex will open a vital window on research for the forest industry, the primary producer and employer in the region. I want to recognize the tremendous leadership which Canada's Minister of State (Forestry and Mines) (Mr. Merrithew) has given and continues to give to this vital project.

While forestry is well represented in my constituency, so too is agriculture, and I am very pleased with the emphasis placed on agriculture's indispensable role in our national economy. Fredericton is the home of the Dominion Agriculture Research Station, which is of tremendous assistance to the agricultural industry in New Brunswick and the region.

Canadian Forces Base Gagetown, which is the largest Army training area in the British Commonwealth, is also located in York—Sunbury. In addition to providing good training facilities for Canada's Armed Forces and those of other Commonwealth countries and NATO, it is a principal employer of skilled and semi-skilled persons in central New Brunswick.

Many members of the Armed Forces retire in York—Sunbury and, because of their circumstances, seek later employment to support their families. The pension-UI regulation which was referred to the Forget Commission for study and report caused a great hardship for many people who were between jobs and in this category. I met with those hard-pressed retirees and took their representations to officials in Government and to the Forget Commission. I am looking forward with great anticipation to the Forget Report which I hope will relieve all of us of our agony by dealing fairly and justly with all of those former military personnel who so ably served their country. I hope that Mr. Forget and the Minister

will do everything in their power to bring forward constructive and remedial measures as soon as is humanly possible.

York—Sunbury is the home of Process Technology Ltd., the St. Anne-Nackawic Pulp and Paper Co. Ltd., the Research and Productivity Council, and the Hartt Boot and Shoe Co. Ltd., all of which produce world-class products.

During the life of the last Government I was successful in introducing two resolutions to deal with the child battery syndrome and inter-family violence. Both these resolutions resulted in studies being held by a standing committee of the House with recommendations coming forward and many of them being acted upon. A later motion to consider challenges facing the institution of the family and the erosion of traditional resource supports was not successful. It is, therefore, gratifying to me to see our new Government pick up those threads in the Throne Speech and move forward in this very vital area.

The dedication of the Government to effective action against child sexual abuse, violent forms of pornography involving women and children, child prostitution and a serious and growing threat posed by the traffic in illegal drugs is a highly commendable move. This move will be strongly supported by my constituents and, I believe, by all Canadians.

Finally, I do not think that too much can ever be done for our war veterans. The Veterans Independence Program will be broadened and new legislation will be introduced to streamline the pension process to provide faster and more efficient service to veterans. Our veterans are richly deserving of the improvements which are mentioned in the Throne Speech. I would be remiss in my duties if I did not indicate to the Minister that as I visit the excellent veterans' hospital in Fredericton and talk with veterans I hear high praise for his performance.

The Throne Speech is a broad statement of the potential that can build a solid foundation for future growth in Canada while at the same time strengthening our moral fabric and disadvantaged regions. Its proposals are a giant step forward down a necessary road that must be travelled.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I have been listening with interest to the Member's description of his own riding and the needs of the Atlantic provinces for industrial development. We all appreciate these needs. It is not only in Atlantic Canada that there are needs for investment to occur and for Government to do all it can to ensure that development will occur, but certainly Atlantic Canada is one such area. I am sure the Member shares with me the concern about how little his Government is going to do about those needs. The Atlantic Provinces Opportunity Council, as the Throne Speech suggests, seems, on the face of it, to be little more than an opportunity for people in the Maritimes to ensure that they are not passed over with regard to contracts and other possibilities which might exist within the federal Government. It does not sound like an elaborate effort to ensure that the development needs of Atlantic Canada are met.

I would like to add a second thought and a question to those observations. I was struck, too, by the Member's concern with regard to the Unemployment Insurance Commission and the Forget Commission Report which we are expecting shortly. He hopes that the Government will deal properly with the needs of military and other personnel who are forced to retire early and who expected, in the past, to be able to use unemployment insurance moneys as well as their pensions to make the very difficult transition to civilian life. I am sure he would have some very caustic observations about the hypocrisy which certain Ministers demonstrated in writing letters of protest to the Minister of Employment and Immigration (Mr. Bouchard) about this change while, at the same time, being part of a Cabinet which presumably authorized those changes in the unemployment insurance system which so cruelly cut off these servants of the Canadian people.

Mr. Howie: Mr. Speaker, I thank the Hon. Member for his comments and for the expression of his perception. His perception of a possible role of the Atlantic Canada Opportunities Agency is, of course, premature until the definition of the agency is known to us, its functions defined and its policies fleshed out.

I choose to be more optimistic. I see the agency as being a facilitator of providing an opportunity for input from the region into the policy-making function, assisting in the implementation and attempting to focus the attention of all Departments of the Government and, indeed, of all Governments, on the problem of regional disparities by advocating a development dimension for every Department of Government and focusing attention of all Departments of Government.

• (1720)

We have seen only too often in the past good national policies that inflicted adversely on the Atlantic region. For example, while tight money is sometimes needed in the national interest, it means in the maritime provinces that policies of restraint become policies of austerity. We are the first hit, the hardest hit, and the last to recover from them. I am hoping that this new voice will help us to adjust and adapt to these policies and be a better focus for the resources of the nation on the problem of regional disparity.

Until the Forget Report is known to us, I think the best role we can play is to attempt, as I have, to influence a positive and constructive decision so that when it comes it will be something that hopefully all parties can support for to the benefit of all Canadians, particularly those whom the Hon. Member has mentioned, those who retire early and are probably in very great need of it. I thank the Hon. Member for his intervention.

Mr. Vankoughnet: Mr. Speaker, first I want to congratulate the Hon. Member for York—Sunbury (Mr. Howie) on his very informative and constructive presentation. Does he believe that the Atlantic Canada Opportunities Agency proposed in the Throne Speech is consistent with the new incentive

suggested by him as a Member of Parliament from Atlantic Canada?

Mr. Howie: Mr. Speaker, I thank the Hon. Member for his question. I see the agency as a supplement to the existing provisions. In my speech I attempted to define what I think would be a good centre-piece for an effective regional development policy. Most certainly there are other components to it. I think that along with the system of grants and guaranteed loans, the Atlantic Canada Opportunities Program in the Department of Supply and Services, a measure of this nature would also form part of the policy. In my opinion, the heart of it would be the proposals I have already made to the House, and I see the agency as being a facilitator of working with people in the area to resolve their own problems and bring forward recommendations which can be input into policies. I see the agency as facilitating the delivery of those policies fairly, efficiently and far more effectively than has been the case in the past.

These are the things I would like to see the agency do, and I welcome the opportunity to express my views in this regard so that as it is being developed and fleshed out, hopefully some of my thoughts on this matter will be reflected in it.

Mr. Allmand: Mr. Speaker, I rise on a point of order. I want to refer to the point of order made this morning by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) when he brought to the attention of the Chair that in accordance to the rule, which is relatively new, that there is a ten-minute question and comment period after a speech, attention should first be given to questions by members of a Party other than that of the Member who gave a speech. This is a new session and I would ask the Chair to give particular attention to this. My colleague was about to ask a question and, while I have no objection to members of the same Party asking questions, because the same would apply to us and others, that was the intention of that particular rule.

Mr. Deputy Speaker: I agree entirely with what the Hon. Member has just said. He referred to the particular case where a member of the New Democratic Party and a member of the Conservative Party got up at the same time after the Member for York—Sunbury (Mr. Howie) completed his speech. I did not see the Member for Laurier (Mr. Berger) get up. He got up the second time. That is why that Hon. Member was recognized. Now I will recognize the Member for Laurier on a question or comment. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) is right.

Mr. Berger: Mr. Speaker, I noted with interest that Process Technologies is located in the Hon. Member's constituency. I hope to visit that company shortly because up to now I have only had the opportunity to talk on the telephone once with its President, who I believe is George Jenkins, a member of the National Research Council. Has the Hon. Member been speaking to Mr. Jenkins lately and could he tell us what Mr. Jenkins feels about the $60 million cut in the Industrial Research Assistance Program of the National Research Council? Could he state today whether he is willing to make representations, if he has not done so already, to members of Cabinet to have the funding restored to that very worthy program?

Mr. Howie: Mr. Speaker, I have not spoken to Mr. Jenkins lately and no, I do not have those representations. I will be going to the riding this weekend and I will call Mr. Jenkins and ask him his views and share them with the Hon. Member.

Mr. Mitges: Mr. Speaker, it is well known that my hon. colleague, the Member for York—Sunbury (Mr. Howie), has a very good track record and has done some very valuable work in the field of family violence. What does he believe is the ultimate answer, if he has one, for a solution to this very important social problem?

Mr. Howie: I thank my colleague for that very formidable question. I wish I had an answer to the question of family violence. I believe that we should search for the answer through research and should accelerate the research in that regard. While moving on that front, we should continue to develop an escape route for battered spouses and children. I am rather pleased to see the Government moving very well in that direction, with more transition houses coming on-line.

I am pleased to see the social agencies across Canada doing some excellent work in that field. I am pleased to see the police receiving instruction in this field and becoming more active in it and that secondary housing is being made available for people who find themselves in that very distressing situation.

Some research which has been done at the University of British Columbia leads me to believe that inter-family violence may be an attitude that is learned and therefore can be unlearned through therapy sessions. Some success has taken place in this field of research, and frankly I am very encouraged by it. I feel that ultimately we will discover that the answer is in the field of education, but I do not mean education in the traditional sense where we transmit facts, exclusive of the experience that creates them, to people in a classroom situation. I refer to a much broader concept of education in the home environment, in the play environment and in the school environment.

I suspect that a broad educational approach to it in the long run may provide us with an answer. I hope that answer is acceptable to the Hon. Member and helps explain my position on it.

Mr. Malone: Mr. Speaker, I rise on a point of order. First, is the period for questions and comments for the Hon. Member for York—Sunbury (Mr. Howie) over?

Mr. Deputy Speaker: Yes, it is.

Mr. Malone: I have two questions on which I seek direction from the Chair. Basically, I am wondering if the House would accept the view that when there are points of order such as

that raised by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), we allow the question period for the Member who has spoken to be completed before raising it?

I seek more specific guidance from the Chair with respect to the question asked by the Hon. Member for Laurier (Mr. Berger). He raised a subject about which I saw no mention in the Throne Speech nor heard any reference to in the speech by the Hon. Member for York—Sunbury. I do not believe that when a Member addresses the House of Commons he can be questioned on any subject. It is my understanding that the question is restricted to the subject matter in the Speech from the Throne or the Hon. Member's speech. I seek your clarification because I believe it is important as this House proceeds under the new rules that it be known to all Members.

• (1730)

Mr. Deputy Speaker: To answer the Hon. Member for Crowfoot (Mr. Malone), let me say that my understanding would be that a question asked during a question and comment period would have to relate to something in the Hon. Member's speech.

Mr. Malone: Thank you very much.

Mr. Deputy Speaker: Resuming debate.

Mr. David Berger (Laurier): Mr. Speaker, when I was preparing my remarks for this debate, I was looking for something suitably inspirational to say to start off with, given the new spirit which prevails in the House—

Mr. Allmand: Another Speech from the Throne.

Mr. Berger: That is exactly what I was going to say. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) stole my punch line. I did not read the Speech from the Throne, but I want you to know also, Mr. Speaker, that I did not read Keith Davey's book, either. I went back and looked at a book I read a number of years ago. It is an autobiography by the late Justice of the United States Supreme Court, William O. Douglas. Mr. Justice Douglas grew up in the State of Washington in a rather remote area. His father was a preacher, as I understand it, and he would go around to the outlying communities for Sunday morning services. The first time he turned up in a small community by the name of Dot, which I gather was appropriately named because there were hardly any inhabitants then and I gather today there are very few as well. The first time he showed up at church there was only one person in the audience. He waited a while and then he began the service with a hymn and a prayer. He then said to the lone parishioner: "What do you think? Should I continue or should I wait a week until the word of my arrival gets around?" The lone parishioner stood up and said: "Well, Rev. Douglas, I am only a cowboy, not a preacher, but if I had 40 horses to feed, a load of hay, but could only find one horse, I don't think I would let that horse go hungry". So Rev. Douglas proceeded to deliver a sermon which lasted over an hour.

Some Hon. Members: Oh, oh!

Mr. Berger: I can see some of the Hon. Members concur. After the speech on his way out, the Rev. asked the cowboy how it went and the cowboy said: "Well, Rev. Douglas, I am only a cowboy but if I had 40 horses and a load of hay, and I could only find one horse, I would not have given him the whole load". Well, Mr. Speaker, we got the whole load in the Speech from the Throne last week.

The challenge for Canada, as I see it, and for the Canadian economy, has always been to increase the manufacturing or processing of goods in Canada, to create jobs in Canada and to reduce the exports of unprocessed raw materials Canadians, going back a century, have always tried to diversify our economy. We face the same challenge today. Our resource sector is declining and there is an inevitable move away from resources. There are a number of reasons for this. First, developing countries have increased the supply of resources such as coal, pulpwood, copper, nickel and iron ore. Second, this new supply of resources from developing countries has coincided with the slowdown in global growth. Third, there has been increased competition from what are known as new industrial materials. Copper is being replaced by fibre optics, and steel is being replaced by plastics and light metals such aluminium. The average man on the street knows that tennis rackets today are made out of graphite. The Macdonald Commission published figures which demonstrated that between 1964 and 1984 Canadian exports of food, mainly wheat, and crude and fabricated materials, dropped from 84 per cent of Canada's exports to 56 per cent.

Recently, the chairman of the Department of Food Sciences of a university in Western Canada asked me: "By the year 2000, will Canada export any wheat?" He provided his own answer. He said: "I doubt it". I would refer Hon. Members to an article which appeared in *The Globe and Mail* on September 20 which asks a rather startling question: "Should Canada quit farming?" I am not from western Canada but we have a lot of agriculture in Quebec. I am from an urban area, but I am sure that Hon. Members from rural areas would admit that this is a rather provocative and startling question. The article begins by saying:

> Canada prides itself on being the bread-basket of the world, but the reality is something else.
>
> Rank Canadian farmers with their international brethren, and they fall into place well down the line. France grows more wheat than Canada, and the value of farm products from both California and Iowa is greater than that for all of Canada. Even China and India, using little more than hand labour and Iron Age tools, outclass Canada when it comes to growing wheat.

I do not think I have to remind Hon. Members that the Government last month offered farmers nearly $50 million to go out of business. Anyone who has followed the trade talks—although the talks are being conducted behind closed doors—I think would agree that if there is any conclusion that can be drawn from those talks to date it is that it is going to be tougher to export our national resources and agricultural products. We are seeing, with the dispute over the export of cedar shakes and shingles, that either through voluntary

restraint or through increased stumpage or increased duties, the United States wants us to reduce our exports of lumber products. The only solution for Canada, the only way to maintain the high standard of living we have been accustomed to, is to use our knowledge and skills to better develop new products than the competition. This does not mean to say that we abandon our resource of our agricultural sectors, nor our textiles and clothing. On the contrary. We can build on our strength in these areas to develop new products.

This is not just theory. I recently spent a week or 10 days visiting a number of firms which have participated in the National Research Council's Industrial Research Assistance Program, the program I referred to in my question to the Hon. Member for York—Sunbury (Mr. Howie). I visited a Toronto research company which has helped a number of firms in the agricultural and food industries use technology to develop new products for both domestic and international markets. For example, there is a company in the egg processing industry in Winnipeg which breaks one-half million eggs a day. It has developed a technology which removes water from the eggs and it exports powdered egg whites to Japan. The company also extracts an enzyme from the eggs which is also exported to Japan. That particular company is the largest producer of this enzyme in the world.

[*Translation*]

Mr. Speaker, I also visited some plants in Saint-Valérien and Drummondville where new equipment has been developed for the lumber industry, not to mention snow blowers to be used on highways and on airport runways. I visited a company in Quebec City which has improved on existing products and has developed new ones thanks again to that industrial research program. The company is building industrial washers for hospitals and restaurants. In Montreal, I visited a company which has developed a new product to test jet motors for the Pratt & Whitney Company, a minimum investment by the Government of some $70,000 which has allowed the company to make sales worth $1.5 million this year.

• (1740)

[*English*]

I trust that these few examples demonstrate that we can build on our strength to diversify our economy. However, what is the record of the Conservative Government in research and development? First, I suggest that one has to go back to the promises made prior to the last election campaign and during that election campaign. We all remember the Prime Minister's best selling book—among Conservatives—entitled *Where I Stand*. The Prime Minister wrote the following in 1983:

> The starting line for me is the technological dimension. Either we go into the game and become important players in this major league or we become a nation that will, during its entire lifetime, play in the Junior B circuit.
>
> Research and development, and the resulting innovations, are the lifeblood of a successful economy and country.

He also urged that Canada's research and development efforts be exempted from government restraint programs. Instead, he called for a doubling of research and development spending by both the public and private sectors.

Since the election, rather than increased spending on R and D, as promised, we have seen cuts in almost all areas of government scientific support. The Science Council had its $5 million budget cut by one-half. In 1984, the National Research Council had $70 million cut from its budget of $500 million. The granting councils which provide funds for university research and research training had their budgets frozen. In June, we learned that the National Research Council's Industrial Research Assistance Program, to which I have been referring, was cut by $60 million over five years. This represents close to 20 per cent of its budget. As a consequence of these cuts Canada's research and development effort fell in the first part of 1986, for the first time in 15 years, with the exception of 1983.

[*Translation*]

The scientific community is frustrated and disappointed. They had put so much hope in this Government. It is possible, Mr. Speaker, that those who support increased expenditures for research and development have failed to convince decision-makers that research is of the utmost importance for the economic future of the country. It is also possible, Mr. Speaker, that the average Canadian finds it difficult to see any relation between research and his own job. The same could be said of the Prime Minister. He does not see any relation between his election commitments and the preservation of his own job. Well, I will try today to explain that relation.

During my visits, I met with many businessmen and I will tell you now about some of their comments. I particularly remember a conversation with a businessman from Quebec City, a founding member of the *Groupement québecois d'entreprises*. This organization is made up of some 500 small- and medium-sized businesses whose turnover varies between $2.5 and $3 million and which have an average staff of 50 employees. During the last five years the group has made a substantial effort to increase its members' awareness of the importance of research and development.

I am told that initially, members of the group thought research was something for big companies. It was necessary to explain to members that for them, development was more likely to mean adapting existing technology to their products or their manufacturing processes.

I was also told, Mr. Speaker, that the typical entrepreneur is the guy who has a patent on his invention. It may not be perfect, it may not be high technology, but it is new, and the main thing is that it makes a profit. Often, however, the entrepreneur meets with obstacles. He has to deal with a problem in terms of product quality or the manufacturing process. For instance, he may have a welding problem, but the typical entrepreneur doesn't know about material resistance. He doesn't know about welding and he doesn't know how to solve his problem. He doesn't have the technical know-how.

Mr. Speaker, that is where the IRAP program comes in. The program makes it possible for entrepreneurs to consult experts, post-graduate students who come to the company to work on a specific problem for three or four months, to try and find the answer. Someone told me that IRAP is a small program that gives experts a chance to focus on a particular detail.

Mr. Speaker, the results are incredible. Companies that were not moving four or five years ago have developed new products which today are responsible for the majority of their sales. Often, experts or academics hired for this three-or four-month period have become research directors for the same companies. Today, they are leading a research team of four or five or more. That same Quebec businessman also said that IRAP and another program sponsored by the Government of Quebec have helped the entrepreneur to approach academics. At first, the entrepreneur thinks that the university is going to upset his business and he is afraid of the academic. It is necessary to overcome this mistrust and the entrepreneur must be encouraged to work on development. IRAP has often been successfully in doing so.

From the information I have seen, a number of companies would not be in existence today without research and the program sponsored by IRAP. Most new products did not exist four or five years ago.

Another point, all company directors I met were asked the following question: "Would you have done this research without the support of IRAP?" And the answer was unanimous: No. Why? Well, because these small businesses often lack the financial resources, and besides, the program gave them the kind of credibility that allowed them to seek financing elsewhere.

Mr. Speaker, it is against this background that we should evaluate the new promises made in the Speech from the Throne. I must say it is encouraging to see the priority given to research, on paper. However, encouragement on paper doesn't pay for research on the factory floor. That takes money. Holding consultations, creating committees is all very well, but it all leads to nothing tangible.

I would like to quote one of the conclusions of the National Conference on Technology held in Winnipeg earlier this year. Everyone at the conference agreed that the Government should spend more on research.

Mr. Speaker, the Government keeps telling us that the existing budget must not be exceeded. However, I suggest that the cut-backs should be made elsewhere and that research and development funds should be increased.

I recognize that certain decisions are hard to make, but such is the mandate that the Conservative Government has received from the Canadian people. I now say to the Government Members: If you are not ready to make the necessary difficult decisions today, we shall do so in your place in two years.

I shall close by saying that in view of all that I and the Conservative Government have learned about IRAP, in view of my own visits to these businesses and in view of the Nielsen and the Wright report which both praise this program, I ask the Government to show its good faith by reconsidering the decision to withdraw $60 million from the IRAP program. These funds should be reallocated or else the budget of this program, which is vital for the future of Canadian small businesses, should be increased.

• (1750)

[*English*]

Mr. Malone: First, Mr. Speaker, I want to take a moment to say to the Hon. Member for Laurier (Mr. Berger) that I always appreciate the work that he does in preparing for his speeches and particularly the tone in which he delivers them. I think it is healthy for all of us in the House to bear his example in mind.

I would like to remind the Hon. Member of something. He tells us that France is producing wheat at levels much in excess of that of the Canadian prairies. He should bear in mind that therein lies one of the major problems we have with Canadian agriculture today. One must keep in perspective the fact that 70 per cent of a French farmer's take-home pay comes directly from that nation's Treasury. It is not the agricultural efficiency that is at question, it is rather the competition between international treasuries that is the problem.

The truth is that there is no place in the world, with the exception of the places in the United States where corn is raised, where agriculture is produced as efficiently as it is on the Canadian Prairies. With that in mind, may I ask the Hon. Member if he might consider that perhaps the most important avenue the people of Canada can take is the use of whatever sources are available to stop the trade war between the European Economic Community and the United States? Clearly it is, at least in my view, the central and single most damaging thing to agriculture in Canada today. I would appreciate the Hon. Member's response.

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his comment and I agree with him. I do not have any doubt that Canadian farmers are among the most efficient in the world or are perhaps the most efficient in the world in the limited areas in which we can devote ourselves to agriculture. However, I think the Hon. Member will recognize along with me that it is only a small part of Canada's land that is amenable to agriculture.

Yes, we have to take initiatives in the area of trade, and yes, it is extremely important to try to put an end to this trade war. The only thing I have to say about that, though, is that trade wars and subsidies of Governments of various kinds will probably continue in one manner or another. They will always find a different manner to get around various established trade rules. However, if one looks again at the general trend over the course of the past 20 years, it has been that agricultural sales have accounted for and are accounting for a smaller part of our export sales. My argument is that we have to be one step

ahead of the game. We have to apply technology to our products in order to sell products about which other people have perhaps not thought yet.

I do not have to remind the Hon. Member that canola is one of the great success stories of Canadian agricultural research. If we could have a couple more success stories like that, then perhaps we would be able to withstand the trade wars, the bad weather and all of the other things that are sent to make our lives difficult.

Mr. Riis: Mr. Speaker, I have a short question to ask. The Hon. Member for Laurier (Mr. Berger) referred in his speech to a number of concerns that he had regarding the status of research and development through to production in Canada. I know that he spent a great deal of time researching this topic.

I wonder if the Hon. Member would comment on the statements made by the present Minister of State for Science and Technology (Mr. Oberle) on many occasions to the effect that in fact the Government has not cut in the areas of scientific research. There seems to be a contradiction here. The Minister says that there have been no cuts, and yet one continues to read in so many sources that there appear to be not only cuts but serious reductions in the support the present Government is giving to research and development, and particularly to R and D through to production.

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his question. He does not have to believe me. He can look at independent sources. If he were to read articles which have appeared recently in *The Financial Post* or the words of any number of commentators, he would see that there have been substantial cuts in federal support for research and development since the Government was elected. As I pointed out in my remarks, this runs contrary to the undertakings made by the Conservative Party and by the then Leader of the Conservative Party prior to the last election.

As I mentioned in my remarks, in 1983 the present Prime Minister (Mr. Mulroney) stated that if there was any area that should be exempt from restraint programs, it should be research and development. Indeed, the comment that I hear on my travels and while visiting companies is that when times are tough, one must invest in research.

The president of a company located in St. Valérien told me that in 1981 and 1982, at the height of the recession, he was investing in research and was developing new products. Because of that, his company is in good health today, but some of his competitors who did not have the same foresight and did not make the same kind of investments at that time have gone out of business.

Mrs. Finestone: Mr. Speaker, first I would like to congratulate my colleague on a very well thought out and excellent presentation. What does he feel the impact of these cuts in research and development will be on our youth and on jobs, jobs, jobs for the future?

Mr. Berger: Mr. Speaker, again I can give some graphic examples of young people with masters degrees and doctoral degrees who have found employment in the private sector in the past few years thanks to the Industrial Research and Assistance Program. Without that kind of funding, these kinds of people are basically high and dry and on their way to the United States.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENERGY—PRICE OF GASOLINE

Mr. Alan Redway (York East): Mr. Speaker, over the past summer I spent most of my time talking with my constituents. Of course I talked with them in my office, on their own doorsteps, and at various community meetings. As Your Honour can imagine, there was a variety of subjects which were concerning them over the course of the summer. I am sure you will not find it a surprise that they talked with me about the Post Office, the question of capital punishment, the Tamil refugees, and even about building penitentiaries in the riding of the Prime Minister (Mr. Mulroney).

Despite all those things, if there was one over-all recurring problem about which they spoke with me most, it was the whole question of gasoline prices. My constituents understand, as do all other Canadians, that the price of a barrel of oil has fallen very substantially over the past few months. Of course they understand that that is creating hardships for Canadians in the oil producing parts of the country. As well they understand that they probably must share some of the burden in order to help Canadians, who are suffering as a result, over the hurdle. They understand all that, but they do not understand, with the price of a barrel of oil falling and with the fact that other Canadians are out of work because of falling oil prices, why that is not reflected more in the price they pay for gasoline at the pumps.

Particularly they do not understand why there is such a difference between the price of gasoline in the United States and here in Canada. They do not understand why when they go to the United States they pay something like 69 cents American per gallon, or in Canadian terms 20 cents Canadian per litre, and when they return to Toronto they pay something like 36 cents Canadian per litre, or if they come here to Ottawa they pay more like 41 cents Canadian per litre.

I tried to explain to them that the difference probably was reflected mainly in taxes, taxes which provincial and federal Governments imposed in order to improve our lot in life and to improve our wonderful social security system which of course

Americans do not have. That very well may be the case, they say, but why is it that there is such a wide spread in prices between leaded and unleaded gasoline in Canada as opposed to the United States? They pointed out to me that in Canada the price spread between leaded and unleaded gasoline is something like three cents to four cents Canadian per litre, while in the United States it is something like two cents American per gallon or, in Canadian terms, one-half cent Canadian per litre. This means that the price spread is something like 5.5 times greater in Canada than it is in the United States, notwithstanding the fact that the Parliamentary Secretary is shaking his head.

At the same time they pointed out to me that in a recent article in *The Financial Post*, Imperial Oil or Esso indicated that it only costs one-half cent Canadian per litre more to produce unleaded gasoline than it does to produce leaded gasoline.

I answered them by saying that it was the taxes and the social security system which we have in Canada. They came right back at me and said: "Okay, but why is it that in West Germany unleaded gasoline costs two cents per litre less than leaded gasoline, even though it costs more to produce unleaded gasoline than it does to produce leaded gasoline?" The fact is, they say, that the taxes in West Germany make a heck of a lot more sense than the taxes on gasoline in this country. In fact this country is encouraging people to buy leaded gas instead of unleaded gas. Of course that is creating more acid rain and more pollution. I did not have a wonderful answer to that, so I came back to Ottawa and in our first Question Period I asked the Minister of Energy, Mines and Resources (Mr. Masse) that question. After I heard his answer, I was just as confused as my constituents.

• (1805)

I am here today to ask the Parliamentary Secretary whether he can give me a better explanation so that I will feel more at ease and my constituents will not feel that they are being ripped off.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to thank the Hon. Member for York East (Mr. Redway) who always represents his constituents very well here in the House of Commons. His concern for consumers is legend. I appreciate him drawing this matter to the attention of the House of Commons.

I think the Hon. Member will find that since there has been a dramatic drop in the price of a barrel of oil that the corresponding drop in the price of a litre of gasoline has corresponded to that drop. Also, this summer we experienced gas wars in our particular area of Ontario. These wars are going on in the West at the present and this has to do with marketing. Generally speaking, the price of a litre of gasoline has dropped from 52 cents a litre for regular leaded gasoline to 35 cents to 41 cents a litre for regular leaded gasoline, depending on the market.

First, I want to emphasize that the Government does not set gasoline prices. They are dictated by the market-place. We are seeing that in this country with the various markets and the competition that we have. I just mentioned the prices which vary from day to day and week to week. It is very confusing when the consumer sees prices going up and down. But that is the market-place at work. It is the same as your shirt, your suit or a tie being on sale. Competition is at work in the market-place. It is healthy and it helps the consumer.

Yes, there is a price differential in a litre of gas comparable to a litre of gas in the U.S. Forty per cent is made up of taxes and the other 60 per cent is market differential. There is no question about that and that explains the price differential.

With regard to the Member's question, namely the difference between leaded and unleaded gasoline prices, I am going to use figures for July because they are the latest average figures we have for both Canada and the United States on a comparable basis. The average price differential in July between leaded and unleaded gasoline was approximately 1.9 cents per litre higher in Canada than in the United States. At that time the average Canadian price of gasoline, in Canadian cents per litre so we do not have to do any conversions, was 41.5 cents for regular leaded—this is all Canada average—and 45.4 cents for regular unleaded, a 3.9 cent a litre differential. The corresponding prices in the United States were 29.8 cents and 31.8 cents a litre, a 2 cent a litre differential. Those are the facts, not the figures mentioned by the Member earlier.

• (1810)

It is interesting to note that the Canadian average is influenced by the higher unleaded gasoline volumes sold in Quebec where the leaded/unleaded differential is the largest in the country, which throws the average out quite a bit. Of the differential, four-tenths of 1 cent is accredited to taxes. The rest is the higher octane component which is more expensive to put into the gasoline. The Hon. Member mentioned a figure of one of the oil companies. I cannot substantiate that. Notwithstanding these products-costs differences, it is the market, not the Government, which ultimately sets the prices of both grades.

[*Translation*]

PHARMACEUTICAL PRODUCTS A) RECOMMENDATION OF THE EASTMAN COMMISSION—GOVERNMENT POSITION B) PRICE OF NEW DRUGS—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, if I take the floor this evening it is because the answer of the Minister of Consumer and Corporate Affairs (Mr. Andre) to my question concerning drug patents is vague, incomplete and open to interpretation.

When I raised the matter I wanted to know whether the Minister was considering the possibility of bringing his Bill in line with the recommendations contained in the Eastman Commission report.

The Minister said no. But, Mr. Speaker, the Minister is right to suggest that it was the Liberal Party which raised the possibility of amending the drug patents legislation. That is why we appointed the Eastman Commission. To us in the Liberal Party, the recommendations contained in the commission report seemed reasonable, and for several reasons. First, it was an independent inquiry and, as such, less subject to possible pressures from various interest groups. Second, the commission made recommendations which took into consideration the needs of all those involved in this industry, including consumers, innovating companies, generic companies, the scientific community as well as the provinces.

The Minister replied that he had considered the pros and cons of his solution. He came to the conclusion that the advantages of the proposition made last June are more numerous and significant than the existing advantage, which is control over declining drug prices.

So, Mr. Speaker, I find it necessary to go back in time and remind the Minister that price control is not the main purpose of the 1969 amendments. High drug prices in Canada before 1969 were nothing more than a symptom of an overly concentrated drug industry. This fact was amply demonstrated in three reports published before 1969. I will merely mention the report of the House of Commons Restrictrive Trade Practices Committee and the Harley report. Both reports dealt with the manufacturing and marketing of pharmaceuticals. They showed that the drug industry has made excessive profits and has imposed unreasonable costs to Canadian consumers.

What we have here is an industry which before 1969 had no hesitation making huge profits on the backs of Canadians. That industry asked the Government for changes, and those changes were studied by an independent committee. The latter recommended that steps be taken to maintain a balance between the various interests involved. Despite all those democratic efforts, the Minister has succeeded in giving all of the pie to the drug industry, claiming that the benefits of that policy are better than the recommendations of an independent committee.

As you will agree, Mr. Speaker, this is quite amazing.

The 1969 amendments were aimed at fostering greater competition in a monopolistic industry. There is every indication that we succeeded. We developed a situation where we have lower prices, greater choice in drug prices, and, above all, we set up the makings of a Canadian pharmaceutical industry, in the form of generic drug companies, without endangering the profitability of the general drug industry in the opinion of the Eastman Committee.

Today the Minister answered that the benefits of such drastic changes are better than the current situation, better than the Eastman report recommendations. The burden of proof rests on his shoulders. The Minister went further when addressing my second question. He would not say whether the prices of new drugs would be higher. He said: higher compared with what? Compared with prices paid now, Mr. Speaker. More specifically, compared with those paid between 1969 and 1986. The Minister seems to rely on the good will of innovative companies. Also he seems to believe that price increases are not likely. He went on saying that he would set up a review board for drug prices. Which means that the Minister expects increases in the prices of drugs; otherwise, he would not have felt necessary to set up a watch-dog organization to monitor prices.

For that matter, during the public hearing held by the Liberal Party on September 23 last, the Consumers' Association of Canada advised us of its experience with price control boards such as the one proposed by the Minister.

In its opinion, price control boards make it possible for corporations to get away with huge profits at the expense of consumers. It is nothing but a legal front to justify high prices. The Consumers' Association of Canada told us that these monitoring boards are outright failures and that it is not much encouraged by the prospect of a new one.

To conclude, I repeat that the burden of proof remains with the Minister. If he should persist in not addressing the issues we are raising in good faith, he will give rise to a great many suspicions concerning these initiatives. The Minister should and must demonstrate the so-called great benefits which Canada would have got from his proposal. He should demand from the companies a copy of all feasibility studies or, better still, any concrete plan which would cause us to say: Yes, the Bill makes sense. In fact, we would appreciate any study in this area by the innovating companies, the Minister of National Health and Welfare (Mr. Epp) and of course the Minister of Consumer and Corporate Affairs. You will understand that I am acting and speaking as an ordinary citizen when I ask you to show and explain the basis for your decision, Mr. Minister. The people are very wary of Governments these days. We must all do our share to try and improve this image. I hope the Minister is prepared to do his share, since otherwise, the Government's proposal will look like a conspiracy against the people of this country.

• (1815)

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, in response to the question raised, we will first be proposing measures to exploit the significant potential of the pharmaceutical sector, turning it into what we would consider to be a world-class, highly innovative industry characterized by strong growth in investment, employment, research and development and manufacturing activity. Second, and perhaps equally as important, we propose to ensure that Canadians will continue to benefit from reasonable drug prices.

These are our objectives. To reach them, the Government has built upon the recommendations of the Eastman Commission which concluded that our patent policy was in need of rebalancing in a manner that will provide strong incentives for new investment and growth in the industry while safeguarding

the interests of consumers. The prices of drugs already on the market will not be affected one bit by our policy proposals. It is also important to keep in mind that the benefit of generic drug competition will continue.

Remember that currently only 7 per cent of prescription drug sales are subject to generic competition. Canadians have no way of knowing if they are paying a fair price for the remaining 93 per cent of drugs on pharmacy shelves. The Drug Prices Review Board will have a mandate to review all prescription drug prices. The Board will be assessing drug prices in relation to factors such as the Consumer Price Index, the actual production costs of the drug and the price of similar drugs in other countries.

I would also like to draw Members' attention to a major provision of the proposed policy which requires a thorough review of this policy after a four-year period. If it is evident that the policy is not working or that the industry has not met its commitments, the Government will change the policy.

The innovative sector of the industry has made a firm commitment to increase its ratio of R and D to sales to a level of 8 per cent by 1990 and 10 per cent by 1995, which is double the existing level of less than 5 per cent. These undertakings translate into an additional investment in R and D activity of $1.4 billion over the next 10 years. In 1995, R and D outlays will exceed $600 million per year. Some 30 per cent of these expenditures will flow to Canadian universities, hospitals and research establishments.

In the process, we forecast that 3,000 scientific and research-related jobs will be directly created—opportunities that are badly needed for our university graduates. The manufacturing provisions are likely to generate additional new jobs in the chemical manufacturing sector. The added protection afforded pharmaceutical discoveries will not only foster growth in R and D, but should also translate into a greater volume of manufacturing and export activity in the Canadian drug industry. This, in turn, should have a highly beneficial impact on a closely-related field, medical research, where Canadians are at the leading edge, worldwide, in many specialties.

[*Translation*]

PENITENTIARIES—REASONS OF PRIME MINISTER FOR CHOOSING HIS OWN RIDING

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, first of all, I wish to congratulate you on your appointment as Deputy Speaker, and I am sure you will perform your duties with your customary distinction and style.

Mr. Speaker, today I put a question to the Prime Minister about the Conservative Government's decision to build a new penitentiary at Port-Cartier in the Prime Minister's riding. The Prime Minister tried to justify this decision by implying that the unemployment rate in his riding is very high.

Earlier today, Mr. Speaker, I gave some figures on the unemployment rate in many other ridings in the Province of Quebec and I asked the Prime Minister to explain to the House and to Quebecers why he did not build this penitentiary elsewhere if indeed the real reason was the high unemployment rate in his riding.

For instance, Mr. Speaker, in April 1985 when the Government decided to build the penitentiary in the Prime Minister's riding, the unemployment rate in Port-Cartier was 13 per cent. Much too high, of course, but then the unemployment rate was 22 per cent in Rimouski, 15.6 per cent in Chicoutimi, and 19.6 per cent in Gaspé.

Therefore, Mr. Speaker, it stands to reason that it was not because the unemployment rate was very high that the penitentiary was to be built in the riding of the Prime Minister. On the contrary, it was simply a gift made to the voters in the Prime Minister's riding. Well, Mr. Speaker, it was a gift which is costing a lot of money to Canadian taxpayers—at least $16 million more in capital expenditures and at least $3 million a year to operate the penitentiary. Not to mention, Mr. Speaker, the question of the remoteness of families and correctional service professionals from this penitentiary in Port-Cartier. This is why all agencies related to correctional services unanimously censure the Conservative Government for making this decision.

Mr. Speaker, it was not a coincidence that the penitentiary is to be located in the Prime Minister's riding, some 400 kilometres from the major urban centre of Quebec City.

• (1820)

[*English*]

I would note that the announcement of the prison at Port-Cartier was in fact made on June 18, which was over two weeks before Treasury Board approved this decision. That is no coincidence. As every Member of the House knows, the reality is that this was blatant political pork-barrelling by the Prime Minister (Mr. Mulroney) to look after his own riding. It is one thing if that does not cost any extra money, but as I pointed out, what the Prime Minister is doing is looking after his own constituents on the North Shore of Quebec at the very considerable expense of Canadian taxpayers.

Not only that, he is locating a prison in an isolated area of Quebec in which services are lacking and in which the possibility of family reunification—that important and fundamental link between the families and friends of prisoners—is totally lacking. That has been condemned as well.

The President of the Treasury Board (Mr. de Cotret)—

[*Translation*]

Mr. de Cotret implied that the decision had been made in February 1984. However, Mr. Speaker, the facts do not confirm this. In February 1984 a Liberal Government was in office and it had decided to build the penitentiary in Drummondville, not in Port-Cartier. Apparently, the President of the Treasury Board made a mistake to protect the Prime Minister.

[*English*]

But Canadians know better. Canadians are asking themselves if it is really necessary to build another maximum security prison in this country at all. Is it really a priority at this time to spend some $70 million to build a new maximum security prison? I suggest that it is rather obscene to have this battle between one region and another as to who is going to have the prison in their particular region. We do not construct prisons in this country as regional economic development projects. We build prisons if there is a demonstrated need and we build them where they are correctionally sound. This particular project falls down on both counts.

• (1825)

The Liberals did the same thing in building a prison in Renous, the Atlantic institution in the Province of New Brunswick. They said they were building it for economic development reasons and, of course, it was political patronage by the Liberals as well. It is time we placed a moratorium on the construction of new prisons in this country. It is certainly time that we re-examine the fundamental philosophy underlying the correctional system. We imprison too many people and in many cases sentences are too long. In this particular case, not only was the construction of the prison wrong, but the abuse of the Prime Minister's Office, for his own personal political gain at the expense of the taxpayers of Canada, is shocking and shameful.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, as the Hon. Member knows, and it has been stated in the House at various times over the past few days, this Government is committed to addressing the problem of regional disparity. Upon taking office in September, 1984, our Government ordered a freeze on major capital expenditures in order to determine which projects could best address the problem of regional disparity and to decide which projects should proceed.

The Correctional Services of Canada required additional beds for maximum and protective custody inmates. The Government decided rather than build another penitentiary beside Drummond in Drummondville, that in the interests of regional development another site in a regionally depressed area should be chosen.

As the Hon. Member knows, parts of northern Quebec suffer from very high rates of unemployment. The Government chose to locate the required facility in Port-Cartier due to its high level of unemployment and to stimulate the local economy. The Government offers no apology for assisting the region.

It is estimated that the institution will directly employ 223 persons and it is expected to create an additional 200 jobs in the area. Many of these new jobs will go to local people and plans are well under way to accommodate this. The Port-Cartier facility will meet the need as identified by the Correctional Services of Canada for protective custody in Quebec. The need was identified and the Government, in the interests of regional development, chose a site where a prison could be built to achieve both CSC's requirement and relieve regional disparity. Just because Canadians happen to live in a Prime Minister's constituency, does the Hon. Member believe they should not be given the same consideration as other people across Canada?

In summary, the reasons for building the institution in Port-Cartier, Quebec, are relatively straightforward. First, there was a need for a protective custody penitentiary in the Province of Quebec; second, as Port-Cartier suffered from a very high rate of unemployment, it was felt that the penitentiary should be built in Port-Cartier to address the problems of regional disparity.

The Government has absolutely no apology to make for the decision to use the construction of a major facility as a measure to relieve regional disparity. That is the reason the Government made the decision and that is why this Government stands firmly behind its decision and its policy to assist depressed areas of our country.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, October 8, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PUBLIC WORKS

DELAY IN SALE OF CANADIAN FORCES BASE FALCONBRIDGE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I call on the Minister of Public Works (Mr. McInnes) and the President of the Treasury Board (Mr. de Cotret) to break the bureaucratic log-jam concerning the sale of Canadian Forces Base Falconbridge. A submission to Treasury Board was made on July 18 concerning alternate uses for the Base. The submission has the full support of the Sudbury community, as well as Public Works Canada, the Department of National Defence and, I am told, the Prime Minister's Office. The only result achieved to date has been mounting frustration. Is this simply another indication of the Government's lack of commitment to regional development? I certainly hope not.

I ask the Minister of Public Works to meet on an urgent basis with the President of the Treasury Board to resolve this matter speedily which, I reiterate, has the complete backing of the Sudbury community, and which appears to be delayed solely by bureaucratic bungling.

* * *

• (1405)

ECCLESIASTICAL AFFAIRS

PRIMATE OF POLAND'S VISIT TO CANADA

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, we are honoured today by the arrival in Canada of his Eminence Cardinal Jozef Glemp, Primate of Poland, who begins a 10-day pastoral visit to this country. The Cardinal's home country of Poland has a population of some 35 million, over 90 per cent of which is Catholic.

His visit will be of inspiration to our many Polish-Canadian Catholics and provides a sharp contrast to the obstacles faced by over 2 million Poles presently living in the Soviet Union. In the hearts of those Poles the Cardinal enjoys a special affection. As Canadians we enjoy the freedom to worship. Catholics living in the U.S.S.R. must face harassment and even imprisonment should they dare to practise their beliefs openly.

I call upon my colleagues to join with me in welcoming the Cardinal to our shores and to wish him success in his efforts to provide Polish Catholics with inspiration and encouragement in the face of great adversity.

* * *

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF DISSIDENTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the release of Soviet dissident Yuri Orlov as an aftermath of the Daniloff affair has been welcomed as a step toward helping thousands who wish to emigrate from the Soviet Union. At the same time we are reminded of the extreme difficulties facing many of the other dissidents and the extraordinary measures that have been required to be taken by families and friends in the Soviet Union and support groups around the world, including Canada, to help them.

Many of Orlov's friends are still imprisoned in that country because they are members of persecuted Soviet human rights groups such as the Helsinki Accords Watch Committees. There are Russian, Ukrainian, and Armenian Watch Committees.

To give real meaning to the Helsinki Accords, I and other Members of this House call on the Government of the Soviet Union to respect the human rights of Yuri Orlov's friends, including Anatoly Marchenko, Antoly Kryagin, Josip Begin, Andrei Sakharov and many others by allowing them to leave the Soviet Union now.

* * *

ABORTION

STATISTICS CANADA—DECISION TO STOP KEEPING RECORDS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I have been informed that Statistics Canada will no longer be keeping a record of the number of abortions in Canada each year. Surely officials of Statistics Canada cannot be serious when they suggest this information is not relevant.

If this information was not relevant, why was it being kept? Even as I speak lawyers are arguing the abortion issue before the Supreme Court of Canada just down the street. Hundreds of thousands of Canadians on both sides of the abortion debate

make use of this information. Surely that is more Canadians than the group who want to know how many water taps there are in Canada.

It is difficult not to conclude that officials of StatsCan are revealing a bias against informed debate on the abortion issue. This decision must be reversed.

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[*Translation*]

PATENT ACT

GOVERNMENT POSITION—PHARMACEUTICALS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have every reason to believe that the Minister of Consumer and Corporate Affairs (Mr. Andre) is about to bury the drug patents legislation in an omnibus Bill which will include copyrights.

This strategy can have only one purpose, namely make Canadians swallow the Government's propositions on drug patents by diluting them in the urgent and essential reform of copyrights.

Mr. Speaker, it is unconceivable that the Minister would even consider equating the health of Canadians with the copyrights on a cookbook or a chainsaw.

It was a Liberal Government which, in 1969, made the drug industry more competitive by lowering drug prices, with the result that Canadians now pay less to remain healthy.

I hope the Minister will steer clear of an omnibus Bill designed to make Canadians swallow this pill.

I also hope the Minister will display enough courage to revise his legislation and bring it into line with the Eastman Commission recommendations. I can assure him that Canadian men and women will be ever grateful.

Stay healthy, Mr. Minister!

* * *

POLITICAL PARTIES

REASONS FOR FUND-RAISING CAMPAIGNS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, before September 4, 1984, the Liberal Government forgot to hand out one patronage favour— one that should have gone to Mrs. Campagnolo.

As reported in today's *Globe and Mail*, she is calling upon Liberal fund raisers to collect $75,000, an amount that would practically wipe out 30 to 40 per cent of the total tax savings those Liberals would be enjoying by making political contributions. How arrogant, how indecent!

This summer, the Liberal Party came up with a novelty of dubious taste by offering their donors to refund contributions on request, in the event donors were dissatisfied by December, 1986.

The most revealing survey is that the Liberal Party cannot even raise funds anymore. Canadian taxpayers will not pay for Mrs. Campagnolo's mortgage.

* * *

• (1410)

[*English*]

CORPORATE AFFAIRS

RIDLEY TERMINALS, B. C.—REQUEST FOR INVESTIGATION

Mr. Jim Fulton (Skeena): Mr. Speaker, I have turned over to the Auditor General and the Commercial Crime Squad of the RCMP details of the financial affairs of the Ridley Terminals at Prince Rupert and Federal Commerce and Navigation.

Today I call on the Government of Canada to assist in this matter by immediately referring all books and documents related to this matter to the Auditor General and the RCMP.

A deal struck by the Liberals and continued by the Conservatives stands to rip off the taxpayers of Canada and the project for close to $1 billion. The Deputy Prime Minister (Mr. Mazankowski) is aware of the scandal and should demonstrate the leadership for which he is known, by revealing all federal documentation and protecting the taxpayers and the Ridley operation from further abuse.

* * *

DISASTERS

STORM DAMAGE CAUSED BY GREAT LAKES HIGH WATER LEVELS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, high winds combined with high water levels on the Great Lakes Monday caused thousands of dollars of damage to a hotel in my constituency of Sarnia—Lambton. Forty-six rooms were awash with up to five inches of water. Strong northwest winds were up again yesterday, compounding the problem.

I am aware that the causes of the Great Lakes high water levels have been a natural phenomenon and I commend the actions of the Government in looking for possible solutions. The International Joint Commission is once again studying the possibility of implementing Plan 25N which could, over time, reduce water levels in Lake Erie. This would in turn reduce high water levels in Lake Huron. I urge the Government to ensure that the IJC study on 25N be completed as soon as possible. It is absolutely essential that all possible avenues be

explored, but we must move quickly on those which have already been studied. Immediate action and continued co-operation between Canada and the United States and the Province of Ontario could assist in the prevention of future disasters.

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FISHERIES

FISHERIES PRODUCTS INTERNATIONAL—POSSIBLE CONSEQUENCES OF SHARE OFFERING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Government of Canada is preparing to offer a $140 million share offering of Fishery Products International through a Toronto investment house. This is a share offering on a company that has received over $270 million in a public infusion of cash over the last number of years.

The people of Newfoundland, the workers in the fish plants and, indeed, the fishermen in the Province of Newfoundland, want to know why the Government is selling off this company at only 50 cents on the dollar. They want assurances that were given to be kept, that the jobs in the fish plants affected by this company will remain open despite the share offering. The Government of Canada should come clean before any sale is completed.

* * *

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC PARTY ON TIMBER STUMPAGE FEES

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, on Monday in the House the Hon. Member for Kamloops-Shuswap (Mr. Riis) took our Government and the Premier of British Columbia to task for publicly announcing that B. C. stumpage fees on timber might be too low. He said that these public musings hurt the Canadian position in the countervailing duty case.

It would be nice if the NDP got their act together on this issue. That same day in the House, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) said, as reported at page 82 of *Hansard*:

> Many of us in the New Democratic Party have said many times in the past year or more that Canada and the United States should conduct negotiations on the forest industry, including—whether or not stumpage fees need improvement.

As well, on September 9 in British Columbia, NDP provincial leader Bob Skelly said: "There's a lot wrong with B. C.'s stumpage system, and the review is a good idea". He went on to say: "There are serious problems with the stumpage". Clearly, as far as the NDP is concerned, it is all right to discuss stumpage fees publicly as long as you are not a Progressive Conservative Minister of Trade, or a Social Credit Premier.

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HUMAN RIGHTS

EL SALVADOR—INCARCERATION OF HUMAN RIGHTS LEADERS

Mr. Dan Heap (Spadina): Mr. Speaker, last year Canada restored financial aid to El Salvador on the grounds that President Napoleon Duarte would protect human rights. This year Duarte has proved Canada wrong. Four months ago Duarte's Government seized eight human rights leaders, tortured them, publicly accused them of belonging to the rebels, and to this day holds them incommunicado without charges, without court appearance, without means of defence.

Duarte's Government has also broadcast accusations that the Roman Catholic and Protestant churches give money to the rebels, an accusation which endangers the lives of church leaders. Canadians and Americans seeking to visit El Salvador, which is aided by our Government, to witness the massacre and bombing of civilian peasants and the selective terror against human rights leaders, have been harassed, sometimes jailed or even denied visas.

It is high time that Canada stop giving money to Duarte's regime and condemn the police and military terror of the Government of El Salvador.

* * *

• (1415)

APARTHEID

SOUTH AFRICA—CANADIAN ABSTENTION FROM ICAO VOTE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, on the one hand the Secretary of State for External Affairs (Mr. Clark) tells the House again and again that he is extremely concerned about the issue of apartheid. On the other hand, when Canada has a chance to take a stand, as was made possible yesterday with the International Civil Aviation Organization vote, again we abstained.

Not only did we abstain on the International Civil Aviation vote which would have cut off all air links with South Africa, but at the same time the Canadian Government, through Crown corporations like Canadian National, has aided and abetted the apartheid cause by accepting a South Africa delegation to an international science conference in British Columbia.

It seems to me if Canada is truly concerned about the issue of apartheid, it had better start putting its votes where its talk is and stop the rhetoric here in the House of Commons. It should make sure that Canada gets off the abstentions and

gets on the record on issues like air travel back and forth between Canada, the United States and South Africa. At the moment the answer from the Government is more rhetoric and no action.

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LABOUR RELATIONS

VANCOUVER PORT LOCK-OUT—EFFECT ON SASKATCHEWAN ECONOMY

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the lock-out announced yesterday of the longshoremen by the B.C. Maritime Employers' Association in the Port of Vancouver will have many devastating effects on the four western provinces. I am particularly concerned about grain farmers and potash producers in Saskatchewan. For example, the Saskatchewan potash industry will suffer immensely. There are seven Saskatchewan companies which mine potash, with sales through Vancouver totalling about three million tonnes per year.

Saskatchewan is a bulk supplier of grain and potash to world markets and should not be involved in this container dispute. Steps must be taken to regain the use of these facilities in Vancouver and Prince Rupert. I certainly commend the Minister of Labour (Mr. Cadieux) for his planned action taken in Thunder Bay and I hope similar action will be used here.

Longshoremen must come to terms with this dilemma and reinstitute operations in order to minimize the damage to western farmers and potash miners. This act of manipulation, the strangling of our resources, must come to an end. Yesterday would be none too soon.

ORAL QUESTION PERIOD

[*English*]

Mr. Speaker: The Right Hon. Leader of the Opposition.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am advised that the Prime Minister will be here at 2.30. I would like to wait.

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TRADE

THREAT OF UNITED STATES TAX ON CANADIAN EXPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question was to be directed to the Minister for International Trade but in her absence perhaps I can direct it to the Secretary of State for External Affairs. It concerns the decision which is being taken today by the House of Representatives and the Senate in the United States on a money Bill which will include a new customs tax on all imports which, if passed today, will add up to half a billion dollars of additional costs on for all Canadian exports going to the United States.

Why does the Government of Canada not make the strongest of all possible representations against the inclusion of that measure in this particular money Bill?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we did make the strongest representations possible to us. As the Hon. Member will know, there is in the United States now a climate not only of protectionism but of insularity which leads to measures of that kind in the economic sphere. We have done what we can. We believe it is a most regrettable move.

REQUEST FOR PRESIDENTIAL VETO

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I ask the Minister if he would not agree that this particular move by the U.S. Congress is a direct contradiction of the agreement which was arrived at the Quebec Summit between the Prime Minister and President Reagan, plus the contravention of many international trade rules. Under that circumstance, would the Government consider putting on notice that we will be requesting the President of the United States to veto that Bill if it is passed because it includes a major contravention of that agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not purport to instruct the President of the United States as to the exercise of his power of veto. However, we have made very clear our regret at this particular measure which is under consideration now in the U.S. Congress.

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[*Translation*]

RAILWAYS

INTENTION OF CN AND CP—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Transport. Is the Minister aware that Canadian National and Canadian Pacific intend to abandon half of their railway network in Canada and that CN wants to abandon about 1,650 kilometers of railway tracks in Quebec? Does the Government intend to turn down these applications which will deprive towns such as Sorel, Granby, Victoriaville and Val d'Or of all railway services?

• (1420)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am aware, as everyone in this House is aware, that

all of the railways in Canada wish to abandon the lines on which they claim they cannot make a profit and on which they incur only losses. So there is nothing new in the story that is in the newspaper today, absolutely nothing new.

The Hon. Member should know that the two railways, CN and CP, will have to observe the law of this country and that they can abandon no lines, whether they be branch lines or main lines, without applying to the Canadian Transport Commission and without passing certain public interest tests, as well as economic tests and others. Neither CN nor CP will receive any assistance from me or the Government in abandoning any lines except with the strictest proof that passes the strictest surveillance of the CTC. Of that Hon. Members can be assured.

Some Hon. Members: Hear, hear!

REQUEST THAT RAILWAYS' PROPOSALS BE MADE PUBLIC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the CN and the CP are talking about cutting one-half of their rail lines across the country. Does the Minister realize what the impact would be of a further abandonment of 50 per cent of the railway lines in western Canada? Will he ensure that the proposals of the railway companies are made public immediately so that they can be judged by the people of western Canada?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the stories today have not to do with western Canada, they have to do with eastern Canada. No matter what part of Canada, east, west, north or south, both CN and CP will observe the laws of the country. Under the provisions of the legislation, they will continue to accommodate all traffic offered to them. They can scheme and plot and have a wish list in their head offices, or in any office in the country, but we will see that they pay the strictest attention to the convenience and necessity of the Canadian public.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

ASSISTANCE FOR GRAIN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last Friday the Prime Minister seemed to announce a $1 billion assistance program for grain farmers as a result of a desperation phone call made by Premier Devine. I have been talking to a number of farmers who want to know how much of this money will go to the western region, how much will go to the eastern region and how much will go to Atlantic Canada. Will the money be a deficiency payment or will it be a repayable loan? Can the Minister make that clear?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is interesting to note that in talking to farm leaders and people who are knowledgeable of the conditions in Canadian agriculture today they do not possess the same confusion as expressed by the Hon. Member. We have been very clear with our intentions from the beginning. The Prime Minister announced a $1 billion federal program. Surely that means national in scope. He also indicated that it would be within the fiscal framework. The third important, clear message that was forthcoming from the Prime Minister was the fact that no existing agricultural program will be cut.

ALLOCATION OF ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, will the Minister answer my question? How much money is going to each region of the country? Will it be in the form of a straight deficiency payment or will it be a loan that has to be repaid by farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, naturally, it is premature for me to announce the details—

Some Hon. Members: Oh, oh!

Mr. Wise: The Hon. Member should know, if he has been watching the problems in Canadian agriculture, that the discussions on this very problem began when the Prime Minister placed agriculture on the agenda at the last federal-provincial Ministers meeting in November. Since that time I have met with my provincial counterparts on numerous occasions, the last being the regularly scheduled federal-provincial Agriculture Ministers conference in Victoria. Most of the time was spent on this specific problem.

Because of the Prime Minister's continuing interest, and concern about the well-being of the agricultural industry, he indicated in the Speech from the Throne and in his remarks in the House of Commons that he has challenged us, me as federal Minister and my provincial counterparts, to expedite the process. That is exactly what we are doing.

• (1425)

WESTERN GRAIN PRODUCERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Minister of Agriculture. The Minister has now made it clear that the $1 billion is to be spread to all areas across Canada. A number of western grain producers have been asking specifically how much of the $1 billion will be targeted specifically to the western prairie area.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, again I appreciate the Hon. Member's question. As the Prime Minister indicated yesterday, I have convened a meeting of Deputy Ministers for tomorrow. This Government has not

been acting unilaterally. We have been seeking the advice and co-operation of our provincial counterparts.

Tomorrow we will meet with the Deputy Ministers across Canada. We will ask them again to expedite their calculations and we will seek their advice on what, from their point of view, would be the best method of distribution, bearing in mind fairness and equity of distribution.

AMOUNT OF ASSISTANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, is the Minister prepared to guarantee, that as a result of the negotiations that will take place in the next number of days, the amount of money contributed by the federal Government will be adequate to meet the demands of western grain producers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, for the interest of all Members of the House let me indicate that, in keeping with our traditions and with the request of the Prime Minister, next week we will be convening a meeting of farm leaders. This will be the third or fouth meeting that we have had. We will be asking them from their commodity point of view what would be the best method of distribution bearing in mind fairness and equity.

All calculations have not yet been done. In fact, if the Hon. member could indicate to me, with 50 per cent of the harvest still out in Alberta and more of it still out in other provinces, that he could guarantee good weather for the next four weeks, then—

Mr. Speaker: Order, order.

* * *

INDIAN AFFAIRS

DEPARTMENTAL ADMINISTRATION—REQUEST FOR REFORM

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. This week's revelations about maladministration in the Manitoba region of the Department of Indian Affairs are not new. What steps does the Minister plan to take to deal with the pressing need for major administrative reform within his Department and the continuing pattern of broken promises made to the Indian people? The Minister knows well that an RCMP inquiry would not deal with matters of that kind.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I recognize the concern expressed by the Hon. Member. I want to assure him that starting with my predecessor, the special audit that was asked for by some southern Bands in Manitoba, the Departmental response to that audit which I am sure the Hon. Member has seen, and the steps outlined to deal with those specific allegations made by some of the Bands in Manitoba are appropriate steps.

The other thing the Hon. Member should know is that there was a public allegation that the RCMP should investigate. That allegation was made by a former employee of the Department. This morning I communicated with the Deputy Commissioner of the RCM Police and asked that he initiate an investigation into the Manitoba region.

REQUEST FOR INDEPENDENT INQUIRY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, on June 11 the former Minister said in the House that he would take steps to determine whether the problems in Manitoba exist in other regions across the country. We in the House all know that they probably do, but from the Government there has been only silence. Does the Minister not think that it is time now for a full and complete independent inquiry into all aspects of administration of the Department of Indian Affairs?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member knows full well that the administration of the Department has been under ongoing change and that there have been changes made in the administration within the Department in the last 18 months. The Hon. Member also knows full well as a member of the Standing Committee of the House that that Standing Committee is the master of its own fate. If it wishes to initiate that kind of action, I suggest that he and other committee members consider that.

* * *

• (1430)

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I should like to direct my question to the Prime Minister, if I may. In explaining his $1 billion promise to Premier Devine, the Prime Minister on four separate occasions on Monday referred to the commitment made to western farmers, as reported in *Hansard*. Yesterday the Minister of Agriculture said that that money was to be spread right across the farming community of the country. We all know that farmers everywhere are in trouble, but the commitment was made to prairie grain producers who believed that they were promised $1 billion. Will the Prime Minister hold to that promise or not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated that we would be working closely right from the beginning with Premier Devine and other provincial Governments to devise—and I think the words were—"an effective financial assistance program to enhance the cash flow of Canadian grain farmers".

PRIME MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will let *Hansard* speak for itself in Monday's edition. Western farmers are not going to be fooled, and they will hold the Prime Minister to account on this particular promise. Was the $1 billion promise made to Premier Devine, and was it not originally destined for western farmers within the vocabulary used by the Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend refers to *Hansard*. In *Hansard* for October 3, 1986, I say:

> I am pleased to announce today that we will be working closely over the next month with Premier Devine and other provincial Governments to devise an effective financial assistance program to enhance the cash flow of Canadian grain farmers.

That is what it is all about—to put money into the pockets of Canadian grain farmers.

Some Hon. Members: Hear, hear!

RECEIPT OF ASSISTANCE BY FARMERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will let the record on Friday and on Monday, as reported in *Hansard*, speak for itself. May I ask the Prime Minister a final supplementary question? In his speech on Friday he said that the money would be available within a month. Then he talked about weeks and days. Yesterday the Minister of Agriculture said that he doubted the money would be available to farmers before Christmas. When can the farmers expect to get their money?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me correct a misstatement by the Right Hon. Leader of the Opposition. I think he said that I indicated on Friday that money would be available within the next month. I do not think I said that. If you look at the same statement, I said:

> I am pleased to announce today that we will be working closely over the next month with Premier Devine ... to devise an effective financial assistance program to enhance the cash flow of Canadian grain farmers.

That is in train. There is a meeting scheduled for tomorrow, followed by one next week with agricultural producers. The object of the exercise is to help Canadian grain producers. I would think that my right hon. friend would stand up, for once, and say: "Bravo, you are doing a good job for farmers. We are going to support you".

Some Hon. Members: Hear, hear!

RESUMPTION OF GRAIN EXPORTS THROUGH WESTERN PORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It also concerns the unhappy situation of our grain producers. As the Prime Minister knows, there is a lock-out on the West Coast. In that particular circumstance the longshoremen have offered to co-operate and ship the grain. The Government has sent a cable asking management to co-operate and have that grain shipped. Could the Prime Minister tell the House whether management now has extended the hand of co-operation so that the grain will be shipped out of the West Coast?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because of the importance of this matter and the work we have been doing on it, I will defer to the Minister of Labour for a precise response.

Hon. Pierre H. Cadieux (Minister of Labour): Yes, we have had a response, Mr. Speaker. I guess the best way to put it would be to read the response. It is very short. It is addressed to me and reads:

> In response to your telex dated October 6, 1986—

And I understand there is a mistake; it should be October 7, 1986.

—we wish to advise as follows:

> In the national interest the B.C. Maritime Employers Association is prepared to resume and continue normal operations forthwith in all ports for a period of 30 days during which time it will be expected that the parties will address and attempt to resolve all issues in dispute.

Some Hon. Members: Hear, hear!

Mr. Cadieux: With your permission, Mr. Speaker, I should like to read the full message—

Some Hon. Members: Oh, oh!

An Hon. Member: Order!

Mr. Cadieux: Thank you. It continues:

> If, at the end of the 30 day period a collective agreement has not been concluded we would anticipate that the Government would take appropriate action to bring this dispute to a conclusion.

It is signed by Mr. Cunningham and Mr. Wilds who are the Chairman and the President of the Association.

ASSISTANCE FOR PRAIRIE GRAIN PRODUCERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a supplementary question. As I did publicly this morning, I congratulate the Minister on the initiative. We are hopeful that there will be a positive outcome.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Still dealing with grain farmers, I should like to go back to the Prime Minister on the question of the $1 billion assistance. Now that it has been confirmed that the $1 billion will go to a variety of producers across the country—

Mr. de Cotret: Grain producers.

Mr. Broadbent: —and that the grain producers in the Prairies had expected, in terms of meeting their needs, more than $1 billion, will the Prime Minister confirm that the grain producers on the Prairies are to get significantly less than the $1 billion which many of them were expecting?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is not the case, nor is it the case that was set out in the joint communique from the federal-provincial Agricultural Ministers conference on August 27, 1986, in which they spoke on behalf of grain producers in Canada. We have, in my statement on Friday in the House and subsequent thereto, been dealing with the problem of Canadian grain producers, which of course involves an awful lot of people on the Prairies, all of whom involved in this will be receiving help.

AMOUNT OF ASSISTANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I honestly think the Prime Minister misunderstood my question. I was asking him specifically about the amount which will be going to prairie grain producers. In light of what has come from the Minister of Agriculture today, that the $1 billion will be spread right across the country to grain producers, this will mean that the prairie element will get much less than the $1 billion it had anticipated because it will only get a share. Will the Prime Minister confirm that grain producers on the Prairies will get much less than the $1 biliion they were anticipating?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I cannot confirm that. The reason for the meetings beginning tomorrow with the provinces and the meetings scheduled next week with the leaders of the agricultural organizations is precisely to deal with these questions—to devise a fair plan to come to the assistance of those Canadian grain producers who need help. I think that is what the Government is trying to do. I know that is what all fair-minded provinces are trying to do, and I hope I can count on the support of the Leader of the NDP in our initiatives.

* * *

PENITENTIARIES

CONSTRUCTION OF PRISON IN MANICOUAGAN RIDING

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to my friend, the Right Hon. Prime Minister and—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —it concerns the prison in his riding. The Citizens National Advisory Committee of the Correctional Services of Canada has now joined dozens of other groups which have universally condemned the decision to build a $68 million prison in the Prime Minister's riding. In view of his promise to consult with Canadians, is he prepared to meet with this particular national organization, to listen to its views, and to justify his obscene decision?

• (1440)

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have advised this House on many occasions, the decision to move the prison was based on economic reasons. We want to alleviate economic disparity. Frankly, I am surprised that the Hon. Member takes that position when the former Solicitor General approved of moving prisons to alleviate economic disparity.

AWARDING OF CONSTRUCTION CONTRACT

Mr. John Nunziata (York South—Weston): Mr. Speaker, there comes a time when the stonewalling has to stop. We need some answers on this issue.

Will the Minister of Public Works confirm that 12 bids were received for the construction of the main building and that the contract was awarded to the company *Les Enterprise de Bon Conseil*, and will he advise whether or not that company was the lowest bidder?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, this is the kind of question of which I would have thought the Hon. Member would give me notice. I deal with hundreds, indeed thousands of contracts every year. I will be glad to respond to the Hon. Member in the ordinary way.

* * *

TRADE

SOFTWOOD LUMBER EXPORTS—TAX INQUIRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. This Parliament and your Government are on record that we are not subsidizing softwood lumber exports to the U.S. Would you explain why the Minister of Finance—

Mr. Speaker: Order, please. All Hon. Members know that the appropriate way to put a question is through the Chair. I know the Hon. Member will want to do that.

Mr. Fulton: Mr. Speaker, you can be sure of that.

Will the Prime Minister explain why the Minister of Finance drafted a softwood lumber export tax and what its terms of application are going to be?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can only assume that the Hon. Member is dreaming.

USE OF POSSIBLE TAX REVENUE

Mr. Jim Fulton (Skeena): Mr. Speaker, we know the Secretary of State for External Affairs has been dreaming for some time about softwood lumber, but I would like to put my supplementary to the Prime Minister.

Since there is going to be a ruling by the U.S. international trade organization on Friday regarding a softwood lumber countervailing duty, will the Prime Minister assure this House that, should the export tax be put in place, those dollars will be returned to the forest sector for job retraining, market diversification, and reforestation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is speaking of a tax which he has invented, and he is now asking us to comment on its implementation. We do not propose to implement his inventions.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PENITENTIARIES

ESTABLISHMENT OF NEW PENITENTIARY—CHOICE OF MANICOUAGAN

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is also directed to the Prime Minister, and I hope he is not going to hide behind the Solicitor General's screen. Mr. Speaker, my question is as follows: the National Advisory Committee of Correctional Services of Canada has just unanimously condemned the Prime Minister's decision to move the penitentiary to his riding. The Council of Bishops is asking him to reconsider. A number of national organizations are saying he should abandon this crazy scheme. My question to the Prime Minister is: Would it take a recommendation from the Pope to stop this scheme?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I regret to advise that I was unable to hear the last part of the question. I am sorry.

[*Translation*]

REQUEST THAT GOVERNMENT RENOUNCE ITS DECISION

Hon. Jean Lapierre (Shefford): Mr. Speaker, not only did he not hear the last part of my question, he has not answered any of our questions since the beginning of the week. This is what I want to ask the Solicitor General, since the National Advisory Committee of Correctional Services of Canada is recommending against building the penitentiary at Port-Cartier. He knows that a dozen national organizations have asked him to keep the Prime Minister from carrying out this scheme. What I want to ask the Solicitor General is: What will it take for him to stop this scheme?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have explained to this House on many, many occasions, the move was made for good and valid economic reasons. When a move is made for good and valid economic reasons, as espoused by the former Government of which he was a Member, I can see no reason why we should change our decision at this time.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEWFOUNDLAND MINISTER OF FISHERIES

Mr. Speaker: I wish to draw the attention of Members to the presence in our gallery of the Hon. Tom Rideout, Minister of Fisheries of Newfoundland.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PENITENTIARIES

POSITION OF GOVERNMENT

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker. I want to ask the Solicitor General why he seems to think only he and the Prime Minister are right on this matter, although nobody else in Canada seems to agree. If he has any support, could he perhaps inform the House where that support is coming from?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have said on many occasions, it was a government decision. That implies the support of this Cabinet and members of this Government. In addition to that, I can assure the Hon. Member that, if he does not feel that way, we certainly have the support of the people in Port-Cartier who are very pleased to receive the employment which will result from this prison.

* * *

[*Translation*]

RAILWAYS

STOPPAGE OF TRAFFIC

Mr. Guy St. Julien (Abitibi): Mr. Speaker, my question is for the Minister of State for Transport. On October 2, 1986, Mr. J. Léo Richer of the Canadian National in Quebec sent a memorandum to Chapais and Senneterre saying the following: "All maintenance of the Chapais subdivision between Miles 72 and 172 will stop as of the first day of 1987 . . . consequently,

no traffic must take this route". My question is as follows, Mr. Speaker.

Is it possible that, in 1986, the Canadian National is telling its employees not to work and that there will be no traffic in Abitibi between Senneterre and Chapais in 1987? I ask for an immediate investigation on this confidential memorandum from Mr. Richer.

Hon. André Bissonnette (Minister of State (Transport): Mr. Speaker, I noted the particulars of this memorandum earlier. Obviously, certain questions will have to be asked. As indicated by the Minister of Transport a while ago, the CN must follow the rules just like any other railway company, and if it wants to abandon a line, it must make an application to the Canadian Transport Commission and obey the law. This will be done in the case of Chapais.

* * *

[*English*]

INDIAN AFFAIRS

FUNDING OF PROGRAMS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In light of the Auditor's investigation which substantiated the allegations of departmental mismanagement, and documents released yesterday documenting short payment of signed contribution agreements, will the Minister confirm that the no cut-back commitments made by his predecessor and the Prime Minister have been broken, despite the best efforts of his officials to deny this?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would have expected more from my hon. colleague with his knowledge of the Department of Indian Affairs. I can confirm to him that the increase in expenditures last year was over 6 per cent. The increase this year, after I have authority from Parliament, will be well over 7 per cent through supplements. Therefore, I hope the Hon. Member understands that both the commitment of the Prime Minister and my predecessor that there would not be any cuts has been more than maintained. There have been increases. In the last 10 years there has been a 322 per cent increase in expenditures on programs for Indian people.

BAND FUNDING INQUIRY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the question was specific, the answer of course totally general. Therefore I would like to ask the Minister how he views the retention of funding from the Swan River Band, the Roseau River Band and the Keeseekoowenin Band? If not cut-backs, what are they?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I can only reconfirm to the Hon. Member that I know of no signed contracts or signed commitments which have been breached. None have been brought to my attention. With his knowledge of the Department of Indian Affairs, the Hon. Member knows there are needs far greater than the ability of any Government to fill. There are needs not only in Indian Affairs, there are needs in Health and Welfare, Transport, and every other Department of this Government. We could all spend more money. However, I can assure the Hon. Member, as the Prime Minister and my predecessor have. As an example, in Manitoba last year the bureaucratic payroll was reduced by $1 but the Supplementary Estimates increased by $8 for programs for Indian people.

* * *

• (1450)

APARTHEID

PRESENCE OF SOUTH AFRICAN OFFICIAL DELEGATION AT CANADIAN RAILWAY CONFERENCE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and is with regard to the sanctions imposed against South Africa. Could the Secretary of State explain why there is an official delegation from South Africa in Vancouver at the present time and, second, why Canada abstained from voting for a resolution of ICAO banning air links to South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): I certainly can, Mr. Speaker, and I will be as brief as possible. There is a meeting called a Heavy Haul Railway Conference. Planning for it began three years ago as part of Expo 86. South Africa is a participant in that conference as were CN and Transport Canada. The decision came to me as to whether CN should withdraw. The withdrawal of CN would have meant the cancellation of that conference which was an integral part of Expo 86. I decided that CN should not withdraw but that Transport Canada should. Transport Canada has withdrawn. CN and Transport Canada have both indicated that neither will take part in the successor conference in Swaziland next year unless there is a change in the policies of South Africa.

With regard to ICAO, the House will be very well acquainted with the policy of the Government of Canada not to allow politicization to interfere with the work of specialized agencies of the United Nations. That is the approach that we have taken in supporting and seeking to reform UNESCO. The resolution of ICAO was, in effect, an attempt to politicize that specialized agency. Canada decided to abstain in light of our respect for the integrity of specialized agencies. We have

already acted to ban air links to South Africa. We believe that our example speaks to the world.

MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, that is the very point. The Government has acted to ban air links to South Africa and this abstention sends a message to the world that in fact Canada is not supporting a banning of air links to South Africa. I think that should be clarified by an official statement from his Department.

Second, with respect to the presence of the South African delegation, do I take it that the Secretary of State for External Affairs agrees that this is in breach of the Commonwealth Accord signed by the Prime Minister at Nassau?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will answer the second question first. This conference was convened and organized before the Nassau Declaration. The withdrawal of CN would have cancelled the conference. I acknowledge that it could be argued that this is technically a breach of the Nassau conference. That is a consideration which I took into account when I judged whether it was in the interests of Canada to cause that conference to be cancelled. I took the other decision that it was better to act as we had acted and to make it clear that, unless there was a change in South African policy, there would be no participation in the conference in Swaziland.

With regard to the position of Canada in the face of the policy of apartheid, we have just been joined in the House by the Hon. President of the Congo, the President of the Organization of African Unity, who spoke today for the continent of Africa and expressed the appreciation of that continent and those people for the leadership that has been given against apartheid by the Government of Canada.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE PRESIDENT OF CONGO

Mr. Speaker: Order, please. I would like to draw the attention of the House to the presence in our gallery today of his Excellency Comrade Denis Sassou-Nguesso, President of the People's Republic of the Congo and current President of the Organization of African Unity.

Some Hon. Members: Hear, hear!

[*English*]

ABORTION

STATISTICS CANADA—DECISION TO STOP KEEPING RECORDS

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, my question is for the Minister of National Health and Welfare. Statistics Canada has declared that it will cease compiling and publishing statistics on therapeutic abortions in Canada, which would make it impossible to monitor the number of abortions committed each year. What action does the Minister contemplate to offset this decision by Statistics Canada which serves no other purpose than further to deliberately ignore the continuing problem of abortion in Canada?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, this program did not give an accurate and valid representation of therapeutic abortions in Canada. This is why my predecessor decided that it should be suspended.

I am now re-evaluating this program with my colleague, the Minister of National Health and Welfare. Naturally, as a woman and as a member of a Government concerned with social issues, I shall make the decisions necessary to provide the services we wish to make available to the public.

* * *

[*English*]

APARTHEID

PRESENCE OF SOUTH AFRICAN REPRESENTATIVES AT CANADIAN CONFERENCE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister. The Secretary of State for External Affairs has now admitted that there was at least a technical breach of the Nassau Accord signed by the Prime Minister. Does the Prime Minister not recognize that the presence of the South African corporation representing the racist and murderous Government of South Africa is not just a breach of the Nassau Accord but is an affront to all Canadians who want to voice their outrage at the system of apartheid? Will the Prime Minister not tell this company to stay home and ask CN not to participate in this conference?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe that question has been answered. I have indicated that it is a technical breach. I regret that happened. The choice that had to be faced was whether we would cause the cancellation of the conference which was an integral part of Expo 86, an activity of very real significance to British Columbia and Canada. I took the decision. I think there will be few in this House, few in the country, or few in the international community who will doubt my commitment or the commitment of the Government to the fight against apartheid.

Some Hon. Members: Hear, hear!

Mr. Robinson: Mr. Speaker, that decision makes a mockery of the Prime Minister's signature on the Nassau Accord.

[*Translation*]

REASON FOR CANADA NOT JOINING WITH OTHER MEMBERS OF ICAO IN THE DENOUNCEMENT OF AIR LINKS WITH SOUTH AFRICA

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is also directed to the Prime Minister.

Yesterday before the ICAO assembly Canada missed an opportunity to issue a message denouncing international air links with South Africa.

Mr. Speaker, why did Canada fail to join with the Congo and other AUO member countries and support this resolution which is essential if the South African Government is to get the message loud and clear?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have just answered this question and, like the Hon. Member from British Columbia, I too strongly support bilingualism. Still I hardly think it is necessary to repeat questions and answers in both official languages.

I also have a lot of respect for the United Nations system and the Hon. Member knows as well as I do how imperative it is that we protect United Nations institutions against the impact of politicization. This is precisely what Canada is doing by trying to reform UNESCO. For this reason, yesterday in Montreal we decided to maintain Canada's position concerning the South African airlines and thus demonstrate this country's respect for United Nations institutions.

* * *

SHIPYARDS

POSSIBILITY OF KEEPING OPEN THE THREE NAVAL SECTIONS OF SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): The Minister of Regional Industrial Expansion being absent, Mr. Speaker, my question is directed to the Prime Minister. It deals with the crisis in the Quebec shipyards.

The Prime Minister will certainly recall that his Government had given Mr. Peter Paul Saunders a mandate to rationalize the shipbuilding industry. The Minister of Regional Industrial Expansion has indicated that he would have to reduce by half the number of shipyards in Canada. We learned yesterday that Marine Industries was to buy shipyards in Quebec City and Montreal.

Mr. Speaker, could the Prime Minister assure these concerned workers today that the naval sections of these three shipyards will remain open and that these people will be protected?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we can indeed confirm that there has been an agreement in principle between Marine Industries and Versatile concerning the acquisition of shipyards in the Province of Quebec. This agreement has been reached. The Government will do everything it can through its current programs to encourage the acquisitions of these facilities.

The Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) is going on a fishing expedition, even if I am convinced that he is anxious to see that happen. This Government will work together with the Province of Quebec and the private industry in the interests of Quebecers to restructure the Quebec shipbuilding industry.

STEPS TO BE TAKEN TO KEEP THREE SECTIONS OF THE NAVAL INDUSTRY IN QUEBEC OPEN

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): If he thought he was going to scare a Quebecer, Mr. Speaker, let me tell you that he would not even frighten a toothpick.

What these workers and I want to know, is whether the Minister can promise now that the three sections in the Quebec shipbuilding industry will remain open. Yes or no? That is what we want to know. No Brian-like fuss, please!

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I can assure the House that the Canadian Government will do everything in its power to help the private industry and the Quebec Government restructure the Quebec shipbuilding industry.

• (1500)

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF FOURTH REPORT OF CANADA-EUROPE PARLIAMENTARY ASSOCIATION

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House in both official languages the fourth report of the Canadian Section of the Canada-Europe Parliamentary Association.

* * *

BLUE WATER BRIDGE AUTHORITY ACT

MEASURE TO AMEND

Mr. Ken James (Sarnia—Lambton) moved for leave to introduce Bill C-210, an Act to amend the Blue Water Bridge Authority Act.

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

Some Hon. Members: Agreed.

Mr. James: Mr. Speaker, I am introducing the first reading of a Private Members' Bill which would serve to exclude any personal liability of the members of the Blue Water Bridge Authority in the event of a tragedy caused by an act of terrorism or by the wilfull wrongdoing of any person. The Blue Water Bridge is a jointly-owned international bridge which links Sarnia, Ontario and Port Huron, Michigan. The Commissioners of the Blue Water Bridge Authority are hard working and dedicated individuals who give unselfishly of their time. This serious concern with respect to their personal liability, in circumstances beyond their control, is one which I fear could, in time, serve to lower the calibre of our commissioners. The amendment reads as follows—

Mr. Speaker: Order, please.

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

* * *

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Mr. Dave Nickerson (Western Arctic) moved for leave to introduce Bill C-211, an Act to amend the Freshwater Fish Marketing Act.

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

Some Hon. Members: Agreed.

Mr. Nickerson: Mr. Speaker, the purpose of this Bill is to revoke the monopoly of the Freshwater Fish Marketing Corporation, thereby restoring to Canadians the freedom to engage in the trading of fish and to allow fishermen the opportunity to get maximum returns for their effort.

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

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-212, an Act to amend the Canadian Human Rights Act (sexual orientation).

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

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to implement the repeated recommendations of the Canadian Human Rights Commission and the unanimous all-Party parliamentary committee on equality rights to prohibit discrimination within federal jurisdiction on the basis of sexual orientation. At the present time, gays and lesbians are not protected from such discrimination.

Mr. Speaker: Order, please. As Hon. Members know, a brief explanation is appropriate. I think it ought not go beyond that.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-213, an Act to amend the Criminal Code (gun control).

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

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, I am pleased to have an opportunity to reintroduce this Bill, which I have previously had before the House. I am sure it is the kind of Bill you would like to support, Mr. Speaker. We heard a great deal from the Government when it was in opposition—

Mr. Speaker: Order. What the Speaker would like to support does not matter. Would the Hon. Member be very short.

Mr. Fulton: Yes, Mr. Speaker. It is a good Bill and the kind of thing we need in rural Canada.

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

* * *

NUCLEAR WEAPONS FREE ZONE ACT

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-214, an Act to declare Canada a nuclear weapons free zone.

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

Some Hon. Members: Agreed.

Mr. Fulton: I believe the Bill is rather self-explanatory. This is something that Canadians from coast to coast are very interested in seeing and one of the real things that this Parliament could do in helping to bring about a more peaceful planet.

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

* * *

NUCLEAR LIABILITY ACT

MEASURE TO AMEND

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-215, an Act to amend the Nuclear Liability Act (limitation).

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

Some Hon. Members: Agreed.

Mr. Fulton: Mr. Speaker, the intention of this Bill is to increase the period of time within which suits and other actions can be brought by Canadians in relation to any kind of nuclear accident or medical problem that could result from exposure to any kind of nuclear materials. I think it is something that the House would like to pass.

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

• (1510)

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, October 7, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and of the amendment of Mr. Turner (Vancouver Quadra) (p.44)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, we are living in very exciting times, times of critical significance to the future of Canada. These are times of unprecedented change pressed relentlessly upon us by the advancement of science and the application of technology. These are also times of unprecedented opportunity for our country, for all Canadians. But, like most opportunities, these times are accompanied by risk and challenge.

I cannot begin to tell you, Mr. Speaker, how proud I am today to rise in this Chamber and speak in support of a Speech from the Throne which, for the first time in our country's history, has placed science and technology in such a prominent place of Government operations and in the political agenda.

Some say that we are at the dawning of a new age. Certainly, I can assure you, Sir, an entirely new economic order is in the making. The new order means changing roles for the private sector, for scientists and for our citizens. It means changes for the federal Government.

In the new international order, science and technology are interacting with the nation's economy, with international trade, within our workplace and our homes, in new and profound ways. This interaction is causing changes which we take for granted as they appear day by day but which, over the next 25 to 30 years, will accumulate to produce changes in our socio-economic condition as profound as those we have experienced over the last 200 years of the so-called Industrial Revolution.

Let us be under no illusions. Canada has no place guaranteed in this new order, no seat reserved. We will improve employment prospects in Canada. We will improve our standard of living and the prestige we have earned throughout the world only if we work hard, make the right choices at each crossroad, adopt new attitudes and work together in a united effort. Canadians are coming to understand that our ability to use research and development effectively, without delay, has a determining impact on the number of jobs open to us, on Canada's access to international markets, and on the competitiveness of Canadian industries and Canadian products. We can see new possibilities open to us in realizing national goals with the use of science and technology to protect and conserve our environment, to develop a new workplace in which men and women can play equal and important roles, to bridge distances, something which has always been so important to us, and to unite our vast and diverse land.

In the first part of our mandate, the Government has set the nation on a new course. In following that course, in regard to science and technology, we are forging new partnerships with the provinces, with the scientific and engineering community, with business and with labour. The new course joins all sectors in seeking high standards of excellence in education, technology, development and industrial innovation. The new course seeks to mobilize our combined energies toward achieving a new national purpose. We have taken that course, not as a convenient strategy and not even because it happens to coincide with our political philosophy, but because it is a clear necessity and most urgent.

The task which confronts Canada in restructuring our economy, rethinking our attitudes and refitting our industries is so immense that no single sector, not even the federal Government with all the powerful instruments at its disposal, can do it alone. It requires the thoughtful action of us all, first-grade teachers, farmers, fishermen, executives, loggers and high school students. That is why it was essential for us to have taken the time to reach a consensus, to survey and to assemble our nation-wide energies.

Both my predecessor and I have set a grueling pace for ourselves to meet with Canadians in all parts of our country. There have been several meetings with federal-provincial Ministers with respect to science and technology since our election two years ago. Earlier this year I held a series of round-table meetings with industrial leaders, union leaders and scientists across Canada. Last June in Winnipeg my provincial counterpart and I invited hundreds of leaders from labour, industry, universities and concerned organizations to a National Forum on Science and Technology. We asked the Science Council of Canada to chair this forum. Our dialogue moved us forward to our objective of achieving a new national consensus on policies for science.

Those who attended now realize that they have been heard by the Prime Minister (Mr. Mulroney) and Government because they see their recommendations reflected in the Speech from the Throne. They will recognize their suggestions in our plans for the months ahead. The consensus they have formed is forcefully expressed; it is urgent that all Canadian sectors take co-ordinated action without delay, that the federal Government is called upon to exercise decisive leadership, to unite every sector of our society so that Canada's full potential can be released.

The provincial and federal Governments must work together to forge a co-ordinated national policy. Science and technology must move to the centre of Government decision-making.

The consensus which has emerged also identified four critical issues which must be immediately addressed. The first has to do with creating a culture in Canada which appreciates and instils pride and celebrates Canada's scientists and innovators; which promotes a strong awareness of the importance to Canada today, and in the decades ahead, of astute application of science and technology; which utilizes the talents of Canadian women in science careers so that Canadian schoolgirls will know they too can succeed in technological careers and that their country needs their help in a technological age.

There is consensus that co-operative actions are needed to develop and mobilize Canada's greatest natural resource, our peoples' intellectual abilities and especially our scientific and engineering talent. We must expand the capacity of our universities to respond to new demands for basic research, and the training of researchers for exploration of new disciplines and the development of new skills.

There is a national consensus that we must urgently develop and use new strategic or, as they are now being called, "enabling" technologies which underpin our industrial capabilities. Canada, like all industrial countries, is undergoing a major transition from the technogies which have served us so well this far, technology we have had in place following the Second World War, to a new array of technologies which will be the basis for the creation of future growth and wealth; such as microelectronics, advanced information processing, advanced industrial materials and biotechnology, to name just a few. These technologies are the basis, and perhaps the cause, of the technological revolution. Our abilities with respect to these technologies will determine our economic fate.

Lastly, there was consensus that Governments should use the full scope of their instruments to advance research and development. Our regulatory framework, our tax laws and the incentives within them, our patent laws and similar instruments need to be re-examined to see how they can be targeted to encourage innovation and all aspects of scientific and technological activity. Engaging in dialogue and consultation and reaching consensus is an important prerequisite to taking important action. But talking and listening alone is no substitute for such action.

• (1520)

We have not hesitated to move ahead swiftly and decisively in areas involving federal jurisdiction. I would like to review some of the things that we have done. A number of science agreements were signed with the provinces to enhance industrial competitiveness and to use technology to reduce regional disparities. We moved ahead on a new funding policy which will provide resources to the granting councils in a predictable and consistent manner. We are also providing additional funds through these granting councils to help us forge linkages between universities and the private sector through a matching arrangement which will deliver $1 billion of new funds for research and development over a five-year period.

I say this with confidence because early indications show that this move, coupled with the tax incentives that are associated with it, will unleash an enthusiastic response. I am confident that the goal will be met and, indeed, that it will be exceeded, and that we will bring together our full potential to train highly-qualified personnel while at the same focusing on research in those areas which pose the greatest challenge and the greatest opportunity for Canada's future.

In May of this year a new comprehensive space plan was announced. An extensive internal review is reaching completion on the entire federal science and technology framework so that all federal resources dedicated to science can be focused on new national priorities in a consistent manner. This is the first time that such an inventory has been put together. I anticipate that the Standing Committee on Research, Science and Technology, which was established during the last session of Parliament, will play an important part in evaluating the results of that review and of how the federal Government can spend much smarter and more effectively the $4.2 billion that we presently spend on science and technology and related activity.

Recently, we announced funding support to aid the innovative activities of the Canadian Institute for Advanced Research which networks together the best and brightest of our scientists and engineers across Canada in a new type of a fellowship program dedicated to excellence. A similar institute was formed in British Columbia with federal support.

Building on the national consensus and on the initiatives which we took in the first session of this Parliament, we are now ready to take new actions on the agenda for the next two years, which was set out in the Speech from the Throne. The Speech from the Throne clearly indicates that the Government recognizes the threat that we will face and the bitter price that we will pay if we do nothing.

The Speech from the Throne announced the opening of a major effort to carve out a significant place for science and technology in the culture of Canada. In the past, lack of leadership and lack of prestige caused many Canadian students and the brightest of our scientists to turn to careers in other countries rather than to the careers of tomorrow in Canada. Science lacked the visibility and the prominence that would cause educators and the media to give it the attention it merits as a determining factor in our future. One of our principal priorities is to establish a new environment which gives value and appreciation to scientific achievement applied to improving our well-being and to resolving long-standing problems.

For the first time Canadians have a Prime Minister who is demonstrating this by meeting, on a regular basis and in a formal way, with Canada's most eminent scientists, engineers, and leaders from business, industry and labour. He will personally chair this new board or council. It will assess our national goals and policies regarding science and technology and their application to improve Canada's competitiveness and maintain prosperity. Its members will give the Prime Minister and Canada the benefit of their judgment, their wisdom and their experience.

We also announced that the Government will introduce a new federal science and technology strategy to support our policies and our mandate and to build on initiatives which are already under way. It is to be expected that new realities mean new strategies. Just as industry is having to restructure and adopt new attitudes to the reality of the new age, Government also has to re-examine and rationalize its activities and its policies which are leading the nation across a new frontier.

Many federal activities and programs have served this country well in bringing us this far along the way. However, resources are too scarce these days, too hard won, to be wasted. No part of the federal machine can expect to survive if it does not adjust to new priorities and do its share to meet new needs. All activities must be examined to determine if they can be performed with better results in universities, for instance in the area of basic and curiosity-type research, or contracted out to private scientific enterprises outside of Government.

One immediate example of Government reorganization in the face of new realities was announced in the Speech from the Throne. Legislation will be introduced to establish a Canadian space agency. Such an agency is needed in Canada if we are to be able to contribute the talent and ingenuity of its people to the peaceful use of space, to develop space technologies for applications to human problems.

The Prime Minister has asked me to reorganize our current efforts and to focus key space activities under a single agency which can operate with day-to-day autonomy while at the same time being held accountable to Government and to Parliament. I anticipate that personnel would be transferred from existing programs to staff the new centralized agency. The new agency will be accountable to the Government and to Parliament through the Minister of State for Science and Technology. The structure and the organization of the agency will reflect a broad, co-operative approach. The structure must be able to secure the active involvement of the private sector and our universities and institutes. Our policy will be to emphasize contracting out research and development so as to tap the expertise in all regions of Canada, especially the expertise that resides with small enterprise.

As well, I see a meaningful mechanism which will fully engage Canada's private sector capacity in advising the agency. I am beginning consultations with my colleagues immediately with a view to bringing this legislation—setting up the agency—before the House as soon as possible. The agency will have a double responsibility. It will, of course, first and foremost be responsible for the over-all quality of Canada's international contributions to space science and technology, including existing arrangements we presently have with Japan, the European community and, of course, the American space agency. It will also oversee Canada's domestic objectives related to space. These domestic responsibilities are very important because we see space development as one of the principal forces behind Canada's economic growth.

Robotics developed for use in space will have applications at the bottom of our mines and on the floor of our oceans. The applications of remote sensing and satellite communication technologies will help Canadians to bridge vast distances, making remote communities and remote resources more accessible. Space technologies will enable us to improve the custodianship of our natural resources, to enhance our environment, to strengthen our resource industries and the 350 cities and towns across Canada which depend upon them, places such as Prince George, Tumble Ridge and Mackenzie in my riding, Chicoutimi and other places throughout the country which depend on one or the other of our important resource industries for their life-blood.

This means the new agency will have a mandate to diffuse space technolgy into the private sector so that this knowledge can be put to work throughout Canadian industry. The money which we will spend on space must and will be used to keep Canada competitive.

The Speech from the Throne announced two major initiatives as part of our continuing efforts for broad national consultation and building consensus.

• (1530)

First, we are proposing a national forum on post-secondary education to strengthen our partnership with the provinces so that the Canadian system can produce the highly qualified

personnel which Canada needs to keep us on the crest of this competitive wave and to promote Canada's well-being. Second, building on the success of the National Forum in Winnipeg, we will hold another National Conference on technology and innovation broadening the access to this conference so that more Canadians can participate. I expect to consult soon with the various sectors on how best to organize this process.

We are totally dedicated to these tasks. The initiatives we have proposed will put science and technology to work to support our objectives, especially to build a national capacity to compete strongly in international markets and thereby keep Canadians employed. As was said in the Throne Speech, to a considerable degree our sense of national purpose, our national identity and our economic prosperity will depend on our capacity to respond, and respond we will. I believe all Parties are in agreement that we must take long-range action. That is why we have made our plans for a federal science and technology policy with an eye on the next generation and the next century, not with an eye on the next election.

Some Hon. Members: Hear, hear!

Mr. Berger: Mr. Speaker, I thank the Minister for his remarks. As I said yesterday in my speech, I find the emphasis placed on science and technology in the Speech from the Throne to be encouraging. However, as I pointed out yesterday, it is not with encouragement that one can pay for research on the shop floor or in a laboratory.

I would like to direct the Minister's attention to the question of funding. He mentioned the consensus that came out of the Winnipeg conference. One that he did not mention was, I gather, the first specific consensus that was pointed out by the Chairman of the Science Council, Dr. Stuart Smith, in the remarks he made on the conclusion of the conference. Dr. Smith said there was agreement that more money is required for research and that while not unanimous, there was a general agreement that both basic and strategic research need more money, that it has to come from Government and that it should be based on excellence and on people.

Again, I would ask the Minister today when the Government will respond to this need to put more money into research and provide the mechanisms for this to be done. I would point out that with respect to the granting councils, while people have come to accept and are enthusiastic about the proposals for matching funds, the message that pretty well everyone is giving is that the Government should provide an annual increase in the budgets of the councils to allow them to keep up to inflation, that they should not have to maintain their base budgets, and protect them from inflation through the matching formula. Will the Government respond to that request that has been made by many submissions?

I would also ask the Minister to respond to the many letters he has received, as have the Prime Minister (Mr. Mulroney) and other members of the Cabinet, about the cut in IRAP. If the Minister had a chance to hear the remarks I made yesterday, he will know that I spent a week or 10 days visiting a number of firms that have participated in IRAP in the past. As I said yesterday, these are companies which only four or five years ago did no research and development, but with the assistance of IRAP have developed new products which today account for the greater part of their sales. I heard time and time again that these companies would not be in business today if it were not for IRAP.

I have copies of letters that have been sent to the Minister and to the Prime Minister requesting restoration of the $60 million cut in the IRAP budget. I would ask the Minister if he could respond to those requests.

Mr. Oberle: Mr. Speaker, thank you for giving me an opportunity to respond to my hon. friend. I would like to thank him very much for the very positive speech he made yesterday. He too attended the Winnipeg conference and experienced the same feeling of urgency and the same spirit of co-operation that we experienced there.

It is true that previous Governments looked at nothing else but funding levels or money as an indication of how well we are doing in science and technology. The federal Government presently spends roughly $4.2 billion per year. Several Departments are duplicating work. My first task was to reorganize the activities of Government and to spend much smarter.

We have increased very, very significantly the national effort, but we have chosen to identify priority areas and we have chosen to channel the efforts of the federal Government in a way that would lever private-sector contributions and provincial Government contributions. It is for that reason that we are so anxious to put in place a number of R and D sub-agreements with the provinces. For instance, there is an agreement with the Province of Quebec in which science and technology is seen as such a high priority that $100 million will be spent on it over five years.

As the Hon. Member will know, we have also made the necessary changes to the Income Tax Act. In the past, the Hon. Member's Government, well intentioned as it was but looking at money alone, caused a haemorrhage of $1 billion or $2 billion through the scientific tax credit scheme, a scheme which created all kinds of innovative tax accounting but did nothing in terms of industrial innovation. We have now issued new guidelines which will permit us to use the Income Tax Act as a very potent instrument to lever private sector activity through tax expenditures.

The Hon. Member spoke of matching funding for universities. For the first time we have announced an A-base for the funding council. The previous Government used a small A-base and then used a sort of *ad hoc* program with Supplementary Estimates designed to put in $10 million here and $15 million there and no one could plan their activities. We have now introduced for the first time a zero-based or A-based funding which permits scientists and universities to plan ahead for five years. As I have said to the Hon. Member, this new program which is again designed to lever private sector

funding will produce $1 billion over a five-year period. That is significant new funding for universities. As well, he talked about the—

Mr. Deputy Speaker: I regret to interrupt the Hon. Minister but I would like to allow at least one more question in the 10-minute question and comment period. I would like to give the floor to the Hon. Member for Winnipeg North (Mr. Orlikow) and perhaps the Minister could conclude.

Mr. Orlikow: Mr. Speaker, the Minister will know that when the Conservative Party was in Opposition, it criticized the failure of the Canadian Government to fund adequately scientific research. Conservative Members promised that a Conservative Government would see that 2.5 per cent of Gross National Product would be allocated to scientific research and development.

The Government talks about new agencies and new committees. Is there any evidence yet that the private sector which in the past was so remiss in investing in research and development is doing better now?

• (1540)

I should also like to ask him whether the National Research Council, the Medical Research Council, the Social Sciences and Humanities Council, and NSERC will be getting more money from the Government this year than they got last year. What is the Government doing to ensure that the five-year plans brought forward by these agencies will be implemented, or do they have to wait until the private sector hopefully does in the next few years what it has not done in previous years? What assurances do we have that we will move anywhere near the 2.5 per cent of Gross National Product allocated to scientific research and development in the next few years?

Mr. Oberle: Mr. Speaker, the Hon. Member listened very attentively when I was speaking. I thought I had answered those questions.

It is fine to dump on the private sector. It is quite true that the private sector is not doing its share and has not traditionally spent as much in relation to the Gross National Product on R and D and science-related activities. However, one can perhaps blame Government in part for that because it has not shown leadership and given the right incentives. The reason I am so confident that there will be significant new moneys for the funding councils even in this current year is because the private sector is responding enthusiastically to our invitation and to the leadership which I have already shown in the first year of my mandate, pointing out that we are prepared to come to the party with them. Indeed, what an investment it is for the private sector; for 50 cents it can lever a $2 investment in R and D. We are opening the dingy labs of our in-house research institute. We are transferring ideas and people to the private sector to lever that kind of initiative.

With regard to a target, where we ought to be in terms of the Gross National Product, I chose to ask the Science Council to help me establish realistic funding targets by examining each sector of our industry and by comparing what they are doing in terms of science and technology with what their competitors are doing in other parts of the world. We will establish realistic targets.

I have indicated clearly, as has the Prime Minister (Mr. Mulroney) through the message in the Speech from the Throne, that we are determined to stay on the leading edge and that we are determined to stay among the leading countries of the world, as we prepare ourselves for this new age and take ourselves into the 21st Century. That is a firm commitment. Whatever it will take in terms of federal effort, in co-operation with all other stakeholders in this important field, will be forthcoming.

Mr. Derek Blackburn (Brant): Mr. Speaker, first I should like to congratulate our new Speaker on his election to the position of Speaker of the House of Commons. Second, I should like to congratulate you, Sir, on your reappointment as Deputy Speaker and to congratulate the other Speakers who were reappointed or appointed for the first time. Also I should like to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne. Although I did not agree with everything they said in their speeches, I still congratulate them for defending what some of us on this side of the House have already said was virtually indefensible.

In my remarks today I will address only one portion of the Speech from the Throne. I know that the Government would like to discuss its so-called four pillars. It now wants them to be known as the four pillars that care, or the four pillars with a caring face. However, the four pillars as set out in the Throne Speech are so vague that they obscure the Government's true record. One cannot see the policies for the pillars. One has to read between the lines or peer between the pillars themselves to get a true picture of how the country is being governed.

Let us concentrate on just one pillar—constructive internationalism. To be fair, there have been some successes in this regard. For example, the Government has sensed the revulsion which Canadians feel toward apartheid and used that consensus to promote the use of sanctions among western democracies. However, if we examine the Government's record in peace and security, the story is quite different. One page of the Throne Speech tells us:

> No task is more important to Canadians than preserving peace and security.

That is the kind of simplistic statement which brought so much scorn on the Government's Grey Paper on Canada's foreign policy. Decima Research must have collaborated with the Secretary of State for External Affairs (Mr. Clark) on that page at least.

However, if this desire for peace and security is so obvious, what has the Government done to meet the expectations of Canadians? The answer is, precious little. Just look at the ringing declarations which follow. The Government is "encouraged" that the superpowers are talking again. It "shares the hope" that there will be progress on arms control.

However, what has the Government done to promote disarmament? When the Soviet Foreign Minister was here, did the Government press the Soviets to move from a unilateral moratorium on nuclear testing to direct negotiations on a comprehensive test ban? Did the Government offer its seismic array in the Northwest Territories as part of a world-wide network to enforce such a treaty? Only yesterday the Secretary of State for External Affairs declined even to join in a unanimous resolution of the House in support of a comprehensive test ban.

When the White House announced that SALT II was dead, did the Government tell President Reagan that Canada would no longer test the Cruise missile which will breach SALT II's limits? When Canada had a chance to support the ABM Treaty by reinserting a clause in the NORAD agreement which precluded our taking part in ballistic missile defences, did the Government seize that opportunity? No, Mr. Speaker, the Government did not. The Government's pillar of peace and security crumbled when Mr. Reagan was involved.

Nowhere was this more obvious than in the Government's response to the American invitation to take part in star wars. The Government could not bring itself to say no to a dangerous escalation of the arms race. Instead, it wavered and supported private participation as long as the Government's hands looked clean in public.

Even when provoked by the *Polar Sea* incident, the Government failed to stand up for Canadian interests. The paragraph devoted to Arctic sovereignty is nothing but brave talk. The Government drew straight baselines around the Arctic Archipelago, but straight baselines are not a picket fence which will keep out American ice-breakers or Soviet submarines.

The truth is that the Government has done precious little in the Arctic to assert our sovereignty and acknowledges this fact in the Throne Speech. It is forced to talk about its past promises on sovereignty in the future tense. It must be galling for the Secretary of State for External Affairs to hear his unfulfilled promises hung out to dry in the Throne Speech.

Once again the Government proclaims that it will build an ice-breaker. This promise has been around long enough to demonstrate the Government's lack of resolve. Instead of uniting the country in asserting our sovereignty, it has divided us. The Cabinet is squabbling over who should pay for it. The starving shipbuilding industry is fighting over who should get the contract to build it. It is pitting East Coast shipbuilders against West Coast shipbuilders. I do not even know what the ice-breaker is supposed to do when it hits those icy waters; neither does the Department of National Defence. That is why it does not want to foot the bill to build the Polar 8 ice-breaker.

Of course it is not really surprising that the Department of National Defence is dragging its heels. It does not like to hear about new expensive commitments from the Secretary of State for External Affairs. A case in point is the exercises announced for the eastern Arctic in the Secretary's sovereignty statement. It turns out that the military did not know about any such exercises when the Secretary made his pledge. Eventually, a diving ship and a supply vessel were sent north to save face. Now the Government is once again pledging "training exercises in the Arctic".

By and large the Government's commitment to sovereignty is the same as its record on disarmament—all talk and no action. This is quite in contrast to the Department of National Defence where we have seen some real movement. The Hon. Member for Cumberland—Colchester (Mr. Coates) moved out and the Hon. Member for Yukon (Mr. Nielsen) moved in. Then he made room for the present Minister of Consumer and Corporate Affairs (Mr. Andre) who in turn passed the reins to the new Associate Minister of National Defence (Mr. Dick) when the present Minister of National Defence (Mr. Beatty) appeared.

• (1550)

All this movement has made for a curious situation. The Government has failed to keep its promise made in the previous Throne Speech to re-examine Canada's defence policy. I understand that no Minister wants to get into a policy discussion until he understands the subject matter, but the delays are becoming ridiculous and embarrassing.

In preparing this speech I discovered in my files a letter written to the first Minister of National Defence of this Government asking that he refer his Green Paper to the Standing Committee on External Affairs and National Defence early in 1985. We are rapidly approaching 1987, we no longer have the same Minister of National Defence, the Government no longer speaks of a Green Paper, and there is no longer a standing committee for both external affairs and national defence in combination.

While we have been waiting for the policy paper, the Department of National Defence has been busily entrenching our existing national defence commitments. I now doubt that the Government could afford to substantially alter any of the roles of the Armed Forces. This Conservative Government's actions have locked it into the philosophy of the Liberal Government's 1971 White Paper.

In the previous Throne Speech the Government recognized that the strategic context had changed considerably since the 1970s. I would go further than that. I would say that our present defence policies have their origin in the 1940s. The Government, in other words, is preparing us to fight World War II all over again in its strategic architecture.

Look at our commitments in Europe, for example. We have promised to send the CAST Brigade to reinforce Norway if that country faced invasion. The Government has just completed Exercise Brave Lion to practise this operation. Some 5,500 soldiers and 15,000 tonnes of equipment were shipped across the Atlantic. The Government has not put a price tag on this operation but the figure of $100 million has

been bandied about in the media. How could the Government ever reconsider the CAST commitment after spending $100 million, or even half that amount, on a dry run? Could it ever explain such an about-face to the Norwegians, especially after leaving some equipment behind until our forces return? The Government is effectively committed to Norway because it must justify the expense and portray Exercise Brave Lion as a great success.

Let us now look at Canada's other commitments to Europe. Could the Government re-evaluate our commitment in Germany, that is to the NATO central flank? I doubt it very much. It has already entrenched our positions there with its earlier measures. The Government sent an additional 1,200 men to Germany in the first months of being in office to show that Canada was, to use their words, pulling its weight. It would be very difficult to redeploy those men despite the fact that basing them in Europe is extremely expensive. In fact, our commitment to the European central flank, which every expert acknowledges is more political than military, is costing Canadians $100 million a year.

The Government is also spending millions of dollars to equip the forces for their present role in Europe. For example, the Government announced just last spring that it would buy a new low-level air defence system to protect our forces and their bases in Europe. The cost of this system alone is $1 billion. The Government does not even expect delivery until 1991. How could it seriously question the role of the Armed Forces in Europe, as many experts are now doing, having allocated $1 billion for equipment to be used there in the next decade? Neither could the Government consider changing its air commitment to the central front. It declared that role "sacred" by equipping our three squadrons in Germany with the CF-18 before the new fighters were fully deployed in Canada for national defence purposes.

The Government has committed us to Norway and Germany by its actions but our forces are unable to handle both roles. Our chief of defence staff was recently quoted as saying: "If we had to do everything simultaneously—no, I think we're stretched too thin. That must be acknowledged." The Government has not acknowledged that fact. Instead, it has been busy stretching our forces even further with a new peace-keeping role in the Sinai Peninsula. This is another open-ended commitment that costs $5.5 million per year.

We would all agree that peace-keeping is laudable and Canada receives world recognition for its contributions in this area. However, we are already firmly entrenched in Cyprus and on the Golan Heights and there are no signs of early settlement to any of these conflicts. The Government must recognize that peace-keeping ties up personnel and resources, and adjust its other commitments to allow for that.

At sea the Government is also committed to some very expensive long-term programs that will determine the character of our Navy and dictate its future role. No one would argue that our Navy is in desperate need of new equipment, but again the Government is acting before considering the future role of Maritime Command. The TRIBAL Class Update and Modernization Program, sometimes referred to as TRUMP, will spend $1.2 billion to ensure that our destroyers will be able to provide air defence as traditional convoy escorts. The Government has also announced a program to replace the Sea-King helicopter. Some say this program will end up costing $2 billion by the time the new helicopters are flying. Again, Canada is committed to an anti-submarine warfare role well into the 1990s and beyond. Our own submarines need replacing. The Government announced a program to size up new candidates for another large puchase. No one has yet even ventured a guess on the eventual final price for those new submarines.

There have been other major expenditures but I think my point has been made. The Government has effectively precluded any meaningful debate on the future role of Canada's Armed Forces by taking actions which will dictate their posture for at least another decade. This, I think, is very, very important.

This Government came to power some two years ago first of all promising a Green Paper in which there would be national input from coast to coast, from experts, from academics, from ex-military professionals, and from ordinary Canadians. That has now gone by the board. I do not know on how many occasions this Government has promised a White Paper, a blueprint, a framework, an architecture for Canada's national defence, to plan and to pursue and effectively put into operation a policy designed not just for the 1980s but presumably for the 1990s. We are not going to get either, although the present Minister indicates there will probably be a White Paper some time this winter or early spring.

It is no wonder that the Throne Speech made no mention at all of a plan to review Canada's defence policy. I know the new Minister has committed himself to bringing a policy paper forward some time in 1987, but you will forgive me for saying that I have heard that before and I will believe it when I see it.

If the new Minister is really interested in a full and open debate, I have a suggestion for him. He might want to issue an early Green Paper for public discussion. In other words, go back to the original intention of the Government in 1984. That way he would not have to espouse the policies which are the legacy of his many predecessors, and I am not just talking about his predecessors in this Government but his predecessors in former Liberal Governments. Neither would he have to defend the intricacies of a comprehensive new policy. He can learn from the ensuing debate at the same time as he benefits from full public consultation. It would certainly be a refreshing change and it would fulfil the original commitment of the Government which was for a Green Paper, not a White Paper, as I mentioned a moment ago. In conclusion, that would show that the Government does indeed recognize how strongly Canadians feel about peace and security by giving Canadians the opportunity to tell the Government what kind of defence policy they want.

• (1600)

Mr. Nickerson: Mr. Speaker, I would like to make a few comments with respect to the seismic array that happens to be located in my constituency close to the City of Yellowknife. This array is very useful for the detection of underground nuclear explosions and for earthquakes. This station has been upgraded to make the instrumentation more sensitive and we anticipate that it will play an even more important role for the reasons that the Hon. Member suggests.

I have two questions for the NDP defence critic. The New Democratic Party appears to be split on the question of the Polar 8 icebreaker to which the Hon. Member referred earlier. I would like to know whether his Party is officially in support of the acquisition by Canada of a Polar 8 icebreaker. Perhaps we can have a definitive statement on that.

The second question also seems to make the NDP squirm a little bit. Have they yet come to a conclusion, in the determination of their Party policy, as to whether Canada should withdraw from NATO? I understand that was their position a little while ago. Have they now an official position with respect to NATO?

Mr. Blackburn (Brant): Mr. Speaker, I would like to thank the Hon. Member for Western Arctic (Mr. Nickerson). With regard to the Polar 8 icebreaker, as defence critic I can only say that I think it is a terribly expensive flagpole. Even if it comes in at half a billion dollars, the Polar 8 icebreaker will be of little use to the Department of National Defence, as it has already indicated to the Standing Committee on National Defence.

Speaking as the defence critic, I am opposed to it as a defence mechanism—if I can use that expression—for defending the Arctic. It may have other purposes. No one has yet proven to me that there is heavy traffic going through the Northwest Passage which would require a Polar 8 icebreaker on an ongoing basis to literally break the way for commercial shipping. I personally have not made up my mind on that part of it yet. I do not know whether it has a commercial value. I only hope that if it is built the funding will not be taken out of DND.

I am also very glad that the Member asked me, as defence critic, the question about the NATO situation. The important thing in a national defence policy is to have an effective national defence. We must consider the geography of defence today. If we cut back on the number of commitments and concentrated on arctic sovereignty, on northern passage surveillance and tracking with an upgraded north Atlantic surveillance fleet for surface and below surface, and a Pacific surveillance fleet, and brought them into the 1990s, whether or not we were in NATO would be only academic. If there is a conventional attack on the West we would automatically be a component of the Western defence.

As the Member for Western Arctic knows, a shining example exists in western Europe today. A major military democratic country, not under a socialist government but under the right wing Conservative Government of the late Charles de Gaulle, withdrew France from the integrated military command of NATO. That did not in any way diminish the military defensive capability of that Western alliance.

Mr. Nickerson: Mr. Speaker, I would just like to make a comment. It is very obvious from those replies that the NDP is still squirming on both of those issues. There was no answer to either of the questions that I raised.

Mr. Blackburn (Brant): Mr. Speaker, if the Member for Western Arctic would like a lesson on national defence, I would be only too happy to oblige in my office anytime he has the time.

[*Translation*]

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, in my maiden speech in the House of Commons as Minister of State for Youth, perhaps I may be allowed, first of all, to congratulate you on your appointment to the prestigious position of the Deputy Speaker of this House. I also would like to ask you to transmit a message that to me is very important, considering the importance of the Speaker's chair. It is a message of congratulations to the new Speaker (Mr. Fraser) of this House, wishing him the very best of luck.

Mr. Speaker, today, I would like to talk about the specific challenges, opportunities and problems the current situation presents for young Canadian men and women. These challenges go beyond those encountered on the labour market. Rapid technological change has necessarily had a major impact on education and of course on our society.

Mr. Speaker, this new era is the result of global changes that are occurring faster than ever before. The labour market, in fact our whole culture, is going through a period of transition comparable to the Industrial Revolution. We are part of an international community that is both more competitive and more interdependent than in the past. The oil crisis of the 70s made this abundantly clear.

Change is the order of the day. Markets rise and fall at an unprecedented rate, and the demand for various skills is constantly changing and shifting.

There is no quick and easy way to deal with this reality, whether we are speaking globally or internationally. However, as a nation and as a Government, we have no right to ignore these facts, and we must adopt the approaches and strategies that will help us to manage change where possible and to avoid being alienated by change.

To deny these new realities, Mr. Speaker, would be nothing less than disastrous, not only for Canadians but especially for our Canadian youth.

The Government must act as a catalyst, helping to define what the challenges are and where our collective responsibilities lie, and helping people understand what kind of opportunities the future holds in store. Some of the possibilities were referred to earlier by my colleague, the Minister of State for Science and Technology (Mr. Oberle); a new culture based on the continuing acquisition of knowledge, as my colleague mentioned, opens up almost unlimited opportunities for society in general and for the Canadian labour market in particular.

The impact of technology on the labour market is one of the main concerns of young Canadians. Our ability to integrate new skills and to create jobs commensurate with those skills is a reflection of our country's success to adjust to this rapidly changing environment, where competition is becoming increasingly fierce.

If young people do not get adequate training, if they are not provided with the means to adapt themselves, they will simply not be in a position to preserve Canada's prosperity and secure our economic future. The Prime Minister (Mr. Mulroney) recognizes it is urgent to integrate our young people properly into the labour force and, in that respect, Mr. Speaker, this Government's decision to link up the youth component to the Department responsible for employment matters is significant.

This new reality must also allow for participation by visible minorities, natives and the handicapped, who are an integral part of the gainfully employed population.

I am committed to doing everything humanly possible to promote the interests of those groups, feeling as I do that there can be no genuine economic, social and cultural progress without the full participation of all Canadian men and women.

New technologies in changing markets and the need for more advanced skills are the current challenges which our young people, who will be part of our labour force, should be able to take up. The training of that new, more flexible manpower endowed with more specialized knowledge, will require the co-operation of the young people themselves, the teachers, the labour unions, the private sector and all levels of Government.

● (1610)

The new technological era also entails other changes, new ways of defining work, a different view of hierarchy in the workplace, a new way of managing work and leisure hours. Actually what we are talking about is a new lifestyle, whence the need for autonomy and innovation.

In the light of those changes, we are reviewing certain programs. In consultation with the provinces, the labour unions and the business world, we will review such things as the apprenticeship training program, which to a large extent is funded by the Canada Employment and Immigration Commission. That review will take place over the next six months, with a view to determining the best possible avenues for getting labour and the training sector closer together.

We are also looking at measures to fight against illiteracy in Canada. In the same spirit, we are considering action to encourage young people to remain in school as long as possible, and measures to prevent drug abuse and help young offenders.

To promote access to employment, we are constantly improving our occupational counselling and employment information programs and we are developing new training tools for occupational counsellors. In this regard, we are looking at the co-operation mechanisms between the Employment and Immigration Commission and the provincial Departments of Education. Similarly, the National Conference on Secondary Education announced by the Prime Minister for the beginning of 1987 and the proposed National Advisory Board for Industrial Technology will help to define the concepts, to develop the new mechanisms and to determine the levels of co-operation required for a better management of changes in these sectors.

Mr. Speaker, major progress was made in this direction a little over a year ago when the Canadian Jobs Strategy was implemented. This strategy represents a basic change in the federal policy as concerns training and job creation, especially for young people who, I should point out in passing, are the main users of these programs as a whole.

In summary, Mr. Speaker, I shall be looking, with the representatives of the provinces, the leaders in our society and young people, at ways to answer one basic question: What kind of direction do our young people need, not only to move successfully from the academic world into the active world, but also to become the nucleus of a labour force of international standing? The performance of Canada on the international scene is closely dependent on the answer to that question. In the short term, however, we must maintain our efforts in order to solve the unemployment problem among young Canadians, although the demographic process itself should progressively reduce the relative importance of this problem with which all industrialized nations are faced. In the present context, the ultimate irony is that we may face a manpower shortage in the years to come.

Statistics concerning unemployment among young people in all industrialized nations clearly indicate that everywhere governments must step up their effort with a view to integrate young people into the labour force during this transition period. In the United Kingdom, the unemployment rate among young people is nearly 22 per cent. In France, it exceeds 25 per cent, while in Italy and Spain, it exceeds 35 per cent and 43 per cent respectively.

In Canada, the unemployment situation among young people is not as serious as elsewhere, and it is improving. It went from nearly 19 per cent down to less than 15 per cent over the past 18 months. The cynicism and despair expressed by some of our youth are not as acute as elsewhere and, while travelling throughout this country, I have noted clear signs of increasing assurance and optimism among our young men and women who are aware that this country belongs to them and who are determined to develop it fully. The situation is not as critical as it is elsewhere, but as was indicated in the Throne Speech, much remains to be done. The distribution of jobs at the national level is very uneven: youth unemployment varies from around 10 per cent, its lowest level, in the Toronto area and goes on to exceed 30 per cent in Newfoundland. For native young people, the situation is even worse.

The Government has a duty to identify policies and clarify objectives in order to deal with these problems. Alone, however, it cannot provide easy answers. All sectors have a role to play in helping Canadians adjust to a changing job world, and in its role as national coordinator, the Government must ensure that the measures being taken by various sectors complement each other.

This Government's job strategy reflects the realization that solving the problem of youth unemployment does not depend on how many jobs are created but also on the type of jobs, real jobs that are career-oriented, for which real training is provided. The job strategy makes it possible to take into account both the technological changes taking place on the labour market and the priorities of each participant. The strategy emphasizes autonomy and innovation, two factors that are now indispensable to economic growth.

Mr. Speaker, the job strategy has no connection with any of the so-called band-aid solutions that may have been proposed before.

Taking its cue from this approach, the federal Challenge '86 program, aimed at creating summer jobs for young people, has set long-term objectives. With the support of local businesses and community organizations, Challenge '86 has helped create 90,000 jobs, which in most cases are related to the goals and aspirations of our young people.

The strategy's other programs, which run 12 months a year, are also based on these principles. The Job Entry Program features on-the-job training and practical work experience which are a solid basis for young Canadians to begin new careers. Then there is the Innovations Program to help those who have creative ideas and projects which propose fresh and innovating solutions to the labour market problems and create openings for technological applications.

As well, Mr. Speaker, the Speech from the Throne stresses the importance of finding new ways to instil the spirit of entrepreneurship in the minds of young people. We have already begun to work on this and will soon be in a position to unveil a major initiative in this field.

New trends are beginning to appear, such as team work and a growing awareness of the importance of quality and flexibility. Unless they can readily adapt to the changing situation and make the best of it, neither young people nor the various labour market interests can ever look forward to a productive future. Only a positive and flexible attitude coupled with long-term planning can foster prosperity among individuals and organizations.

Given the scope of the challenge facing us, it is only through a concerted national effort that we will succeed in fully integrating young people into the economic activities of this country and into society as a whole. For my part, besides defending the cause of young people in Cabinet and encouraging them to take full advantage of all services and programs offered by the federal Government, I will also strongly support all measures likely to give youths more opportunities to become active participants.

The Advisory Counsil on Youth will make mechanism such as the Canadian Youth Foundation easier to be directly involved in the quest for solutions to their employment problems and other questions which concern us all.

The era of new technology offers young Canadians more opportunities for training, employment and personal development than any other previous period in history. All of us will have to use our minds and creativity to benefit socially and economically from these opportunities.

Mr. Speaker, we are living during an exalting period of transition, at a crucial time when we can experiment with new methods and discover new concepts, values and options to pave the way for a new society where all Canadians will be at home. If all of us, young people, educators, employer organization and union leaders, community leaders and elected representatives, are determined to get the most out of these opportunities, we shall prepare a great future for young Canadians and the nation, as a whole.

Finally, I am convinced that, like the previous generations, this one in 1986 will be able to overcome the obstacles it has inherited from others. Our basic message to young Canadians is that they must remember that Canada is still a country to be built and that they will build it for themselves and in their own image.

• (1620)

[*English*]

Mr. Redway: Mr. Speaker, some months ago the Government cancelled the Katimavik program. At that time it indicated there would be a program put forward to replace the Katimavik program. In the past, the Minister and I have discussed possibilities for such a new program and the possibility, perhaps, of combining some form of youth program with the type of objectives of Katimavik, with perhaps some form of voluntary service which would involve not only a military training program but a job and a skill training program as well. I wonder if the Minister and his Department have progressed in their thinking to a stage where the Minister is ready to unveil a new program of this sort? If so, could he tell us what form it might take and when we might expect an announcement in that regard?

Mr. Charest: Mr. Speaker, I am glad my colleague asked the question about Katimavik which illustrates, I think, in a very real way, some of the problems faced by our youth today and some of the problems faced by the Government. The Government never said that Katimavik was a bad program. Therefore, Katimavik not being a bad program, the rationale for not pursuing it was the fact that it did not address the specific problems which youth encounter today in 1986. It was a program which was created in another context. That is one

reason the Government did not choose to persue it. More generally, the decision was made in the context of the whole Canadian Job Strategy. I do not care how we cut it, the whole accent must be on training and retraining if we are going to be able to build a country and face international competition. That is what Canada must be about. For the Government to turn its back on that reality would be irresponsible. It would not be facing up to our responsibility towards the young people of Canada.

Since I have been in this office we have had the opportunity to review almost everything being done. We have not taken anything for granted. We especially acknowledge the multidimensional problems which face Canadian youth today. In that sense, what we would most like to do is address the different problems and try to offer the most options possible. Entrepreneurship is one dimension and it is mentioned specifically in the Speech from the Throne. Post-secondary education is also part of it. We must look carefully at drug abuse, which is a problem of youth.

There are multidimensional problems we really must address as a Government but we will not find one global solution in one program. That is very obvious. The ordinary Canadian on the street knows that. Reasonable Canadians know that it is pretentious on the part of Governments to say to the country: "I have the solution". It just does not exist. We are not excluding anything. We are still working very hard on the problem. We started with the first objectives of the Speech from the Throne, which is to make sure that every government Department concerned with youth does its job. We are satisfied with that at this point. The Secretary of State (Mr. Crombie) has said we are going to look at illiteracy—

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, I have noticed that when a Conservative is speaking, you let other Conservatives add to his arguments. However, when the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) rose—I understand that you are impartial, but I think that it would be only fair to let—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I do not find that to be a point of order. I call them as I see them and I saw the Hon. Member for York East (Mr. Redway).

Mr. Rossi: He got up, too, but you did not recognize him.

The Acting Speaker (Mr. Paproski): He did? Well, he will be recognized next. I do not wish to argue with the Hon. Member—

Mr. Rossi: I don't want to argue but we want to be recognized in time.

The Acting Speaker (Mr. Paproski): The Hon. Member will be recognized when I am ready to recognize him.

Mr. Rossi: I believe, Sir, you should recognize the Opposition, too.

The Acting Speaker (Mr. Paproski): I am on my feet. Order, please. The Hon. Minister of State for Youth (Mr. Charest).

[*Translation*]

Mr. Charest: Mr. Speaker, I was about to rise on a point of order and say that, in view of the representations made by my friend for Bourassa (Mr. Rossi), I shall be happy to hear a question from the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). I have been anticipating a question for a long time. I shall therefore conclude my reply and invite the Hon. Member to ask his question.

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would like first of all to tell the Minister of State for Youth (Mr. Charest) he is entering into his term of office on the wrong foot. When he referred to foreign countries, the OECD, he deliberately failed to state that Canada unfortunately ranked eighth with the dramatic level of youth unemployment.

I would like to ask the Minister whether this is the kind of record he is pleased with for our young people. Is this what he is so proud of? I would like to ask the Minister about his statement to the Canadian media, in which he blamed our young people, and I am quoting from the Canadian media: "It is time for our young to get interested in something other than peace, disarmament and the environment, in which they may find themselves ghettoized", he said.

Is it the new Minister's function to become some kind of a dictator in youth matters, and tell the young: You shall not get involved with environment matters. You will have no right to get involved with peace matters. Contrary to the former Minister, whose portfolio met with a sad end, will the Minister be there to help the young, to support them and to make sure that there will be meaningful jobs and a decent future for them?

Mr. Charest: Mr. Speaker, one of the first things rookie lawyers are told—and the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) should listen, because this will be of interest to him—is never to give a witness an opportunity to explain. That is the kind of courtesy you extended to me, and I thank you for it.

Concerning that statement to the Canadian media, Mr. Speaker, I had a chance the next day to be on a radio program, in which I said specifically: "The statement was incomplete. Incomplete in the sense that it said—"

Some Hon. Members: Oh! Oh!

Mr. Charest: I have no control over what newspapers print, Mr. Speaker, but the person who conducted the interview will confirm that. The statement was this, which will certainly be of interest to my colleague the Hon. Member for Montreal—Sainte-Marie: "Young people need not be dictated by anybody the major issues in which they should be interested." And I draw this from my own personal experience. When I entered politics, some people were adamant: "You should deal with environment or peace issues, because these are matters young people are concerned about." Well, it is not true. I want to say to my colleague the Hon. Member for Montreal—Sainte-Marie that young people are interested in all major issues, and my message to them is that the choice is their own. Neither you nor anybody else should tell them what issues they should be interested in. If it is peace or disarmament, well, it is their choice. If it is employment, it is their choice too. Because it is their choice, I want them to know that they can get involved in any debate, because they have the basic right to do so.

As far as your second question is concerned, comparing Canada with other members of the OECD places us in a world context, because Canada competes in a world context. But the Throne Speech, if you took the time to read it, clearly indicates that the unemployment rate among young Canadians is unacceptable. The fact remains that if you want to be objective and try to forget for an instant or even a split second your partisan bias, you will recognize that the unemployment rate among young Canadians is down, that we must stress training and retraining, something which your own Government failed to do, for all sorts of reasons which I do not know, and I do not want to pass judgement, but it is something which our Government has elected to do.

Show us, then, how the Federal Liberal Party in Quebec is addressing the real issues of the future. How? What do you offer our youth, beside rising every day in the House and saying no to all new proposals and innovations suggested by this Government?

• (1630)

[*English*]

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I would like to explore one particular area which the Minister of State for Youth (Mr. Charest) has touched upon. It is an area in which I trust he can have some effect on the policy of the Government over the next months.

The Government has difficulty meeting the needs of Canadians as a result of constrained finances that are made available in various areas. Surely that is true with regard to the Canadian Jobs Strategy. I think it also true with respect to the summer employment programs for students and young people. With that in mind, I would like to ask the Minister to involve himself with the development of the Challenge '87 program. I ask him to do so forthwith to ensure that the requirements for the program are known at an early point, that application forms will be made available and that funding will be adequate to needs. If he does this, we will not have to face the type of situations that I experienced last spring. At that time there was not enough money in my riding. The money that was there had to be spread very thinly over the various communities. The Land of Nipigon Chamber of Commerce comes to mind immediately in terms of information services which it hoped would be provided through Challenge '86. It was not possible to provide for that.

At Lakehead University there were faculty members concerned about providing some very challenging opportunities for youth. The lateness of the application deadlines and the length of time required to process them made it difficult for Challenge '86 to be the type of program that it should have been.

I ask the Minister to respond briefly to my concerns. I encourage him even more to ensure that the funding is adequate and that the needs of young people will be more fully met by this program.

Mr. Charest: Mr. Speaker, in response to the Hon. Member's question, I would like to thank him for acknowledging the fact that the program does work well. If we refer specifically to what could be bureaucratic difficulties, which are normal, I point to the fact that that is just part of implementing new programs. If we want to try new measures and programs in this country by bringing in new solutions, we all have to accept the fact that the first time around it is always difficult. We will work things out. The Hon. Member brings this to my attention today, and I am glad that he does. We will be looking at the report which will eventually come in on the subject.

With respect to the funding for Challenge '87, whether it will happen or not, as I have said from the beginning, this Minister will not take anything for granted. We will look at Challenge '86. We will look at what happened within the program itself, see how it has fared. Then we will take the appropriate decisions once that time comes. I hope to be able to give good news to the House in that vein.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I wish to speak to the Address in reply to the Speech from the Throne. First of all, I would like to congratulate you on your appointment as Acting Speaker, but I am probably the only one in this House who will condemn what happened the other night, the hypocrisy of it all, that the Prime Minister (Mr. Mulroney) would have us believe he revolutionized Parliament and that the Speakers were democratically elected. If that were true, my colleague Marcel Prud'homme would be one of the Speakers of this House, and we would not have had a demoted former Minister appointed as Assistant Deputy Speaker, Mr. Speaker.

That being said, Mr. Speaker, today I would like to compare the present Speech from the Throne to the Speech from the Throne we had in 1984. Mr. Speaker, I wish the House would look at the words in the 1986 speech regarding social justice and the same words that appear in the 1984 speech.

Mr. Speaker, as far as the writing is concerned, there are plenty of people in Canada who write well and who can write a nice story, but, Mr. Speaker, what is there in terms of tangible content? They say that the past is our guarantee for the future, but look at what happened to social justice under this Conservative Government and this Prime Minister, after what they said in the Speech from the Throne, look at the reality and at the reasons why we are now starting a new session.

About social justice and the elderly, Mr. Speaker, just a while ago, the Minister of State for Youth (Mr. Charest) scolded me for rising in the House to criticize the Government, Mr. Speaker. But I was proud to rise in support of the elderly, to save their Old Age Security pension cheques, while the Minister of State for Youth was busy protecting his own little portfolio.

Mr. Speaker, everyone will recall what the Prime Minister said during the election campaign. Everyone remembers what the Minister of social injustice and the Prime Minister said here in the House, and the Speech from the Throne and the blue Book on consultation and the nation-wide betrayal of our senior citizens. The first time senior citizens were betrayed and deceived by this Government was when family allowances were de-indexed. And the second time, Mr. Speaker, again in the Speech from the Throne, senior citizens were discriminated against, those between the ages of 60 and 64, with respect to the spouse's allowance. Once again, Mr. Speaker, all elderly Canadians—mostly women—in every single riding from sea to sea have heard this Government deliberately refuse to declare them eligible under the Old Age Security pension program simply because they had to separate, because they preferred to remain single, or because they were forced to seek a divorce. Mr. Speaker, this Government, including the Prime Minister and his social injustice Cabinet colleague, deliberately perpetuate such inequity, and now they are trying to make elderly Canadians believe that the 1986 Speech from the Throne is even better than the one we got in 1984. Mr. Speaker, we need look no further than what happened to the early retirees who expected to get their unemployment benefits in 1985 and 1986. Again thousands of Canadian men and women were penalized, they were deceived by this Government with regard to benefit cut-backs, with the result that some of them lost as much as $10,000. More phoney promises and more phoney commitments from this Government, Mr. Speaker. The 1984 Speech from the Throne was long on rhetoric, as is the 1986 Speech from the Throne. They said the same thing about the New Horizons Program, Mr. Speaker: When it comes to elderly Canadians, we will never do anything to harm them. Well, Mr. Speaker, behind their backs the Prime Minister and his Government did slash the benefits of elderly Canadians. During the first two years of this Government, not a single Conservative Member or Minister had the courage to rise in defence of our senior citizens.

Mr. Speaker, we should also recall the commitments made by the Prime Minister in the 1984 Speech from the Throne, particularly with respect to Canadian families, the cornerstone of our society, he said. The Prime Minister is never at a loss for words, they flow like money which is no problem when he wants to take his butler along on his world-wide trips. So what happened to Canadian families, Mr. Speaker? In 1984 the Prime Minister promised that the House would look after Canadian families, but he ended up de-indexing family allowances while at the same time introducing legislation to rescue Western Canada millionnaires from a bank failure. So much for the intellectual integrity of this Government and this Prime Minister, Mr. Speaker, and today in 1986 they would have us believe that people will swallow this piece of trash. Mr. Speaker, the child tax credit changes have victimized, middle-income families.

Mr. Speaker, senior citizens were deceived by this Government in 1984, and the Members opposite are now trying to make us believe . . . Look at what has been written. There are no concrete results. Families were deceived in 1984, Mr. Speaker.

What about young Canadians, Mr. Speaker? As a consolation prize, after two years of inaction, the Minister has been demoted.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary to the Minister of Agriculture on a point of order.

Mr. Blais: Mr. Speaker, I have just heard a term which, although perhaps not unparliamentary, is totally inappropriate under the circumstances, namely "a piece of trash", which was used to describe the Throne Speech read by the Governor General of Canada, and I believe that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) should withdraw this vulgar and inappropriate term.

An Hon. Member: Mr. Speaker, that is not a point of order.

The Acting Speaker (Mr. Paproski): One moment, please.

• (1640)

[*English*]

The Acting Speaker (Mr. Paproski): I regret to say that I did not hear any word that was unparliamentary and I feel that it is not a point of order. Is the Hon. Member for Bourassa (Mr. Rossi) rising on a point of order?

[*Translation*]

Mr. Rossi: On the same point of order. Mr. Speaker, how can this Hon. Member, who was not even in the House, rise on a point of order about a word which he may not even have heard, because he hastened to ask his colleague the Hon. Member for Beauharnois—Salaberry (Mr. Hudon) whether he had said that word. The Hon. Member rose on a point of order, although he was not even in the House.

[*English*]

The Acting Speaker (Mr. Paproski): I do not find that that is really a point of order either. I find that that is debate, and if the Hon. Member wishes to rise on debate, that is fine. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has the floor.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Hon. Member for Bellechasse (Mr. Blais) has just clearly demonstrated parliamentary hypocrisy. My friend, the Hon. Member for Bourassa (Mr. Rossi) was right: he was not here, Mr. Speaker.

I should like to continue my remarks. I was dealing—

[*English*]

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Parliamentary Secretary, let me say that I do not think we should reflect on whether a person was in the Chamber or was not in the Chamber. There are television monitors outside in both lobbies and naturally Members of Parliament have the opportunity of viewing what is going on in the Chamber whether or not they are behind the curtain. That is beside the point. What I am saying now is that I do not want to have Hon. Members reflect on the attendance of persons whether in or out of the House.

Mr. Rossi: Mr. Speaker, I rise on the same point of order. Mr. Speaker, I am not reflecting on his attendance. It is the idea that he had to ask his colleague from Beauharnois whether he said it or not. That is different.

The Acting Speaker (Mr. Paproski): I think we should get on with debate. Does the Hon. Parliamentary Secretary have another point of order?

Mr. Blais: Yes, Mr. Speaker, I rise on another point of order.

[*Translation*]

Mr. Blais: It is another point of order, Mr. Speaker. He used again the word "hypocrisy" concerning another Hon. Member. I feel this expression is totally unacceptable and out of order.

[*English*]

The Acting Speaker (Mr. Paproski): I will look at the "blues" tomorrow and if I find that unparliamentary language was used, I will rule accordingly.

[*Translation*]

Mr. Malépart: Mr. Speaker, I hope the minutes used by the Hon. Member will not be deducted from my time.

Mr. Speaker, I will resume my remarks—and you may rest assured that I am here to tell the truth. Even if this should displease my colleague from Bellechasse, I will continue telling the truth about his performance.

Mr. Speaker, I would like to compare the 1984 Throne Speech with the last one. What was the outcome for senior citizens? As I say, the Old Age Security pensions was de-indexed, discrimination was introduced in the spouse allowance regime and against those who are single, separated or divorced, and cuts were made in unemployment insurance benefits for early retirees. Suddenly, in the middle of the road, the Government has decided to make those unilateral cuts, without telling the people involved. Even Conservative Members often told people they were right. Mr. Speaker, those people were penalized. There were cuts in the New Horizons Program and the refusal of all home care projects for senior citizens. I appreciate the response of the Conservative Members who would rather have us refrain from telling the truth, and try to hide the fact that the people clearly were deceived in the 1984 speech. This is why people have reason to question the statements made by the Government, by the Prime Minister in the 1986 Throne Speech, considering the absence of any concrete proposals.

The same thing goes with respect to the family, and as I said, Canadian families were hit with the de-indexing of family allowances. Let us not forget that last year, Canadians lost $55 million with the de-indexing of family allowances.

The House will recall that changes in the child tax credit have had a major impact on middle- and low-income families. The House will also recall that in the Budget, the Government decided to divide Canadian families into two categories. Families with an income of less than $15,000 receive the child tax credit and will be entitled to an advance pre-payment, while families with an income of $24,000 will be entitled to the full amount of the child tax credit but not to the advance pre-payment.

Mr. Speaker, considering that the Minister of State for Youth (Mr. Charest) is back in the House, that there was nothing in the 1984 Speech from the Throne and that nothing has been done for youth and that in 1986, once again, all we have is words, words, words—

Mr. Speaker, I am glad the Minister of State for Youth took back what he said. However, if the Minister means that the Canadian Press reporter misled the people of Canada, he may have to suffer the consequences, because I am going to meet the reporter to tell her what the Minister of State for Youth said about his statement that it was high time youth got interested in something else besides peace, disarmament and the environment, which might well become a ghetto for them, as he said.

Mr. Speaker, of course the Minister of State for Youth was surprised a while ago when he heard that on unemployment statistics, Canada rated eighth among the OECD countries, while he was trying to prove that Canada was not last. If that is all he is going to do—

Mr. Speaker, we were able to hear the speech of the Hon. Minister of State for Youth, but there was absolutely no announcement in his speech that he would be cutting the official ribbon as his predecessor used to do.

Mr. Speaker, the Minister has received a political appointment in the field of communication. It will be the same for him as for his predecessor, who once sent a letter saying: It is useful politically, and so on.

We all recall what happened. It was one of the many scandals involving the Conservative Government. The Minister of State for Youth is now telling us that there will be programs other than Katimavik. How long have they been waiting, Mr. Speaker?

There is also the question of training, Mr. Speaker. We know that funds have been reduced by half in the job development sector. Yet, the Minister would have us believe—

Mr. Speaker, the Canadian population has been misled for two years and the Conservative Members think that this is going to continue. For my part, I say to those who are watching us that that time is over. The public has had enough, whether we are speaking about families or young people.

Let us now look at the situation in Quebec. The facts are obvious. Nothing has been solved in eastern Montreal. The Conservatives have failed completely. We all remember the French power announced by the Prime Minister (Mr. Mulroney) in Quebec City. It has been a disaster. What about the shipyards? A total failure. What about the Desbiens pulp and paper plant? It has been a total failure, but thank God for the Liberal Government in Quebec. What about Gulf? Thank God for the Liberal Government in Quebec for saving part of the refinery. Otherwise, it has been a disaster. Indeed, a former Conservative Member criticized the Minister of Energy and Mines.

Mr. Speaker, I still have five minutes, the five minutes taken up by the Conservatives.

Mr. Speaker, the aerospace industry is also a disaster.

Mr. Speaker, I have visited the Saguenay—Lac-Saint-Jean region. Let me talk about the potato producers. This is a clear case of injustice. Maritime potato producers in the Maritimes have the same problems as producers in Quebec. Yet, potato producers in the Maritimes receive compensation, but not those in Quebec.

Yet, the Minister of State for Youth and all the other Ministers from Quebec, the so-called French power, look at all this and are quite satisfied. They have their jobs and their limousines; they cut ribbons occasionnally and appear a couple of times on television. They are very happy. As for the Minister, he can get his hair curled, and this is French power!

In the meantime a serious problem comes up in Western Canada, and there fly $1 billion. Banks go bankrupt in Western Canada, and we have another billion dollars, Mr. Speaker. Western producers have problems, we give them money. Oil companies have problems, we give them money. But for the Province of Quebec, nothing. The International Banking Centre is but a promise, Mr. Speaker, because since the election nothing has come out, zilch! No, nothing has come to Quebec since this Tory Government was elected, Mr. Speaker.

Neither in the area of equilization nor in rail transportation. The Bombardier Corporation—they would have us believe—Bombardier was the highest bidder for Canadair, but they will be dragging a red herring and award the F-18 maintenance contract to somebody else. Lo and behold they say! You were allowed to buy Canadair. You had your chance, but, Mr. Speaker. Bombardier was the highest bidder. Quebecers will not be had that way. Come now. Enough of that nonsense.

• (1650)

Mr. Speaker, it is time to wake up across the aisle. I appreciate they were disappointed with some Ministers, they fired them, and tried new ones. But those "57" will have to wake up, Mr. Speaker, they will have to drive something.

I think the Saint-Maurice election was a lesson for them. People in Saint-Maurice did not sell out to the Prime Minister (Mr. Mulroney) and the bunch of Conservatives who were handing out millions. The New Democratic Party gave them a hotfoot, Mr. Speaker, what a lesson! People in Quebec no longer accept this, they were deceived for two and a half years and they say: "Enough is enough!".

The Minister of State for Youth would like to know what we could do, what proposals we could put forward to help them. In the first place, there should be money behind the Job Development Program to train young people—let them double the amount of funding. We will see whether he has any backbone. We will see whether he is proficient or just another "official ribbon cutter" with $40,000 more in salary than the others and a limousine. Someone to parade and put his chin forward and cut ribbons. Let us see if he can have that funding doubled.

In Quebec, we had $76 million for the Job Development Program. The Montreal area had $22 million. This year, for the whole Province of Quebec, there is a mere $22 million, and $9 million for the Montreal area. The Minister earlier tried acrobatics to make Quebecers believe he is looking after the young. The young my foot! The Minister does nothing. He had a salary increase. The only young person who had a pay increase in Canada is the Minister, Mr. Speaker. The others will get nothing. The only one who is provided with a private chauffeur, there he is. Other young people are still in need, Mr. Speaker. But that will not do. What young people want are jobs.

And he talks about training them. Some of them have diplomas right up to here. They want jobs, they want to work. Double the funding for the Challenge '87 program, stop your cheap manoeuvrings with those 24 weeks, those 30 last weeks to give training jobs every two years. Stop tampering with all those things. Everything you touched has gone sour. And make sure you offer programs. Trust the industry. Do not put up criteria and hurdles, trust community groups. Give them money and they will carry on projects. Do not try to get involved with that and indulge in patronage. For two years you reeked with scandals so you should keep away.

And what about social issues? Why did the Government not propose that a debate be held, as suggested by our Liberal leader, the Leader of the Official Opposition (Mr. Turner), on a guaranteed annual income? Why did the Government not announce in the Throne Speech that it would set up a committee of the House or a joint committee of both Houses to consider how with the same budgetary envelope we could have 15 to 20 social programs to serve all Canadians?

We have social programs for senior citizens, some for our families and others for Canadians generally, some under the guise of tax shelters, grants, cheques or child tax credit based on age and another tax credit for the family. Why has the Government not endorsed the proposal made by the Leader of the Official Opposition? Why did the Government refuse to consider the development of a policy aimed at older people, a policy based on the needs of each of those groups? In the first place, with respect to health care or the so-called extended care centres. Secondly, community or low-rent housing which appeal to people, co-operatives or non-profit organizations, where older citizens in good health can live under the same roof to carry on group activities and enjoy some degree of security. There should also be a grant formula for housing and another one for home care.

Mr. Speaker, I think the Government has all the necessary tools, but it should do away with the Tory philosophy of taking money away from older Canadians to give it to the rich, and find out how, with the same budgetary envelope, care provided to older people can be improved.

The same applies to our families and to young Canadians. And it would be the same thing in the area of industrial assistance. I should like to pay tribute to the NDP members who have issued a document which clearly shows that the more affluent Canadian corporations have managed quite legally not to pay a cent in income tax and that some individuals earning $100,000 in Canada have been allowed to claim the child tax credit.

Mr. Speaker, there is nothing in this speech of 1986 which would clearly indicate a real improvement in the living conditions of Canadian men and women. But I am much more concerned when I consider what was written in 1984, for I, like the Canadian people generally, had faith in this Prime Minister in 1984.

About the consultation mentioned in the party platform, all groups were saying: Well, we should show some trust; these people must be honest. You can see the results, Mr. Speaker. I understand that PC Members do not like me to say that, but it is the truth. Have we been sent here to tell the truth or not? Is it true that the PC Government, contrary to what it had said, has cut back the Old Age Security Pensions? It is true. Is it true that it has cut back family allowances at the level of indexation? It is true. Nobody can say that it is not true, for it did indeed make these cuts. Is it true that it has deceived workers on early retirements in the Province of Quebec and the rest of Canada concerning unemployment insurance benefits? It is true, and nobody can deny that. Is it true that after having deceived the people, it made cuts in the New Horizon program? It is true, it did indeed cut back, and nobody can say that it did not, Mr. Speaker.

Is it true that it changed the child tax credit for middle income taxpayers, so that people earning between $22,000 and $25,000 can no longer claim this credit? It is true, Mr. Speaker. It is written here in so many words. Nobody can say that the Government had not promised that it would not do it. Its election platform was deceiving. Has the Government rolled back the indexation of family allowances in order to reduce the deficit? Nobody can say that it has not. It's true, and the Minister admitted it after saying he would not do it.

Mr. Speaker, if Conservative Members are ashamed, just like the Hon. Member for Bellechasse (Mr. Blais) who is trying to stop us from speaking out, let them repent openly. If they cannot do so in the House, they should rise in their caucus and say to their Prime Minister: Listen, Mr. Prime Minister, we have been elected. We are honest people. We want intellectual honesty and openness to continue. Can anybody say that it is not true that the Prime Minister treats himself to caviar when travelling or that he brings along his butler? Nobody can deny it, for it is true. It is written in so many words, Mr. Speaker.

Nobody can say that the former Minister of Regional Industrial Expansion and his wife have not obtained interest free loans, for it is true, Mr. Speaker. Is it true that some Ministers have been forced to resign? Again, it is true, Mr. Speaker. There is no one in the House who can deny that.

• (1700)

It is not too late, Mr. Speaker; the Government still has some opportunities left. The Minister of State for Youth (Mr. Charest) has the opportunity to do a better job than his predecessor who has been fired.

So the minister is given this opportunity. All members of the House must rise above petty politics to support him in his efforts to put pressure on the Minister of Finance (Mr. Wilson), who is aware of only one class of citizens, and have him allocate funds to the Minister of State for Youth. Let him allow to the Challenge '87 program twice as much funds as last year. Money should be earmarked immediately for the Job Development Program. The prime minister was able to find money for those who had millions of dollars, who had deposits of more than $60,000 in western banks. He was able to find $1 billion. Let him find one more billion to help the young people of Canada. And if the minister succeeds in that undertaking, I will be the first to rise and say: "Well done!" If he is willing to take up the challenge, I will support and help him. But if the minister tries to lull almost everyone with words such as those of his little speech, as "Donalda" attempted to do, he will be sent back to do a television show.

I now conclude my speech, Mr. Speaker. My time is up. If the Minister of State for Youth is willing to fight for the young people of Canada, he will have my support, but if he does nothing for them, he will hear from me.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but his time has expired.

Questions and comments. The Hon. Minister of State for Youth (Mr. Charest).

Mr. Charest: Mr. Speaker, I would like to comment briefly and then put a few specific questions to my colleague. First of all, he referred to the election of our Speaker (Mr. Fraser) and I would like to know—But first, I should point out that, today, the Hon. Member was as good as ever. He was passionate, vibrant and also spoke in a loud voice.

However, you must remember one thing, and I am sure that those who are listening know what I mean, because they are reasonable people. How can you rise and talk for 20 minutes and dismiss absolutely everything as negative? Nothing positive in two whole years? It was a passionate and interesting speech, granted, but those who are watching us, at home, must be wondering: Something is wrong here, it does not make sense. This is not 1940. People are smarter than that. This is not 1800. They are listening and they are watching us, and distinctions must be made.

He talked about the Quebec Liberal Party which he admires a great deal, and we also have a lot of respect for that Party. I do not know whether he is going to give us his views on the so-called "boubou macoutes" operation. He did not mention it yet. However, associations he claims he supports were not exactly in favour. He respects the Quebec Minister of Agriculture and we share that respect. Will he talk to the Minister about the fact that they have cut school milk two days out of five? That they are taking milk away from children? Knowing how close he his to children, I am sure he is already planning a trip to Quebec City to demonstrate on the Hill and demand an immediate stop to this. We are going to watch him on that. If he wants our co-operation, I guess he will ask for it, and we will see whether we can help.

But there is more than that, and concerning the election of our Speaker for whom we in any case have the full respect he deserves, I do not know whether he would tell us—I hope he is not leaving—I do not know whether he will tell us, we will see whether he will answer the question because we are curious to know—whether he stayed here right until the Speaker was elected, because I imagine the absent are always in the wrong. The same rule applies to everybody, perhaps not in his case he will tell us, but being such a staunch supporter of democracy he will tell us whether he was here for the election of the Speaker, for how many ballots and the final vote, whether he came to vote as he wanted to do to get the results he was hoping for.

The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) will simply have to set the record straight for us because we on this side are getting somewhat contradictory messages from the other side. I took part in a television interview with my colleague from Ottawa Centre (Mr. Cassidy) and your own colleague from the riding of Saint-Jacques (Mr. Guilbault) who said that, as far as he is concerned, the Speech from the Throne is a good one. You used a word—I am not sure whether it is against the rules or not, but never mind—unless I am mistaken you used the word "a piece of trash". It sounds like a very strong word to me. Yet your colleague from your own Party said that it was a good speech. Help us understand what you and your Party are saying, because we on this side and other Canadians are not too sure what you mean.

One last word to the Hon. Member. We admire your eloquence, your imposing style and everything else, even though the approach is quite negative, but finally, Mr. Speaker, perhaps his name ought to be added to the list of would-be leaders of the Quebec federal Liberal Party, that is the latest trend—

An Hon. Member: Another one.

Mr. Charest: —another one, and if that does not work out he can always launch himself into a new career as a professional wrestler, I think it would be just about right for him.

Mr. Malépart: Mr. Speaker, as you may have noticed, no one was very impressed by the Minister. I have the impression he is going to get back to the Speaker's chair pretty soon, since he didn't have a clue when we were discussing the Speech from the Throne.

Mr. Rossi: He will never learn!

Mr. Malépart: As far as being negative is concerned, if the Minister would stop running around in his limousine and talking to his chauffeur, as if that were the only important thing in life, and if he would look at the latest polls: sixty per cent of the people disagree with your Government, only about 20 per cent agree and 30 per cent are undecided . . . So I have the impression, Mr. Speaker, that the Minister . . . I am not surprised he doesn't want to wait for an answer, considering how this makes him look.

Furthermore, regarding the Speech from the Throne, what I said was that anybody could write a nice story, and I was comparing the 1986 and 1984 Speeches from the Throne, and talking about how Canadians had been betrayed by the 1984 Speech. Is the Minister prepared to say it is not true that in 1984 his Government promised social justice and then went on to cut indexation of Old Age Security benefits? Is he prepared to say that isn't true? Can he say that? He isn't afraid to lie?

Mr. Speaker, about de-indexation of family allowances: Is the Minister going to say that is false? I hope he doesn't have the Prime Minister's disease. You know, people don't trust the Prime Minister's word, and I just hope it isn't contagious in their party, Mr. Speaker.

Mr. Rossi: He doesn't have the answer.

Mr. Deputy Speaker: Order, please. I am having some trouble hearing your speech. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has the floor. Please continue.

Mr. Malépart: As far as the election of the Speaker is concerned, I must say that I am not a lawyer like the Minister of State for Youth (Mr. Charest), who has bragged about it. That is a special class of people. You are one yourself, Mr. Speaker. As for me, I am a simple citizen like the majority of Canadians and I thank you for letting me give a more complete answer about the election of the Speaker. As I understand it, if the comments of the Prime Minister about parliamentary reform were true, sincere and honest, as Deputy Speaker of the House, your replacement should have been Marcel Prud'homme or Mr. Lewis, who were also candidates, and not—

Mr. Deputy Speaker: I would ask the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) not to involve candidates to the Chair in his speech. I ask him to conclude.

Mr. Charest: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Honourable Minister of State for Youth (Mr. Charest) on a point of order.

Mr. Charest: I would like to say in a few words that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has yet to answer our question. We will see whether he does or not. We are waiting. Perhaps we will use that as a yardstick to measure his honesty.

Mr. Deputy Speaker: I would ask— I now recognize the Hon. Member for Montreal—Sainte-Marie, but I would ask him to be brief if possible because I believe another Member would like to ask a question within the allotted ten-minute period.

Mr. Malépart: Mr. Speaker, I have answered. I asked the Minister, and I am still waiting for his answer: Am I wrong to say that his Government has reduced Old Age Security pension indexing? So he answered: Is it false—

Mr. Charest: Answer the question!

Mr. Blais: Answer the question!

Mr. Rossi: You do not like that, hey?

Mr. Malépart: Oh! Mr. Speaker, unfortunately, I feel compelled to say, whether my terms are parliamentary or not, that Conservative Members like to verge on lying.

Mr. Rossi: Old Age Security pensions? You do not like that. You did not answer the question.

Mr. Deputy Speaker: The Hon. Member for Ottawa-Centre (Mr. Cassidy) for a question or comment.

Mr. Cassidy: Mr. Speaker, following the speeches of both previous speakers, I would simply like to comment briefly on the speech of the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) because he is a member of the Liberal Party. He is quite right in criticizing the government, but he forgets that his own Government was in power for many years and could have done anything that was required to develop the economy of Québec.

In Montreal, the regional economic problems have long been ignored by the municipal government. But one wonders why it is that no member of Parliament, no minister coming from the Montréal region ever was able to come up with an economic development plan for Montreal, that not one of them ever reacted. Four oil refineries were shut down in that area, for instance.

The honourable member just mentioned the need to get started with a guaranteed annual income. It is a good suggestion. But let me put this question to the honourable member: When his Party was in power for almost 20 years, before the last election, why did the Liberals not go ahead with that reform instead of just starting to call for some change in our social fabric, in our social policy, now that they are in the opposition? They are in effect calling for something that his Party was not willing to deliver when they were in power.

Mr. Malépart: Mr. Speaker, I will gladly reply to the NDP Member. His question clearly indicates that the NDP has never understood and will never understand Quebecers. It clearly shows that it would not cost the Prime Minister much to find a job for him like he did for the former Member.

Why did the Liberal Party . . . If it did get the message, Mr. Speaker, why did the Government . . . ? Because the guaranteed annual income is not something than can be implemented overnight. One must make sure that it will improve the quality of life for Canadians, that there will be no additional costs. How to reorganize that? If the NDP Member—

Mr. Cassidy: You had enough time to do it.

Mr. Malépart: Mr. Speaker, we did improve the conditions of living, medicare—Mr. Speaker, I believe that we have been honest enough to make changes. That is why we have been in power and for that same reason we shall come to power again. We shall not forever be in the opposition and we shall not accept menial tasks of that nature to say farewell. Mr. Speaker, I shall conclude by answering that question, on guaranteed annual income, on a policy for senior citizens: I believe that social programs have been upgraded over the years. This cannot be done in a radical fashion. Surely, we could adopt a simplistic NDP-style solution. I have former *Parti Québécois* acquaintances who did just that and were thrown out rather quickly by the electorate. The idea is to find the best way to go about it. What is important is not the type

of annual income but what it boils down to in terms of dollar amounts and services provided to people. This is why I am pleased that the Liberal Party has progressed with regard to social programs for the elderly and families. The time has now come to consider that and perhaps to conclude eventually that providing a guaranteed annual income is not necessarily in the best interest of those who need assistance, contrarily to NDP ideology, which is basically biased.

• (1710)

[*English*]

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I want to commence by extending to the Speaker, his deputies and the new process my best wishes. I wish you and yours well.

I rise today to express a concern for rural Canada, not only for the food producers and other persons who live from the resources of the land but also for the towns, villages and hamlets which dot the country. The census of 1891 reported that 82 per cent of Canadians lived in rural areas. Today 4 per cent of Canadians live on farms and an additional 16 per cent live in rural non-farm situations.

I assert that the pattern of our population settlement is now reason for legitimate concern. Fifty-seven per cent of Canada's population is held within the 23 largest cities. Seventy-nine point five per cent of the Canadian population is within the 23 largest cities and 148 smaller cities. It is clear that that is where the political power is also harboured. As a result it is, by degree, more difficult to get the proper focus of attention that we need for the aspirations of rural Canada. The 9,500 towns and villages, along with the primary producers in agriculture, fishing, mining and forestry, have to knock harder and longer to get attention at the door of society's decision-makers. Simply put, while the hinterlands provide the lion's share of the nation's wealth, the cities harvest the benefit.

Today there are more Members of Parliament representing the urban settlements in and around the Cities of Montreal and Toronto than representing the three prairie provinces and the two northern territories. The three largest cities in Canada, Montreal, Toronto and Vancouver, collectively have more voting power in Parliament than has 85 per cent of Canada's land area. The voting power is such that it is its own concern.

There is a need for Canadian society to refocus on the potential of our hinterland and to diversify our population settlement patterns. It is my view that there is a bias which arises in urban citizens against the country cousins, albeit unintended and certainly without malice. Nevertheless, there is therein a real damage.

I want to set forward a few examples. The first one is relatively harmless and perhaps borders on trivia. I am going to talk about the urban weather reporter. After six weeks of drought in the rural communities, this pesky little fellow, armed with pointer and weather map, appears on our television screens and announces that there is good news, that it will be hot and dry for the weekend. This kind of announcement is received in rural communities as an insult. It irritates rural people who are dependent upon the weather in a way in which urban communities can hardly imagine.

Who among us can justly claim that Canada Post is acting with justice and fair-mindedness when it provides free door-to-door postal service in urban areas but forces rural people to rent metal mail boxes? Most rural people would never expect door-to-door delivery, but they remain perplexed by the fact that they are charged while urban citizens have a free ride on the public purse.

There is the question of what makes the Post Office remain and what makes it disappear. Canada Post is presently shooting off small rural post offices like clay pigeons. It matters not that rural citizens may have to travel 100 or more miles on a return trip to obtain their mail. It matters not how busy a farmer or rancher is in the sprawling country of southern Alberta. The only consideration of Canada Post is the number of people per mile and whether or not the local post office makes money.

It does not matter that the petroleum and agricultural resources near Big Stone, Alberta, earns Governments $60 million annually. If the local post office loses $5,000 per year, Canada Post will close it down. Moreover, it does not bat an eyelash at free door-to-door delivery in urban communities. The fact that it costs millions of dollars annually to provide the door-to-door service in urban areas is unpersuasive. It is those far away post offices in rural Canada upon which Canada Post pins its hopes for a balanced budget. That is a pattern that may work but it is a pattern which is flooded with shame and insensitivity.

I would like to give the telephone company as another example. This corporate giant is under the jurisdiction of provincial Governments, yet the same sociological forces are exerted. If you are in urban Canada, you can have a private telephone in your home for $8, $9 or $10 a month. For the same price in many parts of rural Canada you can deal on a $130,000 harvest combine while three of your neighbours listen in. We are in the computer age and farmers need private phone lines to access data banks for their computers on accounting, market information, nutritional requirements and veterinary services.

I would now like to talk about the bias that exists in police service. I had occasion to phone the Royal Canadian Mounted Police at Camrose, Alberta, on a Saturday this summer. My call was intercepted and transferred to Red Deer. When I told that to a colleague of mine in the House of Commons, he gave me a better example than my own. At 4 a.m. a man was caught beating his wife. A phone call was made to the police for help. The operator transferred the call to Kamloops, British Columbia, more than 100 miles away from the incident. The officer who received the phone call said that someone from the local detachment would attend at nine o'clock in the morning, some five hours later.

I do not raise this point to bring issue with whether the R.C.M.P. should have different working hours or whether they should have time off on the weekends. I think their present hours are fine and we all recognize they should have time off on the weekends. However, I do emphasize that rural people accept a level of police protection which urban people would never tolerate. If police protection is not continuous, it is not secure.

I want to talk a bit about labour disputes, which are usually an urban phenomenon, and their impact on rural Canada. Most people, from following recent strikes in Thunder Bay and Vancouver, know that the labour workers are seeking more money. Many people would not even argue about whether they ought to receive more, but many of them do not recognize that when the workers and grain handlers get more money, the farmers get less. The situation is literally that the farmers receive international price, less cost. In other words, the administration, handling, shipping and transportation costs are all deducted.

• (1720)

We have a situation in our agricultural communities in Canada today where our farmers have had a decreased income every year for five years and this year have had a 20 per cent decrease over the previous year. It is within that scenario that the urban worker rises up to say that he wants more even though it means that the agricultural producers who provided the jobs in the first place must accept less so the labourers can have more. It is another example which underscores the fact that there is a sociological phenomenon that favours urban Canadians over rural Canadians.

I am proud that my Government announced in the Speech from the Throne that there will be more focus on day care. Urban Canada is crying out for more day care, more space and services and the commitment of more money. There is no day care in rural Canada in spite of the fact that in my Province of Alberta, 41 per cent of farmers or farmers and their spouses work off the farm. The farm environment is more dangerous for young children, with chemicals, machinery and animals. Yet world conditions and economic pressures on farmers mean that some 53 per cent of farmers, on a national average, now have off-farm work. However, there is still no day care. I am pleased with the initiative and I hope that those who design the actual legislation and initiative will remember that rural Canada also needs day care along with our urban cousin.

Let me give one final example—the pricing of farm chemicals—and I will move on to solutions that I believe will be helpful. Banvel and Dycleer are two chemicals. Banvel is used by farmers and Dycleer is used by municipal Governments. Dycleer is exactly the same chemical as Banvel, yet it sells for $20 a unit cheaper. It is illegal to use it for agricultural purposes. The company argues that this is because of its packaging and selling. Yet there are people in the farm aerial spray business who buy even more of the chemical than the municipalities, yet have to pay more for no other reason than that they are classified as agricultural operations. That type of focus should not continue.

Let me ask rhetorically: Is Canada better off if Toronto and Montreal become as large as New York? Are we better off if Vancouver and Halifax become the Chicagos and Detroits of Canada? Are there no limits to growth? Is not the hinterland something we should focus on for increased vitality?

I believe, because of my past experience in the Province of Alberta, that it is possible to refocus on our hinterland and create a new vitality in it.

In the mid-1970s the Alberta Government decentralized and gave a sense of fresh air to many of those communities that were struggling. For instance, when Water Resources was moved to the community of Vegreville and the Alberta Development Corporation moved its headquarters from Edmonton to Camrose, it brought a new breath of fresh air and vitality to those communities. The community of Rimbey is a town of 600 in the riding of the Hon. Member for Wetaskiwin (Mr. Schellenberger). It now has the provincial offices of the provincial parks programs and it is much more able to sustain itself. Yet there are parts of east central Alberta and west central Saskatchewan that are dying and crying out for the attention that goes to urban Canada, to start moving toward a rural focus, closer to the people who are served.

I could go on much longer and give many examples to show the kind of discrimination that takes place, but I want to talk about some solutions that we might offer.

First, I believe we should have a decentralized Government wherever possible. The Farm Credit Corporation, for example, could move to Honna, Alberta, an area that is losing its population because it depended on being a railway centre. Now that that industry is fading away, it needs some injection of a resource that will give it a new sense of vitality.

I ask, partly tongue in check, if there would be anything wrong with moving the national headquarters of Canada Post to Come-By-Chance, Newfoundland? It seems to me that that is a very logical place to put the headquarters of Canada Post. It might be appropriate in terms of rural reconstruction and having the citizens of Canada recognize that we finally put the Post Office in its right location.

Perhaps the Animal Health Division of the Department of Agriculture could go to Innisfail, Alberta. Could the plant science branch not go to a rural community in Saskatchewan? Why must all these operations be harboured in Ottawa? If we were to move some of the operations of the federal Government from Ottawa, into the hinterland that is so important and needed for the continued growth of our country, we could have greater and more vital communities. We should do more with the industrial infrastructure and, wherever possible, use incentives to move it so that the major developments do not always take place in Montreal, Toronto, London, Hamilton or Vancouver but in little communities like—

Mr. Siddon: Craigmyle.

Mr. Malone: —Craigmyle, Alberta, a perfect example. I know the Hon. Minister of Fisheries and Oceans (Mr. Siddon) recognizes that he is speaking about a region of Canada that has a decreasing population.

It is important that I point out that according to the old Canada Works Program, communities with low unemployment rates would only get $100,000 for the area. The logic used by Statistics Canada was that areas with a low unemployment rate did not need any more money to improve the unemployment situation in the area. However, this logic did not take into account that many of those rural communities exported their unemployed, as boys and girls growing up on the farm in the Prairies did not stay unless they could take over the farm. They would go to the city where they would be listed on the city's unemployment roll, when unemployed.

A few years ago I attended the opening of a factory at Bashaw. I had the pleasure of seeing 30 young people, dressed in white cloaks and caps, working in that new cheese factory. I asked each of them where they were from and what they would be doing if they were not working in that factory. Each person told me that they would be in Red Deer, Calgary or Edmonton. Young people give us low unemployment statistics because they move away, but if industry is brought into those rural communities they will stay home. We must change the trend.

Finally, while it would be easy to blame previous Governments for this diminishing population in rural Canada, I do not want to do that because I believe that this trend existed for logical reasons. I believe there were natural efficiencies that made us move to urban areas to fulfil our goals, but today is different and we live in an age of the computer and high tech communication. It is interesting to note, for instance, that on Galiano Island and other islands off the coast of British Columbia there are major executives of large corporations who basically run those corporations from their homes. Because of technology today we have the capacity to revitalize. It is a new phenomenon that we can do what we could not have done 10 years ago.

• (1730)

I see my time is up. I have other solutions to which I wanted to refer, but perhaps someone will ask me about an elected Senate and on that note, I will sit down.

Mr. Deputy Speaker: Order, please. It being 5.30 p.m. it is my duty, pursuant to Standing Order 62(4), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment. The question is on the amendment. Mr. Turner (Vancouver Quadra), seconded by Mr. Gray (Windsor West), moved:

That the following be added to the Address:

"The House regrets, that at a time when 1,250,000 Canadians are looking for jobs; when the Canadian family farm is threatened; when the oil and gas industry is trying to hang on; when regional inequalities are being worsened by government inaction; when young people, elderly women and single mothers face extraordinary hardship; when average Canadians face huge tax increases while giant corporations get tax breaks; and when Canadians, from one end of the country to the other, are crying out for leadership and direction, the Government is trying to tackle the nation's problems with empty words and aimless rhetoric".

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the nays have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment (Mr. Turner (Vancouver Quadra)) which was negatived on the following division:

(*Division No. 2*)

YEAS

Members

Allmand
Angus
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Marchi
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Orlikow
Parry
Penner
Pépin
Riis
Robichaud
Robinson
Rossi
Tardif (Richmond—Wolfe)
Tobin
Turner (Vancouver Quadra)
Young—50

NAYS

Members

Andre
Attewell
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blenkarn
Bradley
Brightwell
Brisco
Browes
Cadieux
Clark (Yellowhead)
Clark (Brandon—Souris)
Clinch
Coates
Collins
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
de Cotret
Della Noce
Desjardins
Dorin
Duguay
Duplessis
Edwards
Ellis

Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gagnon
Gervais
Gray
(Bonaventure—Îles-de-la-Madeleine)
Guilbault
(Drummond)
Gurbin
Hardey
Harvey
Hawkes
Hees
Horner
Howie
Hudon
James
Jardine
Jepson
Johnson
(Bonavista—Trinity—Conception)
Joncas
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly
Malone
Martin
Masse
Mayer
McCrossan
McDermid
McKenzie
McKinnon
Minaker
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oberle
Oostrom
Peterson
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Siddon
Stevens
Suluk
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Vézina
Warner
White
Winegard
Wise—108

• (1800)

Mr. Speaker: I declare the amendment lost.

It being six o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 9, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

ELECTIONS CANADA

TABLING OF 1986 REPORT OF CHIEF ELECTORAL OFFICER

Mr. Speaker: I have the honour of laying on the Table of the House the 1986 Report of the Chief Electoral Officer of Canada.

[*English*]

May I remind Hon. Members that pursuant to Standing Order 67(4) this report is deemed permanently referred to the Standing Committee on Elections, Privileges and Procedure.

* * *

FISHERIES

TABLING OF POLICY ON MANAGEMENT OF FISH HABITAT

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, under the provisions of Standing Order 67(2) I wish to table, in both official languages, the Department of Fisheries and Oceans policy for the management of fish habitat.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF NINTH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, pursuant to Standing Order 101 I have the honour to present to the House the ninth report, in both official languages, of the Canadian NATO Parliamentary Association. This report on a meeting concerning public information of the North Atlantic Alliance was prepared by the Hon. Member for Okanagan—Similkameen (Mr. King).

CRIMINAL CODE

MEASURE TO AMEND

Mr. John Reimer (Kitchener) moved for leave to introduce Bill C-216, an Act to amend the Criminal Code (abortion).

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

Some Hon. Members: Agreed.

Mr. Reimer: Mr. Speaker, I rise to introduce for first reading a Bill to amend the Criminal Code concerning abortion. The purpose of this Bill is to address what I believe is the primary question concerning abortion—are we or are we not dealing with a human life. The essence of this Bill is that it removes the word "health" and would permit an abortion only on the grounds of self-defence in those rare instances when a mother's life is deemed to be in danger.

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

* * *

EXCISE TAX ACT AND EXCISE ACT

On the Order: Introduction of Bills

October 2, 1986—The Minister of State (Finance)—Bill intituled: "An Act to amend the Excise Tax Act and the Excise Act".

Hon. Tom Hockin (Minister of State (Finance)) moved for leave to introduce a Bill to amend the Excise Tax Act and the Excise Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

[*Editor's Note: For Speaker's ruling on above, see p. 246.*]

• (1110)

THE OFFICIAL DESIGNATION OF NOVA SCOTIA ACT

MEASURE TO ENACT

Mr. Pat Nowlan (Annapolis Valley—Hants) moved for leave to introduce Bill C-217, an Act respecting the official designation of "Nova Scotia".

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

Some Hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, the purpose of this Bill is to use proper language for proper nouns, in both official languages.

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

* * *

BUSINESS OF THE HOUSE

ESTABLISHMENT OF STRIKING COMMITTEE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been the usual discussions and consultations with the House Leaders of the other Parties, having regard to the establishment of the Striking Committee under the provisions of Standing Order 93, for the appointment of Members to the Legislative Committees. As well, there have been discussions with respect to the reinstatement of the work of three special or subcommittees; the Special Committee on Child Care, the Subcommittee on the Handicapped and the Special Committee on Acid Rain.

I think you will find unanimous agreement for the following motion with respect to the establishment of the Striking Committee:

That, notwithstanding any Standing or Special Order of this House, the composition of the Striking Committee of the House of Commons be amended by substituting the names of Messrs. Murphy, Mazankowski and Mrs. Bourgault for Messrs. Deans, Hnatyshyn and McGrath, respectively.

Motion agreed to.

REINSTATEMENT OF SPECIAL COMMITTEE ON ACID RAIN

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Further to discussions with respect to the reinstatement of the Special Committee on Acid Rain, I think you will find that the following motion would be in order:

That a Special Committee of the House of Commons, consisting of Messrs. Blaikie, Caccia, Corbett, Darling, Desjardins, Ferland, and Gurbin, be appointed to act as a Special Committee on Acid Rain;

That the Committee be empowered to hold hearings to review all aspects of acid rain;

That the evidence adduced by the Special Committee on Acid Rain in the First Session of the present Parliament be deemed to have been referred to the Committee;

That the Committee have all the powers provided to Standing Committees pursuant to Standing Order 96(1) and that the provisions of Standing Order 98 and sections 2, 3, 4, 5 and 6 of Standing Order 94 be suspended, unless otherwise agreed to by this Committee; and

That the Committee have the power to adjourn from place to place in Canada and the United States, and the power to retain staff, subject to budgetary approval by the Board of Internal Economy.

Motion agreed to.

REINSTATEMENT OF SPECIAL COMMITTEE ON CHILD CARE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, with regard to the proposal to reinstate the Special Committee on Child Care, discussions have taken place and I think you will find that the following motion would receive unanimous consent:

That a Special Committee of the House of Commons, consisting of the following members, be appointed to act as a Parliamentary Task Force on Child Care: Belsher, Duguay, Martin (Lincoln), Mitchell, Nicholson (Niagara Falls), and Pépin; to report on the future of child care in Canada in the context of the changing needs of the Canadian family in today's society with particular reference to the following:

(1) the requirements of children for care in parental or non-parental arrangements and the preferences of parents in this regard;

(2) the role of the federal Government in child care in light of the shared responsibility for child care among parents, the private sector, the voluntary sector, and Governments; and

(3) alternatives for future action by the federal Government:

the alternatives proposed should take into account factors such as:

(A) the special circumstances of various families, including but not limited to such factors as marital status of parents, economic circumstances of families, and location, cultural background and disability of parent(s) or child; and

(B) the financial implications for the Government of any initiatives which may be proposed including tax measures or other fiscal arrangements;

That the evidence adduced by the Special Committee on Child Care in the First Session of the present Parliament be deemed to have been referred to the Special Committee hereby appointed;

That the Special Committee, in carrying out its review, shall have all the powers given to Standing Committees by Standing Order 96(1);

That the portion of the budget of the Special Committee on Child Care not expended during the First Session of the present Parliament be deemed to constitute the entire budget of the Special Committee hereby appointed, unless a supplementary budget is approved by the Board of Internal Economy;

That the Special Committee be authorized to repay, from its budget, expenditures undertaken by the Committees and Private Legislation Branch between September 3, 1986, and October 22, 1986, in order to expedite the study of the Special Committee's mandate;

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Special Committee is completed, the Special Committee shall report its findings by depositing its report with the Clerk of the House, which report shall thereupon be deemed to have been laid upon the Table; and

That the Special Committee shall report no later than Wednesday, November 26, 1986.

Motion agreed to.

REINSTATEMENT OF SUBCOMMITTEE ON THE DISABLED AND THE HANDICAPPED

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, similarly, I think you will find that the following motion would receive unanimous consent:

● (1120)

That a Subcommittee of the Standing Committee on Communications and Culture consisting of the following Members, be appointed to examine annual reports of the Minister responsible for the Status of Disabled Persons: Boyer, de Corneille, Halliday, Joncas, Young; to report and make recommendations to the House on such reports and on questions referred to it by the House;

That the Subcommittee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the Subcommittee have the power to adjourn from place to place inside Canada provided that the locations to be visited, as well as the estimated expenses for such travel, shall be determined in advance and submitted to the Board of Internal Economy for approval;

That the Subcommittee be empowered to report directly to the House;

That the Subcommittee have all of the powers of a Standing Committee of the House, pursuant to Standing Order 96(1);

That changes in membership be made only pursuant to Standing Order 94(3)(b);

That the portion of the budget of the Subcommittee on the Disabled and Handicaped of the Standing Committee on Communications and Culture not expended during the First Session of the present Parliament be deemed to constitute the entire budget of the Subcommittee hereby appointed, unless a supplementary budget is approved by the Board of Internal Economy;

That the Subcommittee be authorized to repay from its budget expenditures undertaken by the Committees and Private Legislation Directorate between September 3, 1986, and October 22, 1986, in order to expedite the study of the Special Committee's mandate.

Motion agreed to.

* * *

WAYS AND MEANS

INCOME TAX ACT

Mr. Mazankowski: Mr. Speaker, there have been discussions with respect to a Ways and Means motion standing under Government Orders, Ways and Means motion No. 3, having regard to consideration of Ways and Means to amend the Income Tax Act. In more layman's terms, it has to do with the child tax credit.

There have been discussions with the Opposition House Leaders and I think you will find it agreeable to have that placed before the House at this time.

Hon. Tom Hockin (Minister of State (Finance)) moved that a Ways and Means motion to amend the Income Tax Act, laid upon the Table on Thursday, October 2, be concurred in.

Motion agreed to.

Ways and Means

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, October 8, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session.

Mr. Speaker: The Hon. Member for Ottawa Centre (Mr. Cassidy).

Hon. Herb Gray (Windsor West): I rise on a point of order, Mr. Speaker. I respectfully submit that on grounds of equity, the Hon. Member for Papineau (Mr. Ouellet) should be the next Hon. Member to have the floor. There have been 15 Progressive Conservative Members speaking so far in this Address debate, nine Liberals and eight New Democrats. Bearing in mind that the Liberals have some 38 per cent more members than the New Democratic Party, I submit that the Hon. Member for Papineau should be the the one to catch your eye.

Therefore, I respectfully move, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier):

That the Hon. Member for Papineau now be heard.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour, please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Gray, Windsor West) which was negatived on the following division:

(*Division No. 3*)

YEAS

Members

Allmand	de Corneille	Frith
Axworthy	Dingwall	Gagliano
Berger	Finestone	Garneau
Copps	Foster	Gauthier

Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hopkins
Isabelle
Johnston (Saint-Henri—Westmount)
Kaplan
Killens
Malépart
Marchi
Nicholson (Trinity)
Penner
Pépin
Robichaud
Rossi
Tobin
Turner (Vancouver Quadra)—29

NAYS

Members

Andre
Attewell
Belsher
Bernier
Blackburn (Brant)
Blaikie
Bouchard
Bourgault
Brightwell
Browes
Cadieux
Cassidy
Clifford
Clinch
Comeau
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crombie
Daubney
Della Noce
Desjardins
Desrosiers
Dorin
Duguay
Duplessis
Edwards
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Fulton
Gagnon
Gravel
Halliday
Hardey
Hawkes
Heap
Hnatyshyn
Hockin
Hovdebo
Howie
James
Jepson
Jourdenais
Keeper
Kempling
Kindy
La Salle
Leblanc
Lesick
Lewis
Malone
Martin
Mazankowski
McCuish
McKenzie
McKinnon
Mitchell
Mitges
Murphy
Nicholson (Niagara Falls)
Nickerson
Nowlan
Nystrom
Parry
Pennock
Peterson
Plamondon
Porter
Redway
Reid
Reimer
Ricard
Riis
Scott (Hamilton—Wentworth)
Sparrow
Taylor
Thacker
Towers
Tremblay (Lotbinière)
Vézina
Warner
Weiner
Wilson (Etobicoke Centre)
Young—87

● (1200)

Mr. Speaker: I declare the motion lost. I recognize the Hon. Member for Ottawa Centre.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to congratulate you and particularly commend the fact that for the first time in our history we have a Speaker of the House of Commons who is genuinely the choice of all Members and not simply the choice of the Government of the day. I believe we all have a responsibility to try to restore the sense of purpose and decorum of this Chamber. I for one share that sense of responsibility. I believe we can restore decorum in this Chamber without harming Parliament's ability to make the Government accountable and to ensure that the differences of the three Parties are put forward.

I have to say that I regret the kind of tactics we have just seen in the House which are incomprehensible to average Canadians, but if average Canadians could understand on what we have wasted half an hour of the House's time, they would find those tactics juvenile, infantile and demeaning.

Some Hon. Members: Hear, hear!

Mr. Cassidy: I want to begin by saying a word to my constituents in Ottawa Centre and to all of the other federal employees who are affected by the Government's restraints on their political rights. This summer, the Charter case on political rights, which I launched in 1984, finally reached the Federal Court. Mr. Justice Walsh's decision opened the door a bit wider to political acitivity by federal employees, but in his decision Mr. Justice Walsh refused to strike down the relevant sections of the Public Service Employment Act. I have, therefore, gone to the Federal Court of Appeal in conjunction with my co-plaintiffs from the Public Service Alliance. We hope to win our points there, but I deeply regret that there was no mention of this issue in the Throne Speech. It is time the Government got this issue out of the courts and into Parliament by bringing forward legislation which we can debate and put into law as the Conservatives promised before the 1984 election.

I remain committed to winning political rights for public servants. I want to warn the Government that its record will be on the line if it does not act on its promise to provide political rights before the 1988 election.

There are two other local issues on which I would like to comment briefly, Mr. Speaker. I am extremely disturbed at the cuts announced today in the budget for the National Research Council. I have today written to all members of the board of the National Research Council urging them to do everything possible to stop those cuts, including resigning en masse if necessary. It is intolerable that the Government's decision to have a space agency and to have the Prime Minister (Mr. Mulroney) head a committee on industrial research should be used to undermine the National Research Council at a time when everybody in Canada acknowledges the need for this country to take leadership in research and development rather than gutting the five institutions and the work that is now being done.

I want to say to you, Mr. Speaker, since you are now in office as Speaker, that I am disturbed. I hope you will make representations privately to the Government over its delays in proclaiming Bill C-45 in order to give bargaining rights to House of Commons employees. The employees feel that the delay is being put into place in order to give the Commons administration time to shake things up in a way that will be favourable to management and will disregard the rights of employees. I hope that you take that very seriously, Sir, and get Bill C-45 proclaimed as quickly as possible.

[*Translation*]

Mr. Speaker, I am delighted with the progress made by the New Democratic Party in Quebec, and I want to thank all Quebecers who have joined our ranks in increasing numbers over the past two years. Recent polls indicate that nearly one third of the population of Quebec would support the New Democratic Party in the event of a federal election and that Ed Broadbent is as popular in Quebec, as the leader of his party, as the Prime Minister. Although we have yet to win federal seats in Quebec, the NDP is ahead of the Conservatives in Quebec,

and we intend to stay ahead. The strong increase in votes for the NDP in the by-election in Saint-Maurice, hardly a promising riding for the NDP, shows the extent to which Quebecers know and support us. Is this a temporary phenomenon, arising from a case of disenchantment with the two old parties? I would say no, Mr. Speaker, because for two years, the NDP has been far more visible on the Quebec federal scene. In the House of Commons, we are asking more and more questions about matters of concern to the people of Quebec, ranging from shipyards, and the textile industry to the industrial future of Montreal East and de-indexation of Old Age Security pensions.

Since January, we have made about 50 trips in the various regions of Quebec to meet voters, militant party members, community groups, labour organizations, farmers, women's groups, and business associations. Mr. Speaker, we intend to keep up the good work. Our commitment to Quebec will continue beyond the next election, because the New Democratic Party represents and wants to represent the middle class and ordinary people, not just from British Columbia or Newfoundland or Ontario but from all over Canada, including Quebec.

Mr. Speaker, when travelling through Quebec and Ontario, I am increasingly struck by the differences between the various regions of our country. More and more, we seem to be living in two Canadas, no longer the two solitudes of the English and French, but the two solid solitudes of rich and poor. In the urban areas of Southern Ontario, economic growth has brought unemployment down to less than 6 per cent. Not perfect, but not depression statistics either. In the rest of the country, however, there has been very little change. In Quebec, the unemployment rate has remained at 11.5 per cent. In some regions, it exceeds 20 per cent. In the private sector, according to the Conservatives, the growth rate in Southern Ontario is coming along very nicely. However, even the Minister of Employment and Immigration (Mr. Bouchard) admits that the private sector has little to offer in his region, Lac-Saint-Jean.

• (1210)

[*English*]

One month ago my Leader appointed me finance critic for the NDP here in Parliament. It is an honour and a challenge for me to take on this new responsibility because economic management is central to every other issue in Government today. As I was just saying *en francais*, we are increasingly coming to a situation where we have two Canadas, one rich and one poor. That is an intolerable situation which I, as one spokesman for my Party, and my Party as a whole, are committed to bringing to an end.

Over the summer Canadians made it clear that they question the Conservative Government over its lack of integrity and lack of fairness. They were looking for a fresh start in the Throne Speech but they did not get it. The Speech reminded me of what I used to hear in the Ontario Legislature in the 1970s when Dalton Camp and Senator Norman Atkins were advising Premier Davis.

While I welcome the announcement that there will be new conflict of interest legislation as a result of the problems of the former Minister of Regional Industrial Expansion, I am disappointed that there is no other recognition in the Throne Speech that Canadians want action on what the Prime Minister and his colleagues dismiss as the small things which have troubled his Government. It is not a small thing to waste millions of dollars to give our Prime Minister the trappings of a U.S. President. The pork-barrelling that went on to move a prison from Drummondville to Manicouagan, the politicization of the top civil service which is inherent in the appointment of Dalton Camp as a senior deputy minister, the revision of events which seem to go on whenever the Prime Minister talks to the press, all these things define the style of the present Government and are major factors in its collapse in the polls.

When you look at the big things which the Government claims have been going right, you also begin to wonder about the Conservative's credibility. The number one priority for most Canadians is secure employment. Yet one and a quarter million Canadians are still officially out of work and hundreds of thousands more would be seeking work if jobs were available. We have had no growth in jobs since January of 1986, almost a whole year. Unemployment is worse in the Atlantic provinces today than it was before the 1984 election. While unemployment is as low as 5 per cent in certain parts of southern Ontario like the City of London, it is close to 10 per cent here in Ottawa in the area I represent. It is 12 per cent in many parts of Quebec, higher than that in British Columbia, and running at over 21 per cent in Newfoundland. To all intents and purposes we now have two economies in Canada, one that is starting to thrive in southern Ontario and a vast area from St. John's to Victoria which is dangerously close to depression.

John Diefenbaker cried out for one Canada, but his Conservative successors in 1986 are rapidly creating two Canadas, one for the rich and one for the poor. Last year family income in southern Ontario averaged $41,765, which is some 40 per cent more than the average family income in Newfoundland. The response of the Minister of Transport (Mr. Crosbie) to that kind of disparity is to say that people in the Atlantic provinces should be glad they do not live in Bangladesh. This is not a Third World country. I would have thought that, as the regional Minister from Newfoundland, the Minister would be talking about how he and his Government can create living conditions in Newfoundland comparable to those in Ontario rather than telling people they can eat cake.

In Canada today one million families live below the poverty line. Only 3.6 per cent of total income goes to the bottom 20 per cent of our population. People at the top of the heap, the top one-fifth of income earners, take 43.3 per cent of all income. Yet what does the Throne Speech do about that situation? What does it say about the problems within our midst? One searches in vain to even find the word "poverty" mentioned in the speech.

Wealthy Canadians in the corporate sector keep urging the Government to bring down the budgetary deficit. Last year the Minister of Finance (Mr. Wilson) went to Bay Street to talk to those wealthy Canadians. He told them that even though he had miscalculated figures for the current fiscal year, he intends to stay the course and continue deficit reduction as his top priority. It is about time he realized that the view from Etobicoke and Bay Street is not the view of the average Canadian. The Government needs to respond to the needs of the average Canadian, not just those who are well off in the areas where he hangs out in southern Ontario. On behalf of millions of Canadians threatened with unemployment and job insecurity I want to know why the Government could not have used the Throne Speech to point to the unacceptably high unemployment rate of 9.7 per cent across Canada and set targets for systematically bringing that rate down rather than just setting targets for deficit reduction.

It is the same thing when you talk about taxes. In the last two years the Government increased taxes of ordinary Canadian families by $1,300 per year. At the same time it cut tax rates for corporations and the rich. Last month we released figures which show that every year some 80,000 profitable Canadian corporations, almost one-third of the total, with income in the $12 billion range, paid no corporate income tax. In some years a teller at the Royal Bank on Sparks Street in my constituency paid more income tax all by herself than her employer had to pay on assets which today total $98 billion across Canada. Is that fair? It is another sign of what I mean when I say that we now have two Canadas, one rich and one poor.

Canadians were looking for a clear sense of direction in the Throne Speech, not just the mushy generalities they got. I would like to outline what I and my Party see as priorities which should be put in place and will be put in place when the NDP forms the next Government of Canada.

The first priority should be to put jobs first and not the deficit. When the Minister of Finance announced an upward revision of the deficit, he assured his former colleagues on Bay Street that the program for deficit reduction remains in place. He has yet to give the people on Main Street his targets for reducing unemployment, and in my view he has his priorities wrong. No single move will do more to cut government costs and boost tax revenues than putting Canadians back to work. In other words, if we put jobs at the top of the priority list, that will help with the deficit picture as well. However, the way it is happening right now, we can see that the preoccupation of the Government with the deficit is reducing disposable income, reducing Canadians' willingness to buy goods and services, and is serving as a drag on the economy and making it impossible to create new jobs.

The experience of Manitoba's NDP Government when they came back to power five years ago, the experience of the NDP Government in the Yukon which halved the rate of unemployment in its first year of office, show that a Government can set meaningful targets for reducing unemployment and can achieve them. We should be doing that here in Canada.

We should also be committed to being fair to every region and every Canadian in every part of our country. The emergence of two Canadas has got to come to an end. The idea that the prospects for someone from Cape Breton are dismal, whereas his counterpart living in southern Ontario, in Toronto, Hamilton or London, will have rosier prospects is surely intolerable and we should now bring a sense of hope and promise to people in all corners of Canada. Faced with this challenge the response of the Government has been to do nothing except tell the regions that they are going to have to pull themselves up by their own bootstraps.

[*Translation*]

Eighteen months ago, Mr. Speaker, the New Democratic Party's employment task force travelled throughout Canada seeking solutions to our unemployment problems. Our report was an endorsement of the initiative shown in various regions, the contribution of small- and medium-sized businesses, and the urgency of decentralizing programs and being flexible.

Apparently the Government has agreed to some of our recommendations, but this will prove to be a worthless exercise if no money is available to fund a new approach to regional development. The two Canadas will continue to exist but the gap between them will simply grow ever wider.

• (1220)

[*English*]

Without a commitment to equality and justice as well as decentralization and flexibility the disparities will continue, particularly if the Government continues to see its main role as allowing the private sector to make southern Ontario rich while the rest of Canada slips back into depression status.

The third issue is that of fair taxes. The Finance Department's own polls show that the vast majority of Canadians believe that the tax system is unfair. There is an emerging and growing concern about our tax system. It has become so bad and so ineffective that even the corporate sector is saying that something must be done. However, the corporate sector's solutions are becoming the Government's solutions and they are not the solutions for ordinary Canadians.

The Throne Speech says that personal income taxes will be decreased. We would welcome that, Mr. Speaker, but we know what the Finance Minister has in mind. He wants to bring in a businesss transfer tax which will be a new form of tax on consumption that will be paid by ordinary Canadians. It will replace and broaden the existing manufacturers sales tax. No matter what you call it, this is not a tax on business but rather on individuals.

It became clear from our tax probe over the course of the last year that the present system is unfair, inefficient and unaccountable, particularly when it comes to the billions of dollars of concessions given to corporations. President Reagan

and the Republicans in the United States Congress put forward a tax reform which raises corporate taxation in that country by $120 billion while reducing personal tax rates. We could have that kind of fair tax reform in Canada as well.

We need a commitment for a real war on poverty to wipe it out of Canada before the end of the century. We need a commitment for action rather than just studies and speeches to stop the needless concentration of the businesss sector which has put so much of the wealth of the country in the hands of a handful of irresponsible corporate families.

[*Translation*]

Mr. Speaker, we need a firm commitment concerning the economic equality of women in this country; more than sheer rhetoric, more than toothless legislation which will do precious little to improve the condition of working women, we need a commitment supported by Canadian legislation so that women in this country will indeed achieve real equality.

[*English*]

I believe that we need to talk about genuine economic democracy. It is time that we abandoned 19th century ways of organizing the workplace and conducting relations between management or employers and employees. When I talk to working people I ask them whether their employers tell them what is going on, whether they know the situation of their enterprise, firm or government Department. I ask whether they are given responsibility, whether decisions are shared in their workplace. Overwhelmingly the response is no. We are moving into the 21st century, yet businesses in Canada are still being run as though this was the 19th century.

We are in a very difficult competitive situation, not only with our friends in the United States, but with Japan, Taiwan, Korea and every other country. We have to act now to involve the abilities, the brainpower, the ingenuity and the commitment of every Canadian in that competitive battle to keep standards of living high in this country, to achieve the other priorities that I have talked about and to ensure that we have democracy, and not only in our social and political lives. By curbing the power of big business and the concentration of power we give power back to the men and women who make Canada great. That commitment in economic democracy is extremely important.

I would like to conclude by saying that there is an opportunity for another amendment to the Throne Speech. A number of themes that I have put forward are shared with me by my Party. That is why I wish to move, seconded by the Hon. Member for Kamloops—Shuswap (Mr. Riis), that the following be added to the address:

That this House regrets that the Government has failed to provide leadership on major issues of social justice affecting average Canadians including the need for action to provide greater protection for battered women, a commitment to legislate pro-rated benefits for part-time workers, the majority of whom are women, a refusal to establish and work towards lower unemployment targets for Canadians, and the failure to pursue a serious tax reform that would eliminate the unfairness, the complexity and unaccountability of the present system.

I ask all Hon. Members to support me in adding this amendment to the Address in Reply to the Speech from the Throne which represents priorities which we feel cannot be shoved aside until 1988 or 1990 but must be addressed now.

Mr. Deputy Speaker: I will reserve for a few moments my decision as to the acceptability of the amendment. I will recognize the Hon. Member for Don Valley East (Mr. Attewell) for questions or comments.

Mr. Attewell: Mr. Speaker, I would like to address a few of the points that the Hon. Member for Ottawa Centre (Mr. Cassidy) brought up. He knows that Throne Speeches are always thematic in nature. They cannot be entirely specific. I hope he realizes that. I am very proud of the very progressive statements contained in the Throne Speech. I would like to recount a few things that have occurred which I think will be at variance with several things the Hon. Member said.

Tax reform is long overdue in this country. The Government is going to tackle some of the specific issues the Member spoke of with regard to fairness. I hope we can reduce the tax brackets. I know that we can wipe out some of the inequalities which have occurred. The Minister of Finance (Mr. Wilson) has already taken great strides in that. However that is not something that we could be very specific about in the Throne Speech.

Great strides are needed in this direction, but this is not simple. I am not sure what the exact strategy will be. It may occur in two phases. However, there is a very strong commitment on this side of the House to deliver for average Canadians. There will be a shift in the burden of taxation away from individuals and toward corporations. Major steps have already been taken to shut down some of the loopholes.

With regard to new regulatory reforms for the financial institutions, the Member has served as an alternate on the Finance Committee and knows that a very comprehensive review has already been done by the Finance and Economic Affairs Committee. I am sure that in the near future we will see some most progressive reforms in that area.

Corporate concentration is a topic on which I have spoken on a number of occasions. I share some of the Hon. Member's concerns, but I do not share his pessimism with regard to what the Government will do. The Member knows that not many months ago we brought in a new competition law which had been waiting for decades to be introduced. There is a tribunal now in place that would take care of excessive decisions that would limit competition in the market-place.

• (1230)

I give the Hon. Member some credit and share his view that we will need to go further as a Government because there are some 32 families in this country who control an enormous amount of wealth and we need a structure in place so that it is not abused.

Let me touch on a few of the social issues on which the Government is proceeding. For instance, with the exploitation of young children and women, pornography is a grave concern to many people in the country. That issue will be solved.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but we have already taken more than three minutes of the ten-minute period for questions and comments. I would like to allow the Hon. Member for Ottawa Centre (Mr. Cassidy) to reply. Other Members also wish to put questions.

Mr. Cassidy: Mr. Speaker, I appreciate the comments of the Hon. Member because I look forward to working with him since I am becoming a full member of the Finance Committee. I believe that we can work together and I hope that he will provide some leadership and drag his Government into the 21st century, since I am not sure that all of its members want to go into it.

One of the issues that I believe he should address is that when the Government talks about tax reform it forgets to mention that in the last two years the Conservatives have raised the tax by $1,300 on average Canadian families while, at the same time, reducing tax rates on corporations and giving enormous tax windfalls to very wealthy people with capital gains. If we are going to talk about tax reform, we must start by rolling back the mistakes of the last two years and put in place a tax reform that will genuinely get a fair share of tax revenues from the corporate sector. I am not convinced that the Government wants to do anything more than simply iron out inequities in taxation between corporations without ensuring that they pay a much greater and fairer share of the total tax burden.

Mr. Redway: Mr. Speaker, I want to make a short comment and then ask the Hon. Member three questions. First, he was very critical of the Government's dealing with unemployment. However, he failed to point out that when the Government, in the two Budget Speeches and economic statements that have been made so far, outlined the proposal it would make to deal with the economy, the Leader of his Party stood in his place and indicated that those proposals and that type of approach would devastate the economy and put more people out of work rather than more people back to work. As the Hon. Member knows, it has had just the reverse effect. In fact, interest rates have fallen, inflation has fallen, and unemployment has fallen. I believe that the Hon. Member should be standing in his place and applauding the Government's approach, rather than criticizing it.

However, my question relates to the aspect of tax reform to which the Hon. Member has referred. I know that the Hon. Member's Party in its NDP *Tax Probe 86*, has been looking very seriously at the whole situation of federal sales tax and corporate taxes. I have been most interested to read the reports from the NDP tax probe so far. However, I have yet to see what the NDP proposes specifically with respect to corporate taxes and the elimination of corporate tax expenditures. The New Democratic Party has sometimes called these tax rip-offs, but the Finance Department calls them tax expenditures. I suspect that the NDP wants to keep some but I am not sure whether there are specific ones they want to keep and some that they would eliminate. I would like to know what specific ones the NDP would like to eliminate.

Second, is the NDP proposing in its tax reform proposals, tax reform that would have a neutral tax impact effect so that personal income taxes might go down and corporate taxes would go up, or would there only be a rise in corporate taxes?

Finally, if the New Democratic Party is proposing some sort of neutral tax impact or a reduction in personal income taxes, how does it propose to raise the money to pay for all the increased expenditures which the Hon. Member proposes in his speech?

Mr. Cassidy: Mr. Speaker, the Hon. Member's questions are certainly valid. I am delighted to hear that the Hon. Member for York East (Mr. Redway) is an avid reader of the various reports of *Tax Probe 86*. I promise to send him a copy of the next report which will come out shortly. In fact, by the end of the year or early in 1987, we will have consulted further and will have more feedback in terms of our findings so far. At that point we intend to come to conclusions in terms of some of the questions the Hon. Member raises.

For example, in our most recent report on corporation tax, we indicated that there is a solid case for certain tax concessions, or tax expenditures, to small and medium-sized businesses. Currently they are paying a net rate which is higher than that of big businesses, rather than the other way around. That, to us, seems to be a perverse situation, particularly when so much job creation has come from small and medium-sized businesses.

The Hon. Member certainly reports my Leader accurately and, as so often has happened, I think my Leader may have been a prophet before his time by a few months. Since January, 1986, there has been no further job creation in the Canadian economy. The 500,000 jobs that the Government talks about were in 1984 and 1985. The trend has not continued. I certainly do not find a rate of unemployment of 9.7 per cent acceptable. Perhaps the Government finds that acceptable.

I suspect that most of the improvement that we saw in approximately the first year under the Government was a result of growth that had spilled over from the American economy. Now that that economy has turned the other way, there is no buoyancy from the Government. In fact, the taxes which have been levied on ordinary Canadians are having the effect of depressing the economy. Therefore, when we spoke of hundreds of thousands of jobs that would be affected, they are the jobs that should have been created by a dynamic economy in 1986. They are the jobs which would have put teenagers in Chicoutimi and Newfoundland back to work and would have given women opportunities to re-enter the labour force in

Vancouver. However, those people do not have those opportunities because of the drag on the economy by the Government's tax policies.

The Hon. Member asks whether or not tax reform should be neutral. I am surprised to hear him suggest that the Government may even slip away from its commitment in the Throne Speech to reduce the rates of personal income tax. He is suggesting that that is a wrong move. I beleive that personal income taxes for many working Canadians are too high. In order to have a fair tax system we must bring those tax rates down at the same time that we increase the share that is taken by the corporate sector. We should not try to bootleg another personal tax by calling it a business transfer tax.

[*Translation*]

Mr. Deputy Speaker: Debate. The Minister of Regional Industrial Expansion and Canada Post (Mr. Côté).

Hon. Michel Côté (Minister of Regional Industrial Expansion and Canada Post): Mr. Speaker, I am very pleased today to take part in the debate on the Address in reply to the Speech from the Throne.

I am all the more pleased to do so that the Speech from the Throne advocates a number of initiatives which have become essential to most Canadians, particularly those who have to deal with business circles, be they owners, investors or working men and women.

Mr. Speaker, like my hon. colleagues, Canadians are quite aware that our country is now experiencing unstable economic conditions to which it must constantly seek to adapt.

Ours is an industrial and trading nation. We depend on trade, be it to develop our raw materials or to maintain the economic strength of our industries and our service sector. Canadians are first-rate managers, innovators and traders. Our labour force is skilled and very productive and, more important still, our competitiveness is second to none in practically all economic sectors, despite our own limited domestic markets.

Most international experts agree that we do have such qualities. In his speech last Friday the Prime Minister (Mr. Mulroney) referred to the European Management Forum. What are those experts telling us? They are telling us that Canada's competitiveness has improved to such an extent over the last two years that, on the basis of their own classification, Canada climbed from 11th to 6th among the major industrial nations. Not a bad performance compared with that of our competitors. If we persevere, Mr. Speaker, I can assure you that we can do even better. However, we have to face three major challenges.

First, as a trading nation, we must have full access to the international markets and capital necessary for our economic growth. Our welfare depends on it. In addition, as a greatly industrialized country, we must continue to be productive and competitive internationally. We must keep up with the latest technology and use all our creativity and ingenuity to adapt to the evolution of the world economy. The economic future of our country requires us to do so.

Finally, as a nation made up of different geographic and cultural elements and based on the principles of equity and solidarity, we must try to achieve a balanced growth in all regions of the country. This is necessary for the integrity of our Confederation.

• (1240)

[*English*]

You, Mr. Speaker, and all Hon. Members know that economic renewal has been this Government's first priority. We have achieved real and substantial progress since September, 1984, but do not take my word for it. Let me quote as follows from the annual report of The Canadian Manufacturers' Association as it commented on the economic accomplishment of this administration:

> The restrictions of FIRA, reflecting a narrow and destructive nationalism, were removed and Investment Canada is now working aggressively to encourage investment here . . . The previous acrimony in federal-provincial relations has given way to a more positive nation-building approach to our problems.
>
> The past year saw continued progress in restoring fiscal sanity in federal Government finances . . .
>
> A competition Bill was . . . introduced which . . . contains explicit recognition of international competition while at the same time providing . . . protection against abuse of dominant position . . .
>
> Major tax changes aimed at greater neutrality . . . were also introduced.

This is a most impressive record, one that is certainly the envy of some of my hon. friends who used to sit on this side of the House. Naturally, Mr. Laurent Thibault, the President of The Canadian Manufacturers' Association, gives his Members credit for assisting in these accomplishments. I most certainly concur, and I am sure all Hon. Members would agree with me that all Canadians should take credit for this record, as well as for continued low inflation, lower interest rates and lower unemployment.

Obviously, as Minister of Regional Industrial Expansion I am particularly concerned with reconciling the imperatives of industrial competitiveness with balanced economic opportunities across Canada. My Department is dedicated to the development of Canadian industry, especially in the manufacturing and service sectors, and to building on the opportunities for development that exist across Canada. We intend to achieve these objectives in co-operation with the private sector and with the provincial Governments.

As Minister responsible for Investment Canada I am also concerned that Canada obtain a growing share of international investment because we need this investment to increase employment in all parts of the country.

[*Translation*]

Mr. Speaker, one of the crucial contributing causes to slow development is often a lack of capital, and in this regard, I would like to remind the House that the first Bill we introduced in this place was the one which created Investment Canada. This agency, for which I have the honour to be

responsible, immediately proved itself to be a major tool in promoting both Canadian and foreign investments in this country.

Thus, the Government was able to ensure the free inflow of the capital required to develop the many resources of our country and see that they are used for the economic renewal of all our regions. As you know, a major part of the Speech from the Throne deals with this issue of industrial and regional development. If I may, Mr. Speaker, I would like to discuss this subject further. Regional development remains one of our main priorities. Economic and social conditions have obviously improved throughout Canada in the last two years. Economic renewal continues and our social policy is already having noticeable results. However, as a Government committed to eliminate regional disparities, we must unfortunately recognize that, in spite of decades of efforts and billions of dollars, there are still gross employment and income inequities in certain regions. The Government therefore intends to make a renewed and firm commitment that each region in the country must achieve its full potential.

As mentioned by the Prime Minister in the Throne Speech, the Government intends to reassess a number of programs related to regional development. We are convinced that this evaluation should be made with three very clear and specific principles in mind.

First, we believe that regional development must come from the potential and the people of each region. Experience has shown that, with appropriate assistance, Canadians have the will, the determination and the ability to stimulate the development of their regional economies.

Second, our economic development programs and the administration and provision of our services to businesses must be much more decentralized than they are now.

Third, our decision-making and benefit-paying mechanisms should be much more efficient, faster and more sensitive to the users' interests.

A review of our regional development programs will continue in co-operation with provincial governments. As Hon. Members in this House are aware, consultations will resume at the highest level on October 17 in Charlottetown, when the Prime Minister meets with the Premiers of the Atlantic Provinces.

Mr. Speaker, much has already been done through the federal-provincial committee of Ministers in charge of Regional Economic Development. I would like to indicate that the committee already has met six times since February 1985. A committee of officials will be submitting a report to us later this year, and its recommendations should help us implement our commitment to prevent wasting even one single dollar in that vital effort for Canada.

[*English*]

As you know from the Speech from the Throne, Mr. Speaker, the Atlantic Canada Opportunities Agency will be established without undue delay, bearing in mind the need to consult with provincial Governments and the region's business and community leaders. The mandate and organization of the agency will reflect the three principles I have already described, that is, development based on human resources and opportunities in the Atlantic Provinces, with decentralized decision-making and better delivery.

I emphasize that these principles will guide our efforts, not only in Atlantic Canada but in all parts of Canada as well, particularly in western Canada where special emphasis will be given to diversifying the region's economic base. This will clearly confirm the Government's commitment to balanced economic growth in every part of this beautiful country. Just as Canada cannot afford to neglect the important contribution all regions make to the national good, neither can we afford to have half our population performing at less than its full potential.

• (1250)

Women, in particular, suffer from the inequities built into our society. They are doubly disadvantaged if economic difficulties in their region adversely affect their employment potential and the quality of their family lives.

As this Government seeks to address regional disparity, women will undoubtedly provide important guidance about the right approaches and the much needed policy initiatives. It is my hope that they will enjoy more and better employment and personal opportunities as their communities are revitalized. Women will be part of the new partnership formed between the federal Government and Canada's regions. It is my belief that they will share equally in the prosperity and the stability that will be the result.

However, this is only one side of the equation. We are vitally committed to enhancing the development of industry everywhere in Canada. With this in mind, we intend to re-examine our main industrial support program, the Industrial Regional Development Program, or IRDP.

This program was introduced by the previous Government to meet a multiplicity of objectives, perhaps too many objectives. The complexity of the program and the differential treatment of some areas has meant, among other things, that the Government has not been able to support a number of quality projects, particularly in western Canada. We intend to look very closely at the effectiveness of the existing tier system that determines the level of support that can be provided to projects in various regions.

[*Translation*]

Mr. Speaker, in the course of that review of the RIDP, we will also consider the various possible ways of responding to one of the basic concerns of this Government, that is productivity.

The search for productivity is essential to allow and ensure the development of new manufacturing processes and also to

make possible the marketing of new goods and services. In our view, invention and technology transfer must go hand in hand.

History shows the best borrowers or adapters of technology often are those already involved in research and development. We must therefore have a much more balanced approach. We cannot do everything ourselves, but we can neither be content with borrowing technology from others.

The private sector all across Canada has show leadership in the area of innovation and technology. Northern Telecom, for instance, has been marketing Canadian communication technology throughout the world for a number of years.

[*English*]

Alcan is the largest and probably one of the most efficient aluminium producers in the world based on its past research efforts. It is now becoming a world leader in the development of new materials. Such companies as National Sea Products, Fishery Products International and Canada Packers are using innovation and new technologies to diversify and improve their products and productivity.

In addition, there are hundreds of new companies across Canada, such as Process Technology in New Brunswick, Ogivar Inc. in Quebec, Diffracto in Windsor, SED in Saskatchewan, to name only a few, that are achieving remarkable results in international high technolgy.

For Canada, continued research and development and the ability to import technologies, to apply and build upon them and to market the results will be key elements of an improved competitive position. We require investment capital and linkages with world industry to accomplish this objective.

Our Government established Investment Canada as a national focal point to encourage the essential investment and creative partnerships necessary to this critical priority.

[*Translation*]

For instance, last year the Agency was involved with the Province of Alberta and the Independent Petroleum Association in a series of investment promotion seminars throughout Europe and the United States.

More recently, officials from Investment Canada also joined with representatives of the Ontario Government in a trip to Japan.

Moreover, Investment Canada is also involved on behalf of the Canadian Government in a number of other activities, such as consulting with national and international trade groups and also international promotion missions.

That work must go on, Mr. Speaker, and this Government's commitment to encourage investment in all its forms is vitally important.

[*English*]

During the coming year, Investment Canada will focus on contributing to the improvement of our technological infrastructure to promote and attract technology-bearing investment in Canada; working with Canadian business to promote a more global orientation; and seeking new forms of investments, such as strategic alliances among Canadian and international firms.

[*Translation*]

Mr. Speaker, the Government is determined to review and update, if necessary, its regional and industrial development support programs to make sure that all parts of the country are treated equitably and that the Canadian industry continues to improve its international competitiveness.

However, the funds allocated to regional and industrial development are nothing but a few drops in the ocean of the Canadian economy. Our programs, therefore, have to be very selective, which means that investments generally should be made without any State intervention.

That is why we want the private sector to become the engine of our economic growth. In fact, the Government has made every effort to lift obstacles by encouraging deregulation and creating a climate favourable to business endeavours.

[*English*]

The business sector needs a Government that will provide a productive and competitive environment, that will provide support as required and that will stay the course in the development process. We are that Government, and we have that commitment. We can develop as partners.

Mr. Deputy Speaker: The Chair is now ready to make a ruling on the amendment proposed by Mr. Cassidy and seconded by Mr. Riis. The Chair finds the amendment to be in order.

Are there questions or comments on the speech of the Hon. Minister? The Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I have a short question to ask of the Minister of Regional Industrial Expansion (Mr. Côté). It was indicated in the press this morning that in New Brunswick, the province in which a number of support agreements have been signed with the business sector, the Government there has been making a great many decisions in terms of this support for business based on political criteria as opposed to economic, industrial and business criteria. Does the Minister have some comment to make on these reports?

[*Translation*]

Mr. Côté (Langelier): As I mentioned in my remarks, Mr. Speaker, I think that since September, 1984, my Government has not only indicated its desire to address the issue of regional development through several concrete initiatives, but we have signed many so-called ERDAs or Economic Regional Development Agreements with most provinces, respecting several areas of activities. We have also signed with the provinces several memoranda of understanding based on regional economic development.

However, our commitment does not stop there. As a matter of fact, we want to further this commitment, and announcements to that effect will be made over the next few weeks.

Mr. Deputy Speaker: Order, please! I must regretfully interrupt the Minister.

It being one o'clock, I do now leave the Chair until two o'clock.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.
[*English*]

Mr. Speaker: Order. At the request of the Official Opposition, the introduction of a new Member will take place after Statements pursuant to Standing Order 21. I would hope that the House would agree that, under the circumstances, there should be the full 15 minutes for Statements by Members, followed by the full Question Period with the interruption, of course, for the introduction of the new Member.

Some Hon. Members: Agreed.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

LIBERAL PARTY

RESULTS OF GALLUP POLL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): This is a great day, Mr. Speaker, because this morning's newspapers reported on a Gallup poll clearly showing that the Progressive Conservative Government is in a free fall and the Liberal Party on the rise.

It is also a great day because, in a few minutes, Hon. Members will be extending a warm welcome to the successful candidate in the Saint-Maurice election, our colleague Mr. Grondin. Mr. Speaker, I should think that the Progressive Conservative Government and the Right Hon. the Prime Minister (Mr. Mulroney) are getting a very clear message: Canadians generally and Quebecers in particular can hardly wait to turf the Conservative gang right out.

• (1405)

[*English*]

INDIAN AFFAIRS

DEPARTMENTAL ADMINISTRATION IN MANITOBA

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, this week's resignation of the Director of Finance in the Manitoba region of the Department of Indian Affairs has lifted the lid a little higher on the unholy administrative mess which exists in that Department.

Let it be known by all Hon. Members that in many areas—education, child welfare, and local government—the Indian people of Manitoba have led the way in self-government. However, at every turn they are frustrated by a Department which will not let go and wants to continue controlling, dominating, and monitoring them. Even more serious, funds appropriated by Parliament for Indian people do not get to them in the way in which we in the House intend.

An inefficient, maladministered Department soaks up a huge portion of these funds and directs them at will, in open defiance of Parliament and of the Minister himself. It is our task as Members of Parliament to reveal these facts and to demand a new relationship between the Government of Canada and the Indian people of the country.

* * *

CANADIAN ARMED FORCES

ELECTION CAMPAIGN VOLUNTEERS—PROHIBITION ON ACCESS TO MILITARY BASES

Mr. Derek Blackburn (Brant): Mr. Speaker, it is a shame that the new Minister of National Defence (Mr. Beatty) is continuing his Government's policy of making Armed Forces personnel and their families into second-class citizens. In this case, volunteers in provincial election campaigns are being forbidden to set foot on military bases. This is ridiculous.

People living on bases are affected by provincial government actions. They have the right to elect a provincial Government of their choice. They should be allowed to receive information so that they can make an informed, intelligent choice on election day.

No one is urging the Armed Forces to take part in some sinister plot. Political Parties are merely urging people on military bases to exercise their basic constitutional right to make a choice in a democratic election. Even the former Associate Minister of National Defence could not justify keeping candidates off military bases. He admitted: "It's hard to come up with a reason why you wouldn't allow that on military bases in this day and age".

SHIPBUILDING

SITUATION OF INDUSTRY—CALL FOR GOVERNMENT ASSISTANCE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today on a matter of utmost urgency concerning the state of crisis which exists in the shipbuilding industry. Since the Conservative Government was elected, every meaningful federal assistance program to the industry has been curtailed. Essentially the former Minister of Transport said "Don't expect us to help you", and thousands of shipyard workers across the country have been thrown out of work.

This kind of government inaction is simply unacceptable to Canadians. The Government, especially the Minister of Transport (Mr. Crosbie) and the Minister of Regional Industrial Expansion (Mr. Côté), must take immediate action to assist the Canadian shipbuilding industry. The Ministers should take every step to encourage domestic demand for shipping capacity and to see to it that this demand is met by Canadian shipyards, not by subsidized yards in other countries.

For too long the Government has said that this is a worldwide problem which cannot be solved, and then washed its hands. Canadians expect their Government to take positive action in the face of adversity, not simply to run away and hide. Canadians feel that it is high time that the Government and the Minister of Transport and the Minister of Regional Industrial Expansion live up to their responsibilities—

Mr. Speaker: Order. I regret to interrupt the Hon. Member.

* * *

HISTORIC EVENTS

ANNIVERSARY OF ELECTION OF FIRST CANADIAN PARLIAMENTARIAN OF UKRAINIAN ORIGIN

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I attended the sixtieth anniversary celebration of the election of Michael Luchkovich to the House of Commons, the first Canadian parliamentarian of Ukrainian origin. Throughout his nine years of service in the House of Commons he demonstrated that no problem was too great, that a fair and just solution could always be found. He was highly respected by all Members and made an indelible and most favourable impression on the Government of the day.

He was a well-tempered statesman, a man of courage. Without his translations of Ukrainian literature into English, especially of Ukrainian pioneer life in western Canada, we Canadians would be missing an integral part of our national history.

As we note this special anniversary, we should recall Michael Luchkovich's firm commitment that "true patriotism . . . includes persistence and frugality even under trying circumstances".

* * *

CANADA POST CORPORATION

NORWOOD GROVE POST OFFICE

Mr. Léo Duguay (St. Boniface): Mr. Speaker, I am pleased that Canada Post is currently re-evaluating its previously announced closure of the Norwood Grove post office in order to seek a better alternative.

On June 12 and again on July 10 of this year, I was assured by the Corporation that no such closing was being contemplated. At the exact same time managers were negotiating with the union the changes necessary to effect the closing. The last two evenings the corporation has met with a few selected constituents in a "by invitation" only meeting to consult. Although we appreciate this consultation, Mr. Speaker, my constituents and I would be more impressed with truly public consultation.

• (1410)

Canadians deserve good postal service at a reasonable cost, not slick PR, shoddy management and intractable collective agreements.

[*Translation*]

Mr. Speaker, the service to my Norwood electors must be maintained.

* * *

[*English*]

INDIAN AFFAIRS

DEPARTMENT'S RELATIONS WITH INDIAN PEOPLE

Mr. Rod Murphy (Churchill): Mr. Speaker, for years the Indian people of Canada have been telling us that they have been mistreated by the Indian Affairs Department. For years people in Parliament were skeptical about what Indian people were telling Canadians. However, the recent revelations by the Department in Winnipeg which follow the Curry audit indicates that what the Indian people have been telling us is true.

The Minister of Indian Affairs and Northern Development (Mr. McKnight) has indicated that he is willing to have an R.C.M.P. investigation into whether or not Indian Affairs was acting in a legal manner. That, surely, is not the right answer, Mr. Speaker. What is missing at the present time is the relationship of trust which historically has been between the federal Government and the Indian people. That has been utterly destroyed by the various departmental officials over the last number of years and by the inaction of various Ministers

of Indian Affairs. What we need is a completely independent check into all the actions and decision-making processes of Indian Affairs and, if that is not done, the trust will never be re-established.

* * *

[*Translation*]

THE LATE FRANÇOISE GAUDET-SMET

COMMEMORATIVE STAMP ISSUE ADVOCATED

Mr. Maurice Tremblay (Lotbinière): Last September 4, Mr. Speaker, the people of the riding of Lotbinière and all other Quebecers were saddened to hear of the death of Mrs. Françoise Gaudet-Smet, an outstanding Quebecer. Mrs. Gaudet-Smet was a pioneer in her field, an irreplaceable personality whose authenticity, warmth, colourful verve and boundless hospitality will remain forever present in our minds. Mr. Speaker, many of her friends were amazed at her vitality and working energy, but especially at her ever probing mind full of ideas and projects.

This is why I would urge the Minister responsible for Canada Post to issue a commemorative stamp in her honour. To support this request, Mr. Speaker, suffice it to mention that Mrs. Gaudet-Smet was awarded the Order of Canada, the Order of Quebec, the *Bene Merenti* Medal, the Gold Medal of the Governor General, the Literary Prize of the *Société Saint-Jean-Baptiste*, and the *Ordre de la fidélité française*.

* * *

[*English*]

VISIBLE MINORITIES

JAPANESE-CANADIANS INTERNED DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, the new Minister of State for Multiculturalism (Mr. Crombie) has a number of important priorities which he must urgently address. Near the top of that agenda is the issue of Japanese-Canadian redress. The Prime Minister (Mr. Mulroney) committed himself and his Government to two essential ingredients: establishing a negotiating process and conducting these talks with and through the National Association of Japanese Canadians. Unfortunately the two former Ministers failed to honour either of these two crucial promises and thus sowed the seeds of mistrust and non-confidence within the Japanese-Canadian community.

Today that same community, Canadians, and this Parliament remain hopeful that the third Minister to tackle this issue in two years will honour the previous commitments and initiate meaningful discussions within a well defined and ongoing structure as soon as possible.

It is high time that the Conservative Government ends the delay and the rhetoric and resolves this matter with the dignity that it rightfully deserves.

* * *

ENERGY

JOB CREATION POTENTIAL OF PETROLEUM INDUSTRY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, in March of this year I reported to the House that 650,000 Canadians from coast to coast were dependent upon Canada's petroleum industry for their livelihood. Today that figure has dropped to 600,000 with a further anticipated loss of 20,000 jobs. That represents 70,000 people. These are the sad consequences of the present crisis in the industry brought about by the drastic drop in world crude prices.

It is important to know that of every dollar spent by the petroleum industry for machinery and equipment, 42 cents is spent in Ontario, 29 cents in Alberta, 13 cents in Quebec, and the remaining 16 cents in other regions of Canada. This is the contribution that a healthy industry can make for the benefit of all Canada. Two jobs in Canada's petroleum industry create three jobs in other parts of Canada, primarily Ontario and Quebec. The energy industry is job creative.

* * *

• (1415)

IMMIGRATION

ISSUANCE OF MINISTERIAL PERMITS

Mr. Dan Heap (Spadina): Mr. Speaker, today's *Globe and Mail* reports that the Conservative caucus committee has written to the Prime Minister (Mr. Mulroney) urging that ministerial permits for potential immigrants already in Canada be issued only by the Minister's office "rather than allowing politically non-aligned bureaucrats free rein with 90 per cent of them". What an outrageous demand. What a perversion of justice towards refugees and relatives of Canadians deserving humane treatment. Thousands of refugees and others are awaiting processing of their applications and deserve Minister's permits. To deny permits to some because they might not vote Tory would be shameful.

I regret that the Hon. Member for Parkdale—High Park (Mr. Witer), my colleague on the Standing Committee on Labour, Employment and Immigration, is named in this story as chairman. I call upon him to return to this House and either assure us that he had no part whatever in the proposal reported today by *The Globe and Mail*, or else announce his resignation from that committee.

THE CONSTITUTION

CALL FOR INCLUSION OF PROPERTY RIGHTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, this is Private Property Week in Canada. The right to own property is part of the Canadian heritage. Many people came to this country because they wanted to own land, own a home, or own a farm. Why then is it the only fundamental freedom not protected in the Canadian Constitution?

You know what? In 1981, for 48 hours, it was in our Charter of Rights, but during the weekend the Liberals caved into demands of the NDP and took it out, to the shame of both the Liberals and the NDP. Of course, nationalization will be more difficult when the right to own property is enshrined in the Constitution, but only the communists and the socialists are interested in nationalization anyway.

The Canadian Real Estate Association, the Canadian Bar Association, and the Canadian Chamber of Commerce, along with most Canadians, want to see the right to own property placed in our Constitution. So let's get to it and put it in.

* * *

REGIONAL ECONOMIC DEVELOPMENT

CONDITIONS IN ATLANTIC CANADA—MINISTER'S STATEMENT

Mr. George Henderson (Egmont): Mr. Speaker, this summer Atlantic Canadians found out just how well their interests are being represented in the federal Cabinet. The senior Minister from the region said Atlantic Canadians should stop griping about unemployment and consider instead the plight of those living in Haiti or Bangladesh. Our standards are too high, he said, if we use southern Ontario as our yardstick.

I have never heard such marlarkey. What nonsense! The Minister's comments are a kick in the teeth to struggling Atlantic Canadians. They are proof of the Government's lack of concern for those living in the Atlantic region, the unemployed, the fishemen, and the farmers. We do not need to be reminded that we are a thousand times better off and luckier than those living in Haiti or Bangladesh. We need Ministers committed to regional development, Ministers who will make a difference. It is now quite clear that Atlantic Canadians will have to wait for a change in Government before the issue of regional disparity is given serious attention.

S.O. 21

EMPLOYMENT

CANADIAN RURAL TRANSITION PROGRAM—RETRAINING OPPORTUNITIES FOR FARMERS

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the Canadian Rural Transition Program is being welcomed by those members of the farm community who understand its purpose. In some constituencies as many as 70 people have applied for the program. No one wants to see farmers leave their way of life but many are faced with a difficult decision and need financial assistance to be able to make choices about their future. Until now, farmers have been denied the relocation and retraining opportunities available to the non-farm community.

An urbanite who loses his or her job can go on unemployment insurance, take a training course through Manpower, or get a student loan and return to school. Until now farmers were not eligible for any of these programs. That was an injustice, and I am pleased to see that this federal Government has addressed this inequity at long last. The program gives many farmers facing severe financial difficulty the opportunity to make choices about their future, an opportunity they have long deserved.

* * *

ABORTION

CALL FOR RESUMPTION OF RECORD KEEPING BY STATISTICS CANADA

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, first it was cancellation of the census, and now an attempt by Statistics Canada to eliminate abortion statistics. StatsCan has once again been the victim of a savage and vicious attack by the Tory Government. Regardless of what side of the abortion issue one sits on, one thing is definite: it is a complex, controversial and important issue for many Canadians. It is, therefore, imperative that StatsCan reinstate immediately the compiling of figures on the number of therapeutic abortions performed at hospitals across the country. This cost saving measure is worth only $160,000 and four person years will be saved.

Once again we see that the Government's priorities are very mixed up. If the Government is looking to reduce spending, it could save a lot of money by cutting back on the Prime Minister's (Mr. Mulroney) travelling extravagances, like the maid, the butler, the podium, the video equipment, the back-up plane, and so on and so forth. It would also be a much smarter move.

• (1420)

PORNOGRAPHY

CALL FOR REINTRODUCTION OF LEGISLATION

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise on an issue of moral importance for a great number of my constituents. For many Canadians this matter is an indicator of the quality of Canadian life today. By addressing ourselves to this subject this House has the opportunity to make a positive and lasting contribution to the fabric of society.

The subject to which I refer is pornography. During the last session the Government took praiseworthy action in introducing Bill C-114. This was important in tackling the twin evils of child sexual abuse and violent pornography. Since this legislation died on the Order Paper there has been vigorous support from a true cross-section of individuals and groups who want to see Bill C-114 revived. City councils, church groups, educators, families, and social welfare groups are all concerned.

The Government must act quickly to introduce tough legislation which remains true to the principles of Bill C-114. The spread of degrading, harmful and offensive pornography—

Mr. Speaker: The Hon. Member's time has expired.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT'S PERFORMANCE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the Speech from the Throne we heard on October 1st is a brilliant example of the Conservative Government's failure to fulfil its election promises.

The Prime Minister postponed opening the new session for a month, to give his new Ministers time to make their contributions to the Speech from the Thone. And now we have the same platitudes they gave us in November 1984, when they served us a rehash of their election promises. The conclusion is that the Cabinet shuffle in July was useless. Nothing has changed.

The Government is announcing a tax reform that will reduce both personal income taxes and the deficit. Is he going to increase consumer taxes?

The last two budgets gave the Government a net increase in revenue of $5 billion from income taxes alone for the year 1986-87. However, despite this substantial increase, the Minister of Finance (Mr. Wilson) admits he has been unabled to control the deficit, which will be $2.5 billion more than forecast.

Mr. Speaker, Canadians are fed up with the terrible way this country is being run.

* * *

NEW MEMBER

Mr. Speaker: Order. I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer the certificate of the election and return of Mr. Gilles Grondin, Member for the electoral district of Saint-Maurice.

* * *

NEW MEMBER INTRODUCED

Mr. Gilles Grondin, Member for the electoral district of Saint-Maurice, introduced by the Right Hon. John N. Turner and Mr. Raymond Garneau.

• (1425)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister. The Minister for International Trade is reported to have told American journalists: "Free trade talks with the United States would be imperilled if Canada loses the lumber dispute with the United States". Is it now the official policy of the Government of Canada that Simon Reisman, the Government's negotiator, will be ordered to suspend free trade talks with the United States following an unfavourable decision by the American Government with regard to softwood lumber?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the right hon. gentleman should be aware that the Prime Minister is meeting with a Japanese trade and investment mission. Since Japan is such an important customer of British Columbia, and jobs in his own riding depend on our trade with Japan, I am sure that he would welcome that initiative of the Prime Minister.

In response to the Right Hon. Member's question, I told the American journalists that if Canada lost a countervail case that we won in 1983, and Canadian jobs were threatened, Canadians would be angry. I said that if that unfortunate event happened, support for the free trade talks would be eroded. I think that is a very common sense approach and a

realistic one. It is the reason why Secretary of Commerce Baldrige and I tried to reach some sort of a solution before the preliminary determination came down. That was a decision which, of course, has the support of the industry, the provinces, and the union involved.

Mr. Turner (Vancouver Quadra): I can remember when the Minister and the Prime Minister were saying that the lumber dispute had nothing to do with the free trade talks. Obviously she has modified her position.

[*Translation*]

REQUEST FOR EXPLANATION OF DELAY ANNOUNCED BY UNITED STATES SECRETARY OF COMMERCE

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Did Mr. Baldrige, the U.S. Secretary of Commerce, postpone the decision for a week because of representations by the Canadian Government? Could he explain to the House why the American Administration is always more open with the Canadian public than the Canadian Government?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the delay in the decision on the softwood lumber case was made by the United States Secretary of Commerce. I suggest that any questions about why he did so should be directed to him. It was not at our request.

CANADIAN OFFER TO UNITED STATES ON SOFTWOOD LUMBER ISSUE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I directed a very simple question to the Deputy Prime Minister and, through him, to the Minister, about whether the Secretary of Commerce delayed his decision at the request of the Canadian Government. It was a perfectly simple question and she did not reply.

Some Hon. Members: She did so.

Mr. Turner (Vancouver Quadra): I will ask her another question. After having presented her final offer last week, is the Canadian Government still negotiating with the United States on yet another offer? Will she clarify that position for the House and the Canadian people?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the answer to both questions asked by the Right Hon. Member is no.

AGRICULTURE

ASSISTANCE FOR WESTERN GRAIN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Yesterday outside the House he indicated that the $1 billion of assistance to western farmers would be in the form of loan guarantees. Does this mean that the Government is asking farmers to take loans which would have to be repaid, rather than a deficiency payment as is being provided by the United States Government to its farmers? How do loan guarantees help farmers who are already over their heads in debt?

• (1430)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am a little amazed at the attempt by my colleagues opposite to confuse the issue day after day. I ask them simply to refer to the official record of *Hansard* and it will stand on its own.

I had the opportunity earlier today, although not extensively, to review some of the press coverage of the exchanges which took place between myself and Hon. Members both in the House and outside it. I just want to reiterate the fact that what we have said inside the House and outside the House is exactly the same. It is a federal billion dollar package—

[*Translation*]

Mr. Speaker: Order! I am sorry, but the Minister's reply is too long. The Hon. Member for Algoma.

[*English*]

DELIVERY OF ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, if the Minister will not say what the details of the aid program are and how it is going to be paid, can he simply make clear to farmers, who are facing their bankers with a damaged crop, when the funds are going to be made available to them? Surely the Minister can stop stonewalling and make clear exactly when the funds are going to be made available?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure I would want to reject the term "stonewalling" to describe what I have said from day one and what I said earlier this morning when my colleague, the Minister in charge of the Canadian Wheat Board, and myself met with the Deputy Ministers across Canada at the Sir John Carling Building. Naturally, they are seeking some advice and, indeed, the purpose of the meeting is for us to seek their advice as well.

The fact is that at the moment no option should be ruled out.

Some Hon. Members: Time.

Mr. Wise: When it comes to loan guarantees—

Mr. Speaker: I am sorry, but the Hon. Minister will know that there is an appropriate time within which to make a response. I think both sides of the House have been exercising

some diligence in trying to keep the questions to the point and keeping the responses to the point as well. The Hon. Member for Yorkton—Melville.

DEFICIENCY PAYMENT INQUIRY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also directed to the Minister of Agriculture. I just came back from talking to hundreds of western grain farmers—

Mr. Crosbie: Question.

Mr. Hnatyshyn: The first time this year.

Mr. Nystrom: What the grain farmers want to know is how much of the federal Government's farm aid program will be for western grain farmers in terms of a deficiency payment? And will the Minister stop spreading the story that there is $1 billion for the West and tell us how much we are going to get?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member makes some reference to spreading rumours and stories and tries to confuse the issue. It does not come from this side. It comes from that side. There is certainly no question about that.

Mr. Orlikow: Answer the question.

Mr. Murphy: Give us the answer.

Mr. Wise: The matter of loan guarantee, in fact, was brought to my attention by the Minister of Agriculture and Food from Ontario. However, we have said from day one this is a $1 billion federal program. Naturally, it would be national in scope.

Mr. Orlikow: How much for the West?

Mr. Wise: I am sure the Hon. Member would not want to stand in his place, given two similar situations—one produces grain in Saskatchewan, and one produces grain in Ontario or Quebec—and deny us the time and opportunity to consult with our provincial counterparts—

Mr. Orlikow: How much for the West?

Mr. Wise: —the time and the opportunity to consult with farm leaders so that we can together, not unilaterally, develop a program that is fair and equitable across the country.

ASSISTANCE FOR WESTERN GRAIN FARMERS

Mr. Lorne Nystrom (Yorkton—Melville): The Minister is worse than Mr. Whelan, Mr. Speaker.

Some Hon. Members: Shame!

Mr. Nystrom: I want to know how much of that federal farm aid program is going to be there for western grain farmers? How much will western grain farmers be getting? Answer the question and answer it now.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, some reference was made to my predecessor and, of course, he had some difficulties because the former Government only paid lip service to the agricultural industry. We put our money where our mouth is.

Some Hon. Members: Hear, hear!

Mr. Riis: How much money, John?

Mr. Wise: The Hon. Member hollers across the aisle. I have no problem with hearing. I want to—

Mr. Speaker: Order. I would ask the Hon. Member to complete his questions and I would ask the Hon. Minister to respond to them as best he can.

Mr. Riis: He is.

Mr. Nystrom: I will try again, Mr. Speaker.

FEDERAL-PROVINCIAL MEETING

Mr. Lorne Nystrom (Yorkton—Melville): I wonder if the Minister of Agriculture can tell us why he did not organize a meeting with his provincial counterparts sooner in order to let western Canada know how much there would be in a deficiency payment. Why did he wait until a 5.30 a.m. telephone call from a desperate Grant Devine before he started to do something?

An Hon. Member: Right on.

Hon. John Wise (Minister of Agriculture): I have consulted with my provincial counterparts across the country. In fact I did so with my colleague from Ontario just a couple of days ago.

Mr. Blaikie: Why so early in the morning?

Mr. Wise: I could not tell the last time I had a telephone conversation with the Premier, and the Minister of Agriculture, incidentally, from the Province of Saskatchewan.

Mr. Orlikow: How much money for the West?

Mr. Wise: What we are attempting to do is to find the answer to the question the Hon. Member poses and that is exactly what we intend to do. That is exactly why we are meeting with the Deputy Ministers today. That is exactly why we are meeting next week with farm leaders.

[*Translation*]

PENITENTIARIES

INQUIRY WHETHER MEETING WAS PLANNED WITH VARIOUS PUBLIC SERVANTS INVOLVED WITH PORT-CARTIER PROJECT

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. I would like to ask him whether on or about September 29, he called a meeting with the various officials involved in the Port-Cartier matter to sort out the contradictory statements made by the Prime Minister and the various Ministers involved.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I cannot answer that question at the present time. I will take a look and advise the Hon. Member.

An Hon. Member: You weren't listening.

Mr. Mazankowski: Oh, yes, I was listening.

[*Translation*]

REQUEST FOR EXPLANATION

Hon. Jean Lapierre (Shefford): I am sure the Deputy Prime Minister's memory is good enough for him to recall whether he invited seven or eight people to his office to discuss the Port-Cartier issue. I am not asking for the date and the time, I am asking whether it is true he had to call a meeting to sort out all the problems the Prime Minister has been causing by trying to "rearrange" the truth.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure to what problem the Hon. Member is referring. I have a lot of meetings in my office. A lot of people come in. I would even invite the Hon. Member to drop in and see me whenever he feels so inclined.

* * *

CORPORATE AFFAIRS

FEDERAL COMMERCE AND NAVIGATION COMPANY'S INVESTMENT IN PRINCE RUPERT PROJECT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. Four years ago the Trudeau Government signed a deal with Federal Commerce & Navigation in Montreal, allowing it to turn Prince Rupert coal into Montreal gold. Will the Deputy Prime Minister immediately appoint the Auditor General and the commercial crime squad of the RCMP to investigate how and why a $23 million loan for coal can be turned into $1 billion tax free for that Montreal consortium?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is somewhat confused. This is a little complicated, but in 1981 the then Liberal administration entered into a contract with FedNav regarding the Ridley Island coal terminal. They were each to put in $23 million in equity. One side has a call option, that is the Canada Ports Corporation, which it can exercise at any time. The other side, FedNav, has a put option which it can exercise in 1991. The $1 billion figure is purely a figment of the multiplication tables of the hon. gentleman.

There are a whole series of "ifs" before $1 billion would have to be paid if the Government wished to exercise its call option. That would be in the year 2001, if the Government then wanted to exercise it, and only a Liberal Government would ever think of exercising such an option, and they won't be there even in 2001.

GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): My supplementary question is again directed to the Deputy Prime Minister because I want to know from the Deputy Prime Minister, who knows about this deal, why he will not put up $40 million now to save the Canadian taxpayers $950 million? Why will you not do it? Is there some kind of secret political slush fund?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. All Hon. Members know that other Hon. Members in the Chamber must be addressed through the Chair. I would hope that I would not have to bring this to the attention of the Hon. Member for Skeena again, who knows the rules as well as any of us in this House.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman from Skeena has said he is neither an accountant nor a detective, and that is certainly obvious.

• (1440)

Mr. Fulton: At least I'm not a crook.

Mr. Clark (Yellowhead): Order, Mr. Speaker.

Mr. Hnatyshyn: Says who?

Mr. Crosbie: Mr. Speaker, I do not know to whom the hon. gentleman is referring as a crook, but I would like to have him explicate those remarks and explain to whom he is referring.

To get back to my explanation—

Mr. Gauthier: Your explication!

Mr. Crosbie: This is complicated, Mr. Speaker, and Members opposite may not be able to understand it. If the Government exercised its call option this year, it would cost around $49 million in present dollars. If it waits to see whether FedNav wants to exercise its put option in 1991, it would cost us $30 million in 1986 dollars, or around $50 million in 1991

dollars. Therefore it is doubtful that it is to our benefit at the moment to exercise the call option.

I can explain all this perfectly—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —when I have time, before the House of Commons Standing Committee on Transport, or I can do it now if hon. gentlemen want it done now, because I have all the answers, believe me.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CONTINENTAL BANK TAKEOVER

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. It concerns the Government's approval last week of the takeover of a Canadian bank, the Continental Bank, by a foreign owned bank. Up until July 31 of this year the Bank of Canada had advanced nearly $2.4 billion to the Continental Bank. Will the Minister tell the House whether or not approval of this foreign takeover was conditional on the new owners repaying all of this money before the closing date at the end of this month?

Some Hon. Members: Hear, hear!

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the exact contents of those deals can be located in the offer to the shareholders, which will be sent out very shortly, if it has not already been sent out.

Mr. Turner (Vancouver Quadra): What is the answer? You're the Minister.

FINANCIAL INSTITUTIONS—REQUEST FOR INTRODUCTION OF OWNERSHIP LEGISLATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, that is no answer.

Some Hon. Members: Right on.

Miss Nicholson (Trinity): My supplementary question is for the same Minister. Since the Government has again made a precedent setting decision without the benefit of an ownership policy on financial institutions, will the Minister tell the House when he will end two years of indecision and come forward with legislation before he is further overtaken by events?

Some Hon. Members: Hear, hear!

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am delighted to be able to answer that supplementary question. The Government is committed to the reform of financial institutions and to doing it as soon as possible, hopefully in the next few months. We will restore and enhance the integrity of the Canadian financial system. We already have the best in the world. We are going to make it stronger. The House will know exactly how we will be doing it in the next few months.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—SOFTWOOD LUMBER ISSUE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister for International Trade. U.S. officials say meetings are under way on softwood lumber. The Canadian embassy denies this, while the Minister's office reports discussions but not negotiations. Will the Minister clarify these contradictions and tell us what discussions are going on, or is Canada secretly surrendering yet more in this dispute?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I believe that if the Hon. Member checks his facts he will find that the U.S. officials did not say such meetings were taking place, but that the *The Toronto Star* said such meetings were taking place.

Yesterday the Hon. Member's Party invented a tax which does not exist; today the Hon. Member is inventing meetings which did not take place.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, does the Minister intend to make a fetish of secrecy? Or is she prepared to be straightforward with the Canadian people and explain what is taking place? Are the Americans simply talking to themselves? Is this what is supposed to be taking place?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, rather than indulge in a fetish of secrecy I have been practising the merits of truth. I have told the House repeatedly that we have a proposal on the table and that any discussions which have taken place in the past have been about the proposal that has been put on the table. It was put on the table by the federal Government with the support of the provinces, the union involved and the industry. Any discussions which have taken place have been about the proposal on the table. There are no new proposals. I have said that time and time again. There are no new proposals on the table.

PENSIONS

HOMEMAKERS' PENSION PROGRAM INQUIRY

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Health and Welfare. No mention whatsoever was made in the Speech from the Throne about homemakers' pensions. Will the Minister give his undertaking to the House that homemakers' pensions will be introduced during this term of the present session of Parliament?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will know that the Prime Minister recently indicated again that the matter of homemakers' pensions is one of the issues that he as Prime Minister would like to bring forward in this session of Parliament.

When the changes were brought about to the Canada Pension Plan, which will come into effect on January 1, 1987, and on which I am pleased to say we have provincial co-operation, the provinces felt that there should be more study on this issue. Thus, one year was set aside for a study. The first meetings took place in July of this year. I think the studies are going forward well. The commitment as made by the Prime Minister in the last few days remains that of the Government.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

OPPORTUNITY TO INCREASE FUNDS FOR RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Since July hundreds of small- and medium-sized businesses in Quebec and in the rest of Canada have been unable to proceed with their development projects as a result of the $60 million cut-back in the National Research Council industrial research assistance program. Does the Minister think that the flowery promises in the Speech from the Throne are a worthwhile substitute for jobs in research and production, or for export sales lost as a result of these cut-backs? Does he think that promises are as valuable as gainful employment?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, it is true that the Hon. Member has consistently predicted and claimed that there is a $60 million cut to the IRAP, and I have consistently maintained that there will not be any cuts to that program. It would not matter how often the Minister repeats his assertion, it will not make it true.

Ms. Copps: That's right.

Mr. Axworthy: We agree with that.

Mr. Penner: Would you like to rephrase that?

APPROVAL OF PROJECTS

Mr. David Berger (Laurier): Mr. Speaker, I wish the Minister would read his mail or meet with the businesses that have been affected by this cut, which is something I did over the course of the summer. He would learn that research and production jobs are being lost at this minute because of this cut.

Some Hon. Members: Order, order!

Mr. Berger: Does the Minister know that the National Research Council has approved projects in principle but cannot proceed with them because of a shortage of funds?

Mr. Rossi: He doesn't know anything.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member received the only promotion that he will ever receive in this House from me in my earlier reply.

Mr. Ouellet: We thought you were talking about yourself.

Mr. Oberle: The Hon. Member's information is false. It is true that the NRC is undertaking a review of its programs and activities, as are all Departments of Government, in line with the new priorities identified by the Government.

Mr. Berger: Are you against jobs?

Mr. Oberle: It is true that the IRAP was looked at as a potential source for additional funds. I have asked the NRC to align its programs with the priorities of the Government, as has been its practice in the past. I was told at a meeting that I had with some members of the executive committee as late as yesterday that it would not be necessary to cut the IRAP.

NATIONAL RESEARCH COUNCIL'S BUDGET

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is also for the Minister of Science and Technology. Today we learned that the National Research Council is facing another cut in its budget of $26 million, which is in addition to the $70 million cut of some time ago. The Council has estimated that it will have to cut its scientific staff complement by 10 per cent. How does the Minister square those kinds of decisions with the statement made by the Prime Minister that both the public and private sectors have to double their efforts in scientific research and development?

• (1450)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, again it is a hypothetical question. The NRC is reviewing a number of its programs to make sure that the programs that will remain will be consistent with the Government's priorities.

Mr. Berger: What are your priorities? You don't know what they are.

Mr. Oberle: Space is a major strategic tool, as we have already announced. Industrial innovation is a top priority with the Government. There are no cuts to the NRC. In fact, because new ideas, programs and tasks were assigned to the NRC, including the space program, the industrial technology centre program, the biotechnology centre program in Montreal—

Mr. Speaker: Order, please.

NUMBER OF COUNCIL'S EMPLOYEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, there are now 3,100 people employed at the NRC. Can the Minister assure us that a year from now there will still be 3,100 people working at the NRC? If not, how many will be working at the NRC a year from now?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the NRC is probably about 800 people short. I can assure the Hon. Member that the NRC will in the future as it has in the past be one of the most critical and important instruments for taking our country into the 21st century and that it will make its contributions to this task as it has in the past.

* * *

ENERGY

JOBS CREATED BY ENERGY INDUSTRY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy. The Minister is now saying that energy is not a job-creation sector. This is in direct contradiction to his predecessor who said that energy would be an engine of growth creating between 100,000 and 300,000 jobs. Does this mean that the Minister is now abandoning the energy industry, throwing another 70,000 people out of work to go along with the 40,000 who have already lost their jobs in the energy sector?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, although the question was long, the answer is simple: I never made such claims.

[*English*]

GOVERNMENT ASSISTANCE FOR ENERGY SECTOR

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Premier of Alberta has said that he expects financial assistance from the federal Government before the end of October. Will the Minister state whether this assistance will be provided for the energy sector now, or is the Minister going to ignore the problem completely?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I expect to meet with the Alberta Minister of Energy sometime next week or early the week after. I will be very glad to discuss these questions with him.

* * *

[*English*]

FINANCE

NON PAYMENT OF TAXES BY CORPORATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, could the Minister of Finance elaborate on the Government's Throne Speech promises of fairness in the tax system? For the past week we have been asking questions about the 79,000 profitable Canadian corporations which paid no taxes in 1983 despite making $13 billion in profits. Has the Minister taken the trouble to look into this situation? Does it persist? Can the Minister tell the House how much revenue the Government is losing because these corporations are profitable but do not pay taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member, in the course of the last couple of months, has been looking at the various changes that we have made to the tax system over the past two years. These changes have been directed at the very concern he has expressed. I appreciate his implicit support for all the good things that we have been doing in that direction.

As the Hon. Member knows, we have announced that we want to accelerate the actions we have been taking on tax reform. One of the key elements of this will be increased fairness in the tax system. Another will be to bring about a tax system which is simpler than the one we have today. I am delighted that the Hon. Member has taken an interest in this and I look forward to his ongoing support.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I assure the Hon. Minister that I will continue to take an interest in this particular area, but perhaps he could respond to my question. Does the situation of some 80,000 corporations being profitable every year but not paying taxes persist? Will the Minister undertake to return to the House this month with specific figures telling us how much revenue we are losing because the Government will not collect taxes from those companies which make profits?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I did address the Hon. Member's question in my first answer. We have been aware of this problem that was left by the previous Government but we have not just talked about it, we have acted upon it. We have acted upon it by changing the carve-out legislation, by changing the scientific research tax

credit legislation and by changing the limited partnership legislation. A number of things have been done, but as I have indicated before, further work has to be done. I have never denied that. Further work must be done, but we are getting on with that and the Hon. Member will be hearing from me shortly on it.

* * *

HEALTH

SAFETY OF GREAT LAKES DRINKING WATER

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of National Health and Welfare who probably read the same articles I read yesterday indicating that the water of the Great Lakes is polluted by some 800 chemicals, only 50 of which are subject to safety guidelines. What further research does the Minister propose to undertake on this source of drinking water for millions of people on both sides of the border so as to improve upon the classification, which is now simply stated as being generally safe?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member made reference to a study which was funded by the Ontario Environmental Ministry and the Department of National Health and Welfare. He has analysed it correctly in that drinking water is generally safe. It is true as well that with the present research and the ability to trace various toxic chemicals, a number of—

Some Hon. Members: Oh, oh! Too long.

* * *

[*Translation*]

OFFICIAL LANGUAGES

REQUEST THAT LEGISLATION BE INTRODUCED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a question for the Secretary of State. For seven years, the Parliamentary Committee on Official Languages has been strongly recommending that the Act be amended. In the Speech from the Throne, the Government made a commitment to bring the Act into compliance with the Canadian Charter of Rights and Freedoms. Can the Secretary of State assure the House that a bill to this effect will be tabled in the coming weeks?

[*English*]

Hon. David Crombie (Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, I can give the Hon. Member and the House that assurance. I have met with the FFHQ, with the Alliance Quebec and with the Commissioner of Official Languages this morning, as well as with others. We expect that that Bill will be coming in due course. We will do it as quickly as we can but as well as we can.

CONTENT OF AMENDING LEGISLATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in addition to ensuring that the Act conforms to the Charter of Rights, I wonder if the Minister could give us the assurance that the work of the committee regarding, for example, the supremacy of the law, the working language of the Public Service, and also the power of the Commissioner, would be part and parcel of that law and that we will modify the law.

Hon. David Crombie (Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, I can assure the Hon. Member that he will not be disappointed. All of those topics are part of the discussions we are having on an ongoing basis with the groups I have already mentioned.

* * *

NUCLEAR ENERGY

ELDORADO NUCLEAR—LOCATION OF WASTE DISPOSAL SITE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister responsible for Eldorado Nuclear. The Minister will be aware of the concern about Eldorado's intention to locate a nuclear waste disposal site at one of two locations, either Wesleyville or Tyrone. Does the Minister intend to instruct Eldorado to shelve its proposals and go back to the drawing board, in keeping with the Prime Minister's campaign pledge that a dump site would not be located in these areas?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, naturally that particular issue has been a matter of some concern to me. I have been reviewing that dossier since my appointment and since I have had responsibility for that particular issue.

I can tell the Hon. Member that I have had a great many discussions on the issue with many people, and particularly with the Hon. Member for Durham—Northumberland who has given me a number of suggestions. In that regard I might mention that I will be visiting that particular area tomorrow and we will wait to see what happens at that time.

MINISTER'S DECISION—REQUEST FOR ANNOUNCEMENT IN PARLIAMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, given the interest in the proposal, I wonder why the Minister insists on keeping his decision from Members of the House of Commons and why he does not announce in the House of Commons his decision with respect to that issue rather than waiting until tomorrow.

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, it is my intention, of course, to discuss

the issues first with the people who are most vitally concerned. Then at that time I will make a decision.

* * *

• (1500)

IMMIGRATION

ISSUANCE OF MINISTERIAL PERMITS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns a report submitted to the Prime Minister by the Toronto Conservative Caucus which promotes a scandalous strategy to exploit politically Canada's immigrant community. I quote from it because it is very important. It says that "the political potential of ministerial permits is obviously being allowed to fall by the wayside" and that "it should be handled exclusively by the Minister, rather than allowing politically non-aligned bureaucrats free rein". Does the Deputy Prime Minister agree with the recommendation to turn the ministerial permit, which is used judiciously and compassionately, into a partisan tool to aid the Conservative Party of Canada?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I am aware of the report, but I have never seen it, and I have never read it. The Immigration Act gives the Minister the discretion to act on humanitarian grounds, that is, family reunification, refugee settlement, or in the national interest, or on compassionate grounds. The sheer volume of ministerial permits precludes them from being issued by the Minister's office. In 1985 almost 15,000 permits were issued inside and outside of Canada. I can tell the Hon. Member that those figures are reported to Parliament each year.

Mr. Marchi: The Minister has completely refused to exercise any moral judgment or moral leadership.

Mr. Speaker: Order, please. Would the Hon. Member put his question?

DEPARTMENTAL ADMINISTRATION

Mr. Sergio Marchi (York West): Mr. Speaker, if the Minister is aware of the report, will he completely reject this advice and assure Canadians and the House that in the future the Immigration Department will not be undermined or abused by such political motives from Toronto Conservative Members of Parliament?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I said clearly that I have never seen it and that I have never read it.

Mr. Marchi: Are you rejecting it, then?

Mr. Weiner: We act only on humanitarian and compassionate grounds. We have concern for the individuals, the people. There are frustrations with the Act. There are constraints. The Act has not been amended in 10 years. We have a quality of service which has been defined as less than acceptable. We intend to do things about those frustrations. We have changing conditions in a changing world, and our concern is for the people. We have a moral obligation—

Mr. Speaker: Order.

* * *

INDIAN AFFAIRS

OBSERVANCE OF AGREEMENTS WITH INDIAN BANDS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Given that documents now made public show, contrary to his assertion yesterday, that the Department's signed agreements with Indian Bands have in fact been broken, and broken systematically and deliberately, what steps will he take to ensure that that does not happen again?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, there is an ongoing concern going back—

Mr. Orlikow: No action.

Mr. McKnight: I would have thought that someone on that side would like an answer to a very serious and important question. There is ongoing concern. As I said yesterday, I am not aware and I have not been aware of signed agreements which have been broken by the Department. If the Hon. Member has those agreements, I would ask him to bring them forward. The Hon. Member should also understand, with his experience with the Department of Indian Affairs, that going back through several Auditors General there is a concern about the management of the Department. My predecessor had taken steps to make changes, and I assure the Hon. Member that I will continue to take steps to change the management of that Department.

MAINTENANCE OF SCHOOLS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to the same Minister. I assure him that I will supply the documents I have seen. In view of the major deficiency in the school maintenance account—education, operations, and maintenance—which has been identified relative to his Department's own measured standards, what action will the Minister take to make up that deficiency so that in fact the schools do not fall down before their time?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the operation and maintenance dollars which are provided for the maintenance of

schools are provided equally across the country within the ability of the Department to meet identified needs. It would be very comforting if all needs of all Canadians in all instances could be met. It is far beyond the scope of the Canadian taxpayer to provide for all needs of all Canadians in all circumstances.

* * *

INCOME TAX

BRITISH COLUMBIA FILM INDUSTRY—WITHHOLDING OF WAGE TAXES

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister of National Revenue. As the Minister is aware, the motion picture industry in British Columbia is quite upset by the recent implementation of tax measures requiring the withholding of taxes on wages and per diems of non-resident actors and support staff. One major film project has already been cancelled, and there are fears that these measures could damage the burgeoning film industry in B.C. Could the Minister advise the House what steps he is taking to deal with this issue so that British Columbia can continue to attract foreign film projects which provide substantial employment and benefits to its economy?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the question from my colleague who has taken a keen interest in this important subject. As she knows, in an attempt to promote and encourage a viable film industry for the country, I have instructed officials to meet with representatives of the industry. Meetings have already taken place, as they will in other parts of the country. We hope that guidelines can be developed to encourage and facilitate matters, as indeed they have been in respect of R and D guidelines. The issue of withholding and other important matters will be discussed and hopefully ironed out.

* * *

PORTS

STATUS OF PORT OF SAINT-JOHN

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Transport. I seek clarification with regard to his announcement granting local ports corporation status to the Port of Saint John. Could the Minister inform the House whether or not the board of directors of Canada Ports Corporation has officially petitioned him and whether or not an Order in Council has already been approved? If so, would he table both the petition and the Order in Council today?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I would have to check on those matters, but certainly the Canada Ports Corporation has requested that the Port of Saint John become a port corporation under the authority of the Act. I am glad to say that the Hon. Member for the district, the Minister of State for Forestry and Mines, made that announcement in Saint John several days ago. It was due to his efforts and work, the time that he put into this, and the ingenious solutions that he found, that we were able to come to that solution.

DEBT OWED BY PORT AUTHORITY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, to the knowledgeable and informed Minister of Transport, I direct my supplementary question. As the Minister will know, pursuant to the Canada Ports Corporation Act the matter of financial self-sufficiency is a major issue. Could he tell the House whether or not the $30 million which is owed by the Port of Saint John has been written off by the Government of Canada in order for it to live up to the provisions of the Act?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we have worked out a debt restructuring scheme, as I recall it, for the Port of Saint John, which certainly puts it in a position to meet all the requirements of the Act. I do not believe, however, that we have written off the large amount about which the Hon. Member spoke, but we have arranged a rescheduling. I will have to get him further details and give them to him.

* * *

IMMIGRATION

ISSUANCE OF REFUGEE PERMITS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of State for Immigration. Regarding the 6,500 permits reportedly issued last year mostly by officials, will the Minister tell the House the breakdown of that figure, that is, how many were refugee claimants, how many had—

Some Hon. Members: Order, order!

Mr. Speaker: Order. Would the Hon. Member put his question, please?

Mr. Heap: I am asking if the Minister would give the House the breakdown of that figure, that is, how many were refugee claimants—because I have given him notice of this—how many had—

Mr. Speaker: Order, please. The Hon. Member knows that if a detailed answer is requested in a question, there is a proper form to place that within the system. I wonder if the Hon. Member, in order to complete his question, would ask a question which is acceptable to the House.

Speaker's Ruling

Mr. Heap: Mr. Speaker, the point I would like to bring out—and I would ask the Minister whether he would agree—is that the great majority, the huge majority of the permits issued were issued according to law, according to standards which the officials are required to implement, not according to discretionary judgment by the Minister.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we do not have a breakdown. We have the sections of the Act under which admissions have been accepted. I would like to accept the suggestion of my hon. friend, and I will be able to provide that kind of statistic to him, so that all Members of Parliament will be able to monitor those who are granted permission under either refugee settlements, family unification, national interest, or whatever other category—

Mr. Speaker: Order. The Hon. Member for Leeds—Grenville.

* * *

• (1510)

FOOD AND DRUGS

IRRADIATED FOOD REGULATIONS

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is consideration being given to amending the food and drug regulations to classify irradiated foods as a process rather than an additive, and would this mean that further testing and labelling of such foods would no longer be required? Can the Minister assure the House that Canadians will have all information available to them to make an informed choice as to whether or not they wish to consume such foods?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, irradiation is used now in a number of jurisdictions. It is used in Canada, and research has taken place over at least three decades in Canada. As well, the World Health Organization as a UN agency back in 1981 also declared that irradiated food was entirely safe.

* * *

EXCISE TAX ACT

RULING DECLARING PROCEEDINGS NULL AND VOID

Mr. Speaker: Earlier this morning under Routine Proceedings, a Government Bill to amend the Excise Tax Act and the Excise Act was introduced and given first reading. As this Bill is based on a Ways and Means motion which Hon. Members who were watching the procedure this morning might notice has not yet been concurred in by this House, I regret to have to advise that this morning's proceedings in relation to the Bill are null and void and the Bill will remain on the Order Paper for reintroduction.

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PRIVILEGE

UNPARLIAMENTARY LANGUAGE

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I rise on a Question of Privilege of which I have given you notice. It concerns the use by the Hon. Member for Skeena (Mr. Fulton) of the word crook while questions were being answered this afternoon in connection with matters in Prince Rupert. I submit that it is unparliamentary to use the word crook. In any event, apart from the use of the word crook, which your predecessors have ruled to be unparliamentary on previous occasions, Sir, the word was used in such a way that none of us can be sure who the crook is supposed to be. The inference might be that I am the crook. If that is the case, I would like it removed from the record. I would like the Hon. Member to explain whom he is calling a crook. If he is calling me a crook, I would like him to repeat it outside the House where appropriate action can be taken—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —to uncrook the crookedness. Is the Member perhaps referring to a predecessor of mine? Is it the Deputy Prime Minister (Mr. Mazankowski) who is a crook or is it a Minister of Transport of recent years of 1981—perhaps the hon. gentleman opposite? Who is the crook in this case? In any event, Mr. Speaker, let all those who are prepared to be called crooks arise—

Some Hon. Members: Oh, oh!

Mr. Ouellet: There is only one standing up, you.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Could this matter be cleared up, Mr. Speaker?

Mr. Fulton: Mr. Speaker, as you know I had already sent you notice of my intention to withdraw the reference. Since the Minister has taken a moment, I think I might also point out exactly what happened.

Some Hon. Members: Oh, oh!

Mr. Fulton: I have withdrawn it.

Mr. Speaker: Order, please.

WAYS AND MEANS

NOTICE OF MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I rise on a point of order. Correct me if I am wrong at this point in the proceedings but pursuant to Standing Order 84(1) I wish to lay upon the Table in both official languages copies of a notice of Ways and Means motion to amend the Income Tax Act.

Mr. Speaker: Order, please. I know Hon. Members will realize that the intervention of the Minister is completely in order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I want to ask the customary question of the Government House Leader as to what business he proposes to place before the House for the coming week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am glad to respond to the Hon. Member. Today we will continue with the Address in Reply to the Speech from the Throne. On Friday, we will continue with the Throne Speech debate, which will be the sixth appointed day. Monday, as you are aware, Mr. Speaker, and as other Hon. Members are aware, is Thanksgiving Day. Therefore, the House will not sit.

Inasmuch as an amendment was moved today, that will necessitate a change in the order of business for Tuesday. I regret to advise my hon. friend that I am not in a position at this time to indicate precisely what orders I may be bringing forth on Tuesday. I will, however, give him some ideas. It could be Bill C-5, Bill C-8, and Bill C-9, but I will confirm that tomorrow morning. It will be my intention on Wednesday to continue with the Address in Reply to the Speech from the Throne.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and amendment of Mr. Cassidy (p. 227.)

Mr. Speaker: When the House rose at one o'clock p.m., there were eight minutes remaining in the question and comment period following the speech of the Hon. Minister for Regional Industrial Expansion (Mr. Côté).

[*Translation*]

I am now going to recognize those who wish to continue the period for questions and comments.

[*English*]

Mr. Riis: Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion (Mr. Côté). I will not prolong the question and answer period because I am anxiously awaiting the comment of my colleague, the Hon. Member for Papineau (Mr. Ouellet) in response to the Throne Speech. Perhaps the Minister for Regional Industrial Expansion will permit one quick question. In the press today there were reports that the provincial Government of New Brunswick was using the federal Government business assistance programs in a sense to make decisions on support for business based on political criteria as opposed to economic, business or industrial criteria. These allegations are very serious, particularly because it was in a sense confirmed in the same press releases that that had been taking place in that province. It is very serious because we are anxious that the federal programs in place to support business receive the maximum impact in job creation and economic development. I would appreciate it if the Minister would reply to a serious question in what appears to be some political manoeuvering in the placement of federal Government and provincial Government support for business.

[*Translation*]

Mr. Côté (Langelier): Mr. Speaker, I did look into this matter, or at least part of it, this morning, and I mentioned the intention of the Government to do everything in its power to eliminate regional disparities. In this context, we have taken special initiatives to try to promote more intense and more serious consultations with the regions and to express the essence of our concerns even though the role of the regions themselves must be intensified.

The Hon. Member made particular reference to a program which comes under the jurisdiction of the province of New Brunswick. I can assure him that I share fully his concerns in this regard. I shall have an opportunity however to examine the situation much more closely in coming days.

Mr. Ouellet: Mr. Speaker, I had not intended to rise and put a question to the Minister, but twice my colleague has raised a question that has remained unanswered by the Minister.

My question will be very brief. He said he intended to look into the matter and consider it in the light of the new situation. Does that mean he admits the New Brunswick Government is taking advantage of the program to exert undue influence and make improper use of public funds? Will the Minister recognize in this House that the New Brunswick Government is in fact mismanaging the funds made available to it?

Mr. Côté (Langelier): Definitely not, Mr. Speaker. I think my answer to the question is to the opposite effect. I simply want to express a concern, and an interest in the point raised by my colleague, and also, before giving a final answer to the question, to inquire exactly what the situation is and respond accordingly. I have no intention whatsoever of admitting the Hon. Member's claims or allegations on that matter.

Mr. Ouellet: Mr. Speaker, does that mean that if the Minister is not ready to condemn the partisan politics of the Tory Government in New Brunswick, he approves of what is going on in New Brunswick and colludes with those provincial authorities who make improper use of public funds?

Mr. Côté (Langelier): In no way, Mr. Speaker. My purpose is neither to condemn nor to admit that situation. I have simply shown a concern for looking more closely at the matter and responding accordingly.

I repeat once more, Mr. Speaker, that we have shown in a very practical way, since September 1984, our intention to make a special effort in the area of regional development. That commitment has been renewed in the last Throne Speech, and more specifically, we have been promoting economic renewal in Atlantic Canada.

Therefore, it is incumbent upon me I consider all viewpoints, rather than react too rashly to the situation.

• (1520)

[*English*]

Mr. Redway: Mr. Speaker, I was most interested in the Hon. Minister's remarks. His responsibility and that of his Department being primarily to address problems of regional disparity, I would like to inquire whether he has some new policy initiatives which he might be taking in this area. I ask him that bearing in mind that we have tried things like tax incentives but recent studies seem to indicate they do not really work. We have tried grants and loans to businesses in different disadvantaged parts of the country but they do not seem to have done the trick either. The Hon. Member for Crowfoot (Mr. Malone) suggested that perhaps we should be shifting government Departments to other regions of the country. He suggested that the Farm Credit Corporation might go to one of the smaller communities in his riding. We tried shifting the Department of Veterans Affairs to Charlottetown, and that has some drawbacks, it seems to me.

Mr. McMillan: Careful!

Mr. Redway: I wonder if the Minister might tell us what he has in mind in the way of new initiatives which will perhaps address this problem in a meaningful and effective way.

[*Translation*]

Mr. Côté (Langelier): Mr. Speaker, I think we are mainly trying to increase the efficiency of our tools and of our programs in the Atlantic region and we have done it quite openly. Indeed, our approach is especially based on a federal effort which should be better directed and adjusted to the needs of that area.

We think it is essential to bring those activities into line at all levels of government and to obtain a greater support or impetus from the private sector in order to get maximum results and as I said earlier to iron out those regional disparities.

In accordance with our commitment, Mr. Speaker, we will continue to promote the spirit of independence and entrepreneurship of the people in Atlantic Canada.

Mr. Kaplan: Mr. Speaker—

Mr. Speaker: Has the Minister completed his remarks? The Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: Mr. Speaker, I should like to put a question from my colleague. According to the report to which he referred, the government of New Brunswick has chosen three ridings now represented by Liberal Members which it believes it could win at the next general election for a special investment of funds coming from the Minister's department. Does he consider that this is the proper way to choose ridings to be granted government funds, thus helping the Conservative Government at the next provincial election?

Mr. Côté (Langelier): Mr. Speaker, I think I will repeat the same arguments which I directed to my colleagues opposite and merely say that we have set up programs to iron out those regional disparities. I do not intend to confirm or deny the allegations made today. I have merely said that I was looking closely at the situation and would promptly respond.

Mr. Kaplan: Indeed, the Minister's answer—

Mr. Speaker: I regret to interrupt the Hon. Member but the time allotted for questions and comments has now expired.

The Hon. Member for Papineau (Mr. Ouellet).

Hon. André Ouellet (Papineau): Mr. Speaker, first of all, I would like to congratulate you on your election to the Chair and wish you every success and satisfaction in the exercice of your very important duties. I shall also, if I may, congratulate the three Hon. Members who will assist you in your work, and especially your two principal assistants who will continue to perform those duties and tasks they performed so admirably during the first session of this Parliament.

As is customary, I also wish to congratulate the mover and the seconder of the motion for the Address in Reply to the Speech from the Throne and the seconder of that motion. Now that I have congratulated six Conservative Members, which for me is a great deal, I would like to express an opinion I think is shared by Canadians in general, namely that in this Speech from the Throne, the Progressive Conservative Government has been a great disappointment. After all, when the Government decided to prorogue and delay resumption of

parliamentary business for one month, we could have expected something new. We thought the Government would take this opportunity to make a fresh start and come in with new ideas and new ways of doing things. Above all, Canadians were expecting some leadership from this Government. Unfortunately, Canadians who were counting on seeing some original ideas in the Speech from the Throne and some new and concrete solutions to the real problems Canada is facing today, all these people were terribly disappointed, because this Speech from the Throne is the very essence of platitude. We have been presented with a document that lacks any imagination whatsoever. It reflects the image of a Government that has exhausted its energy after barely two years in power.

This Government is already forced to rehash the promises made during the last election campaign and in its first Speech from the Throne. In this respect, the remarks of the Minister of Regional Industrial Expansion (Mr. Côté) were enlightening indeed. We would have expected this new Minister to unveil—as tradition would have it when a Minister takes the floor in the throne speech debate—a slew of fresh propositions from his department. No such luck. In fact the Minister failed to announce anything new and nobody would have been any worse off had he simply skipped his speech altogether. In my opinion, the silence of the Minister about the secret dealings between his department, certain officials, certain political figures and the representatives of the shipyards is of great concern to the shipyard workers.

I do not understand how the Minister, who is well aware of the situation, coming as he does from the Quebec area where a major shipyard is facing a financial crisis, did not take this opportunity today in his remarks to enlighten us, to indicate whether it is true that his predecessor had asked the naval authorities to close down a number of shipyards; whether it is true that his Government is presently negotiating with the owners of various shipyards in Canada for the purpose of restructuring them, to convince a number of naval concerns to shut down their operation, because the reality now is this: under the Liberal Government, all shipyards in Canada had orders to fill. Since this Conservative Government came to power, all shipyards have been forced to lay off employees. It is clearly because of this Conservative Government's failure to act that the Vickers shipyard in Montreal is seriously jeopardized.

And now we are told that the people in Sorel and Lauzon will have to get together to rationalize their operations and probably elect to close either one of these shipyards. Well, the this situation, which I find regrettable, because in Quebec we want, not only one shipyard but three of them obtain their fair share of Canadian Government contracts, because there are quite competent specialized workers both in Sorel and Lauzon as well as in Montreal, people who have done this type of work for many years and want to continue to earn a decent living.

I am somewhat disappointed that the Government apparently wants to keep quiet about these two major priorities which it has submitted to the population, claiming that the huge federal deficit, a national disgrace according to these ladies and gentlemen of the Conservative Party, would come down. Well, what is happening, really? The deficit is not coming down. If I may, I should like to quote from an article published in the *Ottawa Citizen*:

• (1530)

[*English*]

Some of my colleagues are not too happy that I want to refer to some remarks made in a newspaper recently. When we speak in the House of Commons people could say that we are partisan and obviously do not convey the true perspective. I would like to quote from an article in *The Ottawa Citizen* which is indeed absolutely non-partisan and objective. Mr. McGillivray said the following:

> Michael Wilson won't be glad to hear this but he has just become Canada's all-time King of Deficits.

Mr. McDermid: Who wrote that?

Mr. Ouellet: Don McGillivray, a veteran journalist for Southam News who has long experience and cannot be accused of partisan politics. His article continues:

> As finance minister, he has added more to the national debt than any of his predecessors.
>
> On Sept. 17, Wilson will have been in charge of Canada's finances for two years. And has already presided over budget deficits totalling $65 billion.

[*Translation*]

Mr. Speaker, it is obvious that this Government, after asking Canadians to support its plan to clean up our public finances and reduce the deficit, has done the exact opposite. And it is abundantly clear that the first prize for deficits in this country goes to the present Minister of Finance (Mr. Wilson).

This Government got elected by promising jobs, jobs, jobs. You will recall, Mr. Speaker, that during the election campaign, the present Prime Minister said: We have only three priorities: jobs, jobs, jobs.

[*English*]

Again the Government has failed in its objective. Again it is clear that the Government is trying to portray a situation which is not accurate.

I would like to quote from an article written in the *Toronto Star* by David Crane, a writer on political and economic affairs. He said:

> The latest unemployment figures suggest that luck has run out for Prime Minister Brian Mulroney and his cabinet colleagues. They can no longer count on continued recovery from the 1981-82 recession to fulfil their campaign promises of "jobs, jobs, jobs".
>
> Now they will have to come up with new approaches of their own if further progress is to be made in the fight against unemployment.

• (1540)

[*Translation*]

The fact is, Mr. Speaker, that the Conservative Government, which promised to find jobs for Canadians, is today faced with a situation where more than one million Canadian workers are jobless. It is a fact that this Government, which promised to find jobs for the people of this country, has failed to live up to the expectations of Canadians, and that across this country, there are still far too many men and women, and especially young men and women, who are out of work. And the platitudes in a Speech from the Throne that has failed to announce any concrete measures for creating jobs in Canada are certainly not going to solve the problem. Acutally, the new Minister of Employment and Immigration (Mr. Bouchard) unwittingly gave a clear indication of the bleak realities Canadians have to contend with, in his answer to my colleague, the Hon. Member for Shefford (Mr. Lapierre), who was upset that the Prime Minister gave orders to have a penitentiary, that would normally have been built in the riding of Drummond built in his own riding, at an additional cost to the Canadian taxpayer of several million dollars.

In fact, early this week, my hon. friend from Shefford put his question to the Member who normally should have answered the question, but the Minister of Employment and Immigration rose instead and said the following: We must realize that 38 per cent of the people in the Prime Minister's (Mr. Mulroney) riding receive part of their income from unemployment insurance or are on welfare.

So the Minister of Employment and Immigration agrees with what we have been saying for many months, which is that many people are not included in the unemployment statistics, since the figure for the Prime Minister's riding is about 15 per cent.

So what is being used as an excuse for the Prime Minister's decision to have the penitentiary built in his riding is the fact that 38 per cent of the people in that riding are receiving some form of government aid or are no longer considered as being on the labour market because they have ceased to report to the manpower centres to look for work, probably because they are convinced there are no jobs available anyway.

This situation, as reflected in the 38 per cent figure, probably reflects the true state of our Canadian economy. Not 10 per cent or 11 per cent of Canadians are in difficulty and qualify as being unemployed, but 35 per cent or 38 or 40 per cent of Canadians are in difficulty, are unemployed or are convinced that they won't be able to find employment. The Conservative Government promised them jobs and now, two years later, they are living in poverty, and they are so depressed they are not even looking for work because no jobs are available.

Mr. Speaker, the situation is shocking and intolerable, and the fact that the Minister of Employment and Immigration is wasting his time trying to justify an intolerably partisan decision on the part of the Prime Minister is certainly not to his credit.

I have to say that the Minister of Employment and Immigration probably felt that he had to rush to the defence of his Prime Minister, but by doing so he revealed the real condition of the Canadian economy.

Roughly 10 per cent of Canadians are unemployed, another 10 per cent are on social welfare, and yet another 10 per cent or more have completely given up looking for employment because they are convinced there are no jobs available.

Well, the fancy rhetoric of the Prime Minister is no longer good enough. People want action now and expect this Government to come up with concrete and specific programs to spur the economy.

I would suggest that the most tragic mistake of this Government has been to imagine that it had to start from scratch in every field. Here is a telling example: the Minister of Transport (Mr. Crosbie) who found the VIA Rail file on his desk. The previous Government had launched a five-year action plan to set the Crown corporation VIA Rail back on the right track, according to a well-balanced and rational process. Well now, instead of accepting this action plan under which, first, certain underused and non-profitable lines would have been dropped, second, adequate rolling stock would have been bought and, third, the administration would have been revamped, this Government, this new Minister threw everything overboard and went back to square one so that now, two years later, VIA Rail has not progressed one inch. It does not even have a single locomotive nor a single new railway car to give better service to the traveling public.

That is an example of a Government which is unable to make decisions. It appointed a committee chaired by Mr. Horner to review the whole question. The report was handed to the Minister of Transport six months ago and the Government has not done anything about it yet. In other words, ever since the Conservatives were elected to office we got nothing but more studies and more consultations, and this Government has yet to make one significant and specific decision.

I conclude my remarks by saying that this Throne Speech is the most disappointing thing we have seen in a long time. Unfortunately, Canadians have a Government that is marking time, that takes one step forward and two steps backwards, that does not know how to manage public affairs, that does not know how to administer the affairs of the state. Earlier in its mandate, we could accept inexperienced Ministers making blunders, but two years later, the Government can no longer hide behind the screen of political inexperience. This Government must have the courage to take the important decisions that are needed to solve the problem of unemployment in Canada. We need only look at the Throne Speech to see that, unfortunately, this Government does not have that political courage, and I am not surprised to see that showing how much Canadians are disappointed with this Government.

I am very much heartened by the appearance in this House today of our new colleague, the Hon. Member for Saint-Maurice (Mr. Grondin) who is joining all those who will go on fighting this inefficient Government and the inappropriate decisions it is taking on behalf of the Canadian people.

Mr. Deputy Speaker: Questions, comments. The Hon. Member for Richelieu (Mr. Plamondon).

Mr. Plamondon: Mr. Speaker, I was suprised by some of the remarks of the Hon. Member, particularly about the shipbuilding industry. I think he has no idea what he is talking about because in recent days it has been announced in all newspapers and on TV that a Quebec consortium will be created soon to meet the needs of workers and the shipbuilding industry in Quebec.

We need only recall the policy advocated by the Liberal Party in recent years, a policy which led to the crisis we went through. It was referred to as "the policy to share the patronage pie". For example, if tenders were called for six icebreakers and say in the last case Marine Industries bid $48 million, an Ontario company $54 million, and a Western Canada company $60-odd million, they would say: "Well, two in Sorel, two in Ontario, and two in Western Canada", regardless of the lowest bidder. They were just trying to keep all Canadian shipyards in business for a while without coming to grips with the real issue, which is the fact that we have too many shipyards and too few orders on the books. Had they let the market forces come into play the shipbuilding industry would have rationalized itself by now through open competition. Of course nobody will come right out and say that the previous administration failed to do just that.

We have given a vote of confidence to a few Quebecers who will set up a consortium for the three Quebec shipyards, the kind of initiative the former Government could not have taken, busy as it was stirring the constitutional stew. They could not have accepted a consortium led by Marine Industries, which was a provincial Crown corporation. This would have helped the PQ Government, so it was out of the question because they were itching for a fight on constitutional issues. They were in no hurry to solve the problem of the shipbuilding industry. Their only way out was to appoint yet another inquiry commission in May 1984, so we got one more report on the shipyards. But we have taken action. Perhaps the Speech from the Throne does not say so in so many words, but when we talk about the economic views of the Government we refer to all sectors, including the shipbuilding industry. At long last the matter is about to be settled after years of needless fights and neglect on the part of the previous Government.

Versatile Vickers which was the property of Quebec and closely connected with the Federal Liberal Party, was the lucky one when Dome Petroleum, another friend of the Party, muffed it in Quebec; the Quebec yard had been used to make a financial deal, instead of developing a true naval industry, as was the case for instance at the Tracy yards.

I will conclude, Mr. Speaker, as you are motioning to me. If in the naval industry, there is today a Quebec consortium—as a matter of fact, a major press conference will be held tomorrow to confirm it—a joint venture of the Quebec and Ottawa Governments which will make it possible for the naval industry to be more aggressive, not only on world markets, by to develop new technology, for instance in the case of drilling platforms

Mr. Deputy Speaker: I must regretfully interrupt the Hon. Member, for his time has expired.

The Hon. Member for Papineau (Mr. Ouellet) has the floor.

Mr. Ouellet: Mr. Speaker, I am grateful to the Hon. Member for Richelieu (Mr. Plamondon) for giving me an opportunity to clarify my views. What is happening now is that the Quebec Government is doing something which should have been done by the Canadian Government. Marine Industries would probably be the one in a position to purchase the two other shipyards, because it prospered under the previous Government. Otherwise, it would not have been strong enough to have such an operation today.

The Hon. Member for Richelieu should wait and see what will happen. If the maritime division disappears in Sorel, I shall go and tell his constituents that their representative has let them down. The fact is that the Sorel shipyard always prospered under a Liberal Government, but now, no one knows whether it will go on or not. I can tell you, Mr. Speaker, that if the Sorel shipyard closes, the Hon. Member will suffer the political consequences.

• (1550)

[*English*]

Mr. Redway: Mr. Speaker, as I sat quietly in my seat listening to the Hon. Member, I became more and more alarmed, particularly when he started to speak of his concern about the manner in which the Government is managing the business of the country and, particularly, the manner in which the Government is managing the economy. They were comments from an Hon. Member who was a Minister in the former Government. He was telling you and I, Mr. Speaker, and everyone in the House, about incompetence in managing the affairs and the economy of the country. I could not believe my ears as I listened to the Hon. Member. This is from a man who was a key Member of the former Government which created conditions in this country where we had inflation in excess of 12 per cent; interest rates in excess of 20 per cent; record setting bankruptcies, and unemployment in excess of 13 per cent. This is a man who says that the present Government is having some problems in managing the country? I find that incredible.

The present leader of this man's Party rose in the House after the economic statement, and after the present Government's Budgets, and said these policies were a disaster and they would create more and more unemployment and, in fact, they would create something like 75,000 or 100,000 more

unemployed people. Instead, as the Hon. Member is well aware, there has been a complete reversal of the situation he and his Government created. Inflation is down; unemployment is down; bankruptcies are down; interest rates are down and there have been over a half million new jobs created in the last two years. I would think the Hon. Member should be on his feet applauding the Government.

That is not to say the Government believes all the problems are solved, by any manner or means. The Hon. Member knows from the Speech from the Throne that the Government pointed out quite clearly its concern and intentions to continue to pursue very vigorously methods to improve the economy, the economic situation and to get more people back to work. However, the Hon. Member should applaud the Government for this approach rather than being critical, particularly when the Hon. Member was a member of a Government which did such an astronomically terrible job in running the economic affairs of this country.

As I looked over at the Hon. Member, Mr. Speaker, I thought I detected a little red reflection from his face. I thought perhaps it was from his tie or from his flower, but after awhile I became convinced that he was almost as embarrassed as I was as he made those comments. I would like to ask him if he was as embarrassed as I was—

Mr. Deputy Speaker: I would ask the Hon. Member to conclude his remarks.

Mr. Ouellet: Mr. Speaker, it is clear that the current Government received an overwhelming mandate from the population to change a difficult situation through which Canadians have lived; a recession. No one is changing the figures that existed at the time. They were there and, indeed, the public voted for a change of government and a change of direction. What we have two years later is a worse situation without the recession.

Mr. McDermid: Nonsense. What an unfounded statement.

Mr. Ouellet: It is quite clear that inflation is now going up. It is quite clear that since the beginning of 1986 there has not been a single job created in Canada. Statistics Canada said:

[*Translation*]

—that in January there were 11,632,000 jobs, and today, there are 11,615,000 jobs, which means 17,000 jobs were lost since the beginning of this year. The present Government has increased this country's deficit, it has failed to create a single job in 1986, and inflation has started to rise substantially, penalizing Canadians on fixed incomes, and I am thinking specifically of our pensioners. There is certainly nothing to be proud of here, and I think the Hon. Member who is anxious to ask me some questions and who would like to resuscitate the last election is badly mistaken, because the people of this country gave the Conservatives a chance, and now they are sorry they did, and they are anxious to see this Government finish its term as soon as possible.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria)—Government Expenditures—Prime Minister's travel entourage; the Hon. Member for Kenora—Rainy River (Mr. Parry)—Indian Affairs—Funding of Programs; and the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Supply and Services—Maintenance contract for F-18 fighter aircraft. (b) Request for tabling of correspondence received from Premier of Nova Scotia.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and the amendment of Mr. Cassidy (p. 227).

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, just over one week ago Her Excellency the Governor General outlined the Government's agenda for action over the next two years. That agenda is designed to achieve four goals; national reconciliation, continuing economic renewal, enhanced social justice and a constructive participation in global affairs. These goals are linked and are mutually reinforcing.

National reconciliation, giving Canadians a national sense of purpose, is an essential precondition to economic renewal since we can hardly compete abroad if we do not co-operate at home. Economic renewal can increase our ability to make social progress. It will give us the means to finance desirable social and cultural programs and to enhance our quality of life. If we can achieve the goal of becoming a more united, prosperous and progressive society, then we will be better able to take up our international responsibilities and play a constructive role in the global community.

• (1600)

As all Members know, trade will play a vital role in achieving these goals, just as it has done over the entire history of our Confederation. Our trade policy is based on an assessment of current realities and historic change. Moreover, it is based upon the need to seize opportunities and to advance the national interest.

Canadian trade policy must reflect a basic fact of Canadian economic life—our small population. A small domestic market means that secure access to foreign markets is critical. In Canada, trade means jobs. Some 27 per cent of our GNP is directly related to exports. One in three Canadian jobs depends, in some form, upon trade. Unlike countries with large domestic markets, such as the U.S., Japan or Brazil, our industries require markets larger than our own to achieve efficient economies of scale and specialization. Our companies need access to those markets to justify investment in modern plants and equipment and expensive research and development.

However, secure access to foreign markets is important for more than just export-oriented companies. It is also important for Canadian consumers and our retail business sector. If our companies are not internationally competitive, they will not be competitive at home. That would mean higher costs to Canadian consumers and less disposable income for consumer and business spending. And that means fewer jobs and less economic activity in our country. These are the basic facts of Canadian economic life, and they cannot be wished away. It is for these reasons that from the time of the Great Depression successive Governments have sought trade liberalization through international negotiations.

The expansion of the world trading system has brought great benefits to Canada. Our exporting ability has given us a standard of living that is the envy of most countries of the world. It has provided us with the wealth to develop accessible health care, affordable education, equalization policies, income security programs and national cultural institutions—all the institutions and values which really define the Canadian way of life.

Pragmatism and realism have led us to initiate a two-track trade policy made up of bilateral one-on-one negotiations with the United States, by far our most important customer, reinforced by multilateral negotiations under the auspices of the General Agreement on Tariffs and Trade. I would like to review some of the realities behind this two-track approach.

In the 40 years since the formation of the GATT, the international trading system has changed. Four events stand out. First, there was the formation of the European Economic Community and many other small regional trading blocks, such as the ASEAN block, the Australia-New Zealand pact and the European Free Trade Association. Second, there was the dramatic rise of Japan as a major economic power. Third, there was the emergence of certain newly industrialized nations such as South Korea and Brazil. The fourth event was the proliferation of independent nation states resulting from post-war decolonization.

These events have changed the international environment. In today's world there are many more competitors producing the goods that we produce. Moreover, the emergence of regional trading arrangements means that some of our traditional markets are not as open to us as they once were. In short, competition in world markets is increasing. A Canadian trade policy that seeks to safeguard our interests must reflect these realities.

These fundamental changes in the world economy have been reflected in the GATT. The GATT has evolved from a small club of like-minded countries into a much more complex group of countries having vastly different competitive strengths and trading interests. This has led to more complicated and lengthy multilateral trade negotiations. For instance, the last round, the Tokyo Round, lasted from 1973 to 1979.

Canada is a uniquely important player in this coalition of countries. We are a bridge between the less-developed countries and the economic super-powers. Our interests are allied with other resource-based producers. This was demonstrated by the pivotal role that Canada played by putting agriculture on the agenda of the GATT negotiations at Punta del Este, Uruguay. At the same time we have common interests with the largest trading nations. We are a member of the Quadrilateral, the informal group of the largest traders in the world, along with the United States, Japan and the European Community. We met at Sintra, Portugual just prior to the GATT in Uruguay. We played an active role in co-ordinating our positions for the GATT negotiations. So there should be no doubts that we are an important member of the multilateral trading community. There should be no mistaking this Government's commitment to the GATT. We are an active, dynamic and leading player in the GATT. We are absolutely committed to the General Agreement and to the Uruguay Round.

However, in reaffirming our commitment to the GATT we must realize that it alone cannot protect all our interests. The vast majority of our exports go to one national market, that is, the U.S. market, which now takes 78 per cent of all our exports. So we are engaged in bilateral negotiations with the United States for only one reason—it is in Canada's interest to do so.

What do we seek to achieve? We want to redefine the rules that presently govern trade between our two countries. We want to secure and to enhance our access to U.S. markets. We want to lock those rules and that security of access into the form of a long-term binding treaty between both countries.

Let me first discuss secure access. There is a thicket of trade laws in the U.S. at the disposal of any interest group that wants to bring an action against Canada. Since 1980, well over 500 complaints have been brought forward in the U.S. These cases have become increasingly complex and have spawned an unprecedented number of appeals. The proliferation of trade complaints in the past five years has caused grave concern to Canada. These cases complicate investment decisions, because to be successful Canadian producers need security of access to foreign markets.

If the rules keep changing, then that security is jeopardized and diminished. However, what is equally important is a disturbing reluctance in the U.S. to accept the verdict when U.S. interests do not win a case. We see that in the softwood

lumber case. We won the case in 1983. We then faced a number of legislative initiatives seeking in one way or other to limit our exports to the U.S. We then faced a fact-finding investigation and yet another countervail action this year. Now, the threat is that if the U.S. industry does not get what it wants there will be the likelihood of more Congressional action. This is why we seek new rules. We seek a better shield against the forces of protectionism. The existing rules may be law, but their enforcement does not always lead to justice. We want more certainty. We want a more confident environment for investors and producers in Canada. This, in turn, will generate jobs and economic growth.

What about enhanced access? One example is our industries' ability to sell goods to the U.S. state and federal Governments. For example, the "Buy American" requirement prohibits the use of foreign steel in projects funded under certain acts. This closes an important part of the U.S. market to our producers. We want better access to these markets so that our world-class technology in areas such as telecommunications and electrical generating equipment can compete on an equal footing with U.S. producers.

There are many other trade actions taken by the U.S. which irritate us. I am reminded of the Prime Minister's words that we are best friends, America and Canada, and that we are each other's biggest trading partners, but at times it is difficult to be friendly with your best friend. I could also mention, for instance, potash, uranium, the wheat subsidy war and other U.S. support practices.

However, we are not walking away. Rather, we are seeking through negotiations a better framework for trade between us.

• (1610)

The U.S. administration, for its part, has indicated that it sees important benefits for its country. Canada is the largest market for U.S. exports and it is one of the few markets in which U.S. exports are increasing. Canada is the largest recipient of direct U.S. investment and millions of cross-border transactions link our two national economies.

The U.S., of course, has its concerns and we are willing to listen to them. We will adjust for them where we are able to do so. That is the process of negotiation. Any trade treaty clearly must be beneficial to both partners.

Some who oppose this initiative say we are undermining the GATT by advancing our interest on a bilateral basis. That is simply wrong. A bilateral agreement is consistent with GATT rules. Moreover, our bilateral talks with the U.S. are not only consistent with the GATT but could serve as multilateral models. We are well aware that Canada-U.S. agreements in such areas as procurement and services could be models for multilateral action. We are negotiating with this in mind.

So those are some of the realities that have prompted us to embark upon this two-track approach. They make a compelling case for our two-track policy. The critics who are here today have a responsibility to address these same realities and to tell Canadians how their policies meet the needs of Canadians today. I suspect they will not be able to because their policies are not based on fact or supported by past experience and their policies do not meet the needs of Canada in today's world.

I recognize that much of this criticism has been directed at the hearts of Canadians, not their heads. Canadians have been warned of the traumatic adjustments that will flow from an arrangement and they have been warned that our cultural sovereignty is at stake. Those are two false accusations, so let me take a minute to address these two fears.

First, regarding the trauma of change, let us just put this in perspective. Canada has been reducing its trade barriers step by step since the beginning of GATT in 1947. Canadians have not only survived this process but have prospered under it. If Canadians have prospered through seven rounds of trade liberalization, why would the next step be any different?

Second, there is the issue of cultural sovereignty. I would like to remind the House that there were two important events in the life of Canada which took place in the late 1940s. One was the creation of the GATT, the start of the trade liberalization process that has continued to this day. The other was the Massey Royal Commission on the National Development of the Arts, Letters and Sciences, the start of a cultural development process that has also continued to this day. These two processes went hand in hand because it was the prosperity created by trade liberalization that allowed us to create all those institutions and programs which helped to define us as Canadians today.

Just as trade liberalization continues, the challenge to build a national identity continues today. We in the Government recognize that and we have said very clearly to our negotiators that this Government's ability to protect and enhance Canadian culture is non-negotiable. We want a country whose people can communicate with one another through the arts and the popular media. The essence which makes us Canadian cannot and will not be compromised.

Before I close my remarks, let me make a final point, Mr. Speaker. So far, I have talked about our two-track trade policy. Let me note another element of our over-all trade strategy, the need to seek new export opportunities. I view the promotion of Canadian exports as being a key element of my portfolio. Essential as it may be, it is not enough to negotiate changes in the rules governing trade. We must continue to seek new markets for our goods and services. As was stated in the Speech from the Throne, particular emphasis will be placed upon trade with Japan and other Pacific Rim countries. I will be addressing this theme again in the coming months.

So, Mr. Speaker, we know precisely what we are doing. We are well prepared and we are convinced that our strategy is the best way to advance our national interest. We are actively consulting with the provinces. Indeed, our response to the softwood lumber case is a prime example of federal-provincial co-operation in a trade matter.

We have the advice of a wide array of private-sector experts and as the Prime Minister (Mr. Mulroney) has consistently said, if our negotiations do not result in a better deal for Canada, there will be no deal. However, I believe it is our responsibility to try. We believe that trade problems over the past few years in such sectors as lumber, fish, pork and steel prove that existing trade rules must be improved.

We cannot improve the situation by simply turning our backs and walking away. We have the choice of negotiating to advance our interests or we can run away and let others unilaterally set the rules for us. We chose to negotiate, not because it is popular, not because it is easy, but because it is in the national interest of Canada and of Canadians.

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, first I would like to offer my congratulations to the Minister on being appointed to her new position. It is not possible to do so in Question Period and I am pleased to do so now.

I would, however, note that yet again the Government, through the words of the Minister, has relied on insults with respect to her critics. She has suggested that they have no answers. I suggest that she might wish to listen, as we listened to her speech today, when we speak later next week. She will hear of the course we would be following in place of the course that is now being followed.

I would also note that I saw certain inaccuracies in the speech which has just been made, particularly with respect to GATT. As someone who attended the GATT meetings, I would have to say that there was a great deal of uneasiness and opposition expressed by European and Japanese delegates and GATT officials to the bilateral course which we were taking up with the United States. If the Minister is not aware of that, she should talk with the Secretary of State for External Affairs (Mr. Clark) who led the delegation, or with the Minister of State for Finance (Mr. Hockin) who was there as well and could, I assume, report the same thing.

I have some questions which I would like to put very briefly, recognizing that it is not possible to have a full-scale debate at this stage. I might say that I look forward to the full-scale debate which was promised by the Prime Minister (Mr. Mulroney) when he first announced the initiative that is being taken toward the United States. This is a full-scale debate which has yet to be put before the House.

I have three questions. First, if we are concerned with such things as access to the United States, "Buy American" and a whole host of questions of restrictive protectionism within the United States, why do we not follow the route of GATT now that the GATT talks are under way after Punta del Este and carry these discussions with the United States forward with the strong support of allies who are equally concerned with each of these points which the Minister has considered in her speech? The Japanese, for instance, would be such strong allies.

• (1620)

Second, will we finally have the mandate of Mr. Reisman made public to the House now that he has finished his first round of discussions and the Premiers have been filled in?

Third, if I may, could I please plead with the Minister to make a change in her approach and the approach of her predecessor and to take the Canadian people into the confidence of the Government in respect of precisely what is the mandate of Mr. Reisman in these talks, instead of carrying forward this cloak and dagger diplomacy which is out of place between two modern democracies?

Miss Carney: Mr. Speaker, to address the concerns expressed by the Hon. Member, I looked again at my speaking notes. I cannot see any reference to these insults which the Hon. Member identified. I believe the only comment I made about the critics was to say that they have the responsibility to address these same realities and to tell Canadians how their policies will meet the needs of Canadians today. If asking the opposition Parties, and particularly the NDP, to put forward their policies is an insult, it speaks to the nature of the policies, not to the opportunity provided by the Government to produce them.

In answer to the specific questions raised by the Hon. Member, when he talks about the need to take allies into our discussions with the U.S., he does not seem to understand that we have a unique relationship with the U.S. It takes 78 per cent of our exports and, in turn, we are the United States, biggest customer. One province alone, Ontario, sells as much to the U.S. as does Japan. There is little to be gained by taking outside of GATT some sort of regional bloc, which he seems to be suggesting, composed of Europe, Japan, and the U.S. We are talking about GATT and we are talking about a bilateral arrangement. I also want to assure him that I thought he might have understood, or maybe he would have learned at Punta del Este that under Section 24 of the GATT these bilateral arrangements are allowed. That is why there is a European Community. That is why there is a European Free Trade Association.

I do not understand how he could indicate that Europeans were concerned about a bilateral arrangement between Canada and the U.S. when they are members of the very same kind of regional trading arrangement that allows them access to 265 million people. We, with our 26 million people, are the only industrialized country in the world that does not have secure access to a market of at least 100 million people. I think they were concerned about protectionism at the GATT; everyone is concerned about the rising tide of protectionism. However, I would suggest that the support Canada gave other countries in their objectives in the GATT will alleviate their fears.

Also, the Hon. Member asked about Simon Reisman's mandate and about taking Canadians into confidence in the negotiations. I have certainly tried to be as open as I can about the negotiations. However, I do not understand how one can

negotiate a treaty at a table in full public view. I do not know whether he is suggesting bringing in the television cameras or putting them on a stage to negotiate. I have always found that the best way to negotiate is to do it behind closed doors with some privacy. The Hon. Member can be assured that the results of the negotiations and all reports on the negotiations are reported directly to me, and through me to the Cabinet and to the Prime Minister. I look forward, in the next few weeks, to speaking continually on this subject as I travel throughout Canada.

Mr. Redway: Mr. Speaker, the Minister will know that if there is one thing that concerns Canadians about the trade negotiations with the United States, it is the ultimate impact those negotiations will have on their own individual personal lives and their own individual personal circumstances. It has been said that as a result of these negotiations there will be some winners and there will be some losers. I guess it is that aspect which really and truly concerns Canadians; whether those individuals will be the losers in the whole process.

It has been suggested from time to time that the Government should try to help those people who might end up in some way as losers with a program and a policy that would ease the adjustment process from the position in which they are now to what they might be in the future. Does the Government have such a policy waiting in the wings and, if so, what is it?

Miss Carney: Mr. Speaker, I should like to thank the Hon. Member for York East (Mr. Redway) for his question. First let me reassure him that the history of the reductions in tariff barriers, for instance, that has occurred in the 50 years since the great depression certainly has shown that there are more winners than losers in trade liberalization. We are infinitely better off in 1986 than we were when the process started. I think I can reassure him generally on that point.

On his specific point about whether the Government is addressing this, yes, both countries in the trade negotiations are addressing the need to have a long-term agreement—and we are talking about from now into the next century—to phase in any changes, to have the relevant adjustment programs for those who are affected, and to have training programs for those who are affected to take advantage of the jobs that will be created. Those points are being addressed in the negotiations.

I think if the Hon. Member reflects on the training programs the Government has brought in and upon the kind of help the Government has given to industries in the area that he represents and in his province in general, he will recognize that we have a good precedent on which to stake our faith.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I will resist the temptation to try to respond to the comments of the Hon. Minister for International Trade (Miss Carney) because there are several other things I had the intention of addressing today. Debate about a major initiative of the Government is very useful, and I hope there will be more opportunities for it to happen. My intention today is to speak, first, as the spokesperson of my Party for the environment and, second, as a western Canadian who is concerned about the problems affecting that region of Canada.

In respect of the Speech from the Throne, when it comes to environmental issues, the Throne Speech is significant for what is not in it rather than for what is in it. In the Throne Speech we have the promise of a new Environmental Protection Act. That is to be welcomed. We hope that we will soon see that legislation. Presuming that it is quality legislation—and I know that a great deal of consultation has gone into it already—we will certainly be prepared to be as co-operative as we can when the legislation comes forward, of course always depending upon the fact that there are no surprises in it of which we are not aware at this time. We will be looking forward to playing a constructively critical role in that respect.

There was also acceptable rhetoric about water quality in the Throne Speech. However, I was disappointed that very shortly after the presentation of the Throne Speech, at a meeting of Ministers of the Environment, the federal Minister of the Environment (Mr. McMillan) was not able to make new commitments to federal involvement in the much needed upgrading of our sewage treatment facilities across the country. I am told that some 53 per cent of sewage still goes into the environment completely untreated. That should be regarded as a national disgrace and should not be something which is subject to the usual kind of bureaucratic tinkering, as to whether we will have a few more dollars here or a few more dollars there. It is one of the least complicated environmental problems we face. It is less complicated than knowing what to do about invisible toxins in the Niagara River, for instance. It is something we know what to do about and something we could be doing. I fail to understand why the Government could not make a major announcement in that area. It would have been particularly helpful in areas suffering from high unemployment such as Quebec and Atlantic Canada where this kind of upgrading is most needed.

I said that the Throne Speech in respect of the environment was significant in what was left out. What was left out was a commitment to live up to the Progressive Conservative Party's campaign promise for a full inquiry into the nuclear industry. This is a promise of the Conservative Party which goes back to 1979. It is a promise that looked like it was going to be acted upon by the Conservative Government in 1979, but we all know that that Government did not have a chance to act on it. But the Conservatives have now been in office for two years. I have been after them to live up to the promise, a promise repeated in the election of 1984. Even after Chernobyl and the international meetings in Vienna, which the former Minister of Energy said would have to transpire before the Government would make its decision about an inquiry, we see no commitment to such an inquiry in the Throne Speech.

• (1630)

Unfortunately we do have a statement from the new Minister of Energy, Mines and Resources (Mr. Masse), not a statement made in this House, not a statement made in the Throne Speech, not a statement made to the Canadian people, not a statement even made in Canada, but a statement made by the Minister of Energy to the international meeting in Vienna. His official news release says "The Minister reaffirmed Canada's commitment to nuclear energy. Let Canada's position be clear. We are determined to use nuclear energy". That is the position taken by the new Minister of Energy in Vienna. If that is the position of the Government, why not make it absolutely clear here at home in the House of Commons to the Canadian people that that promise of the Progressive Conservative Party to initiate a full scale inquiry into the nuclear industry in Canada has been abandoned.

Other things which the Minister of Energy, Mines and Resources said at that conference which I find interesting concerned food irradiation which, as we know, is at least a matter of some controversy, but not in the mind of the Minister of Energy. He said "food irradiation, for example, has become indispensable to human progress". Indispensable to human progress, Mr. Speaker. I cannot accuse the new Minister of Energy of being ambiguous about his views on nuclear energy.

I ask the Government to be more forthcoming about what official government positions are with respect to questions like food irradiation, though we had a pretty clear indication of what the Government policy will be today from the Minister of National Health and Welfare (Mr. Epp) when he answered a question from the Hon. Member for Leeds—Grenville (Mrs. Cossitt). As far as he was concerned he was willing to accept the verdict that food irradiation was completely safe.

The view of the Government in this respect is what I call completely technocratic. It is willing to accept uncritically the prevailing confidence in that kind of technological expertise. The Tories' former ability to think critically about these kinds of technologies, displayed in 1979, has gone by the boards completely, either for internal reasons or, like so many governments before it, because of deference to the expertise in various departments. Whatever the case may be, Mr. Speaker, we have a position where that promise has been abandoned.

The Minister of Energy also said in Vienna when he was speaking about public concern and the need to alleviate public concern about the nuclear industry, "Acceptance must be based on understanding and not on propaganda." That is a good statement, but I say to the Minister of Energy, if he is interested in understanding; that if Canadian nuclear policy cannot be based on propaganda, it cannot be based on secrecy either. It cannot be based on a refusal to make major announcements and major statements of policy about the nuclear industry in the House of Commons. Understanding cannot be created when Ministers of Energy responsible for that industry refuse to create opportunities for meaningful debate, and everything happens behind closed doors.

As many of you will know, our response to this continuing unwillingness of the Conservative Party to live up to its promises has been to do what we can to give Canadians an opportunity to say what they think about Canada's involvement in the nuclear option. That is why the New Democratic Party announced in July that we New Democrats will be having our own inquiry and that we will be going across the country talking to people about what they think about Canada's involvement in the nuclear option.

There was mention of acid rain in the Throne Speech and Canada's continuing—I forget the exact rhetoric—determination to do something about acid rain or something like that. I am glad to see it at least got a mention, but I continue to hold my view that the position of Canada with respect to acid rain, at least in its international sense, in its trans-boundary sense with the United States, continues to be one of shameful acquiescence to the agenda of the Reagan administration. In fact, the Reagan administration has succeeded beyond its wildest dreams because it has now set the acid rain agenda for the next five years, which reaches beyond the presidency of Ronald Reagan. For the next five years all that we can hope to see with respect to progress, at least initiated by the administration, unless Congress is able to do something, is spending on research into clean coal technologies, and we have no guarantee that that will happen in any significant way, and even if it does happen that it will lead to an actual reduction in emissions.

I see that the Minister of the Environment (Mr. McMillan) is here. Perhaps he will have an opportunity later to tell us why—I think this might have been a mistake—the question of another trans-boundary question, that of the Niagara River pollution, was left out of the Throne Speech. That may have sent the wrong kind of signal to our American friends; not being right up there alongside acid rain as a major environmental issue with respect to Canada—U.S. relations. I find it very regrettable that that was not there alongside acid rain. I hope the Minister will take the first opportunity to indicate that that oversight should not be misinterpreted by the United States to mean any diminishing of Canada's intention to get a meaningful settlement with respect to that issue.

I want to speak now as a western Canadian about what I think is a very significant political transition happening, particularly on the prairies. It has to do with what I think to be a series of broken promises made to western Canadians over the years by the Progressive Conservative Party, promises which were believed by a majority of western Canadians and promises which led western Canadians to vote for many Conservative Members of Parliament into office over the years, and particularly during the last election. I think that the Progressive Conservative Party has seriously let down western Canada. I want to give a few examples, important examples of why that is the case.

The first one that springs to my mind, perhaps because I come from a rail town like Transcona, is the question of VIA Rail. This has been raised a number of times in the House

since we have returned after the summer. Still, after two years of this Government in office we do not have the new transcontinental equipment ordered. How long does it take to get up the resolve and the competency to order the equipment that everyone and his dog knows is needed if there is to be a serious possibility of a revitalized passenger rail system in this country?

• (1640)

I do not think anyone could argue the fact that the Government has seriously botched the future of Via Rail. This spring we saw the disgrace of legislation brought forward to put cost recovery targets on the transcontinental routes of Via Rail. The legislation would require Via Rail to meet those targets in two years. The Government knew full well that with the new equipment not even ordered it was absolutely impossible for Via Rail to meet those cost recovery targets. The only way it could meet them is with new equipment and there is no possibility of having that new equipment by the time the deadlines in the legislation come into effect. I hope we will see some change in those deadlines when the legislation comes before the House. However, the facts remains that we still have not ordered that equipment. I hope that very soon the new Minister of Transport (Mr. Crosbie) will be able to announce the real purchasing of that equipment, not just announce its intention one more time. When the Minister said half-jokingly the other day that he hoped he would get to announce that new equipment just as so many of his predecessors had, I said under my breath that I hoped he would be the last Minister to make that announcement, because I hope the next time the announcement is made it means some action will be forthcoming.

The other day we heard of the desire on the part of CN and CP to abandon literally tens of thousands of miles of rail lines. The Minister of Transport got up and said, rest assured, CN and CP would have to work within the law. What law? The law this Government intends to change? The law this Government intends to change in order to give CN and CP more freedom to do whatever they want? The Minister referred to the Canadian Transport Commission. We have every reason to believe that after the new National Transportation Act is passed there will not be anything like the CTC we have known up until this day. CN and CP, partly as a result of that new legislation and deregulation, will be able to do anything they want as long as they can show it is necessary to their being what they call competitive.

I say to all western Canadians who may have sincerely thought over the years that they had real, genuine allies over there, that they do not. They cannot have real allies in a Party which has committed itself first of all, not to western Canada but to the ideology of the market-place. In the final analysis, if the market-place dictates the extinction of western Canada, or the extinction of the family farm, or the extinction of whatever the market-place dictates is next up for obsolescence, you cannot really have allies among people whose first commitment is to that kind of ideology.

Let me speak for a minute about the family farm. The one thing that should shake up a lot of people in this country, particularly people of a small "c" conservative bent, if you will—people who think that the family farm represents an enduring kind of institution, a cultural value structure which is to be regarded as one of the high points of Canadian life—it is that if the family farm is vulnerable, if it can be dispensed with, if it can be sacrificed on the altar of the international market-place and of so-called competition, then everything else is vulnerable. No one is safe.

What kind of response to that have we from this Government? We have a transition program to help farmers off the land. Why? Because farming is no longer regarded as a vocation by governments, it is regarded strictly as a business. No more talk about relationships with the land. The land is just something to be pumped and milked with fertilizers and pesticides and everything else you can get your hands on to get the highest possible yield to make the biggest possible buck. The problem, of course, is that even doing that, under the current international economic system the farmers cannot make enough money to survive.

Instead of coming down hard on the international system and on the banks and others who are doing this to our farmers, we see a look of regret on the face of the Minister of Agriculture (Mr. Wise) and others that this has happened. They say they are going to do what they can within the existing fiscal framework, but they are not going to take on the forces which are destroying the family farm in western Canada. The family farm is not just being destroyed, the very ecological basis on which our agricultural sector is based is being destroyed. I refer to the report by the Senate on soil erosion and other evidence which has been piling up over the years, that the way we have allowed our agricultural sector to develop is a recipe for disaster. The chickens are starting to come home to roost on that particular way of farming and the farmers, in my view, should be the last to be victimized by the consequences, instead of the first, which is the case right now.

Mr. Deputy Speaker: Questions and comments.

Mr. McMillan: Mr. Speaker, the Hon. Member is widely known in this House and beyond as a fair and reasonable person whose sincerity is matched only by his eloquence on environmental matters. He asked why the Throne Speech did not specifically mention pollution in the Niagara River as a priority alongside the resolution of the acid rain question in negotiations with the Americans. I presume he is familiar with this paragraph in the Throne Speech which I will quote only briefly:

> My government recognizes fully the essential relationship between a healthy environment and the quality of Canadian life. A new Environmental Protection Act will be introduced to improve my government's capacity, in concert with the provinces, to deal effectively with pollution, focusing on toxic chemicals. You will also be asked to consider measures to improve water quality in Canada and to safeguard citizens from the hazards of chemicals in our society.

So there will be two main thrusts, among others: the Environmental Protection Act, and measures to deal specifically with water quality.

Would the Hon. Member not agree that, while obviously pollution in the Niagara River is terribly important and must be dealt with, pollution in the St. Clair River must also be dealt with, as must pollution in the St. Lawrence River? Would it not make an awful lot more sense for the Government to do as it did, highlight the general problem of toxic chemicals and water quality, and place such questions as pollution in the Niagara River in the broader context rather than mention them in isolation? In that way pollution would be dealt with wherever it is found, in the Niagara River, the St. Clair River, the St. Lawrence River or other rivers that could be mentioned. In fact, it would have been entirely inappropriate for the Government to single out the Niagara River—even though it does place a high priority on it—because of the need for a more comprehensive approach.

• (1650)

Mr. Blaikie: Mr. Speaker, the Minister is working from the disadvantage of not having come in at the beginning of my speech. If he will check *Hansard* he will see that I did acknowledge the very paragraphs that he mentioned with regard to the bringing in of a new Environmental Protection Act and the statement with respect to water quality.

My point about the Niagara River was that if you are going to mention trans-boundary environmental issues in terms of Canada-U.S. relations, it may be a mistake to mention acid rain and not the Niagara River. It is not that I am holding the Niagara River pollution up as a domestic problem to the exclusion of all others. I was simply saying that I was worried that leaving it out of the Throne Speech, when mentioning trans-boundary environmental problems, might have sent a wrong signal to the American side about the extent to which we still hold this as a top priority. If you check the "blues" you will see that I acknowledged the other things which were in the Throne Speech.

Mr. Lewis: Mr. Speaker, during his remarks my colleague referred to the fact that the Minister of Energy, Mines and Resources (Mr. Masse) went to a conference in Vienna and made a statement on nuclear energy. The Member will know that it is the job of Ministers to travel around the world, participate in these conferences and make statements as to government policy.

I do not think the Member would want to leave an inaccurate impression on the record. I want to emphasize to him and to the House that the Government's position is that as many ministerial statements as possible should be made in the House of Commons. In the first session of the Thirty-second Parliament there were 591 days and 28 ministerial statements were made. In the Thirty-third Parliament, which is when we took office, there were 304 sitting days and 83 ministerial statements. In other words, there were three times as many ministerial statements made in the House of Commons in one-half the time.

Mr. Blaikie: Mr. Speaker, I would be the first to acknowledge, as I have on previous occasions, that the Government has taken much more advantage of the opportunity to make ministerial statements. However, before the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) gets too self-righteous about it, I will remind him that a change in the procedure with respect to ministerial statements has made it much more convenient for the Government to make such statements.

I am not saying that the Government is lacking in sincerity with regard to trying to involve the House more in matters of public debate. I think there is a genuine willingness there. However, I also think it would have been more complete if the Member had acknowledged that it is much easier and less risky in terms of using up government time to use the instrument of ministerial statements than it used to be. Previously when ministerial statements were made the time taken would come off government time in the House. We now have an arrangement whereby the sitting is extended beyond the normal time of adjournment to make up for the time used by ministerial statements. That is something to be reminded of.

Mr. Wise: Mr. Speaker, I listened to the Hon. Member make reference to the agricultural industry in the country. I share his view of the problems that Canadian agriculture faces, which problems are faced by agricultural producers in all major food-producing countries around the world. I cannot remain seated and listen to the Hon. Member say that the Government has done virtually nothing for Canadian agriculture. I invite him to check the record.

He will note that through legislation and the fulfillment of campaign commitments the Government has done more in the last 24 months than any other Government has done in a normal four-year period in office. If he will check the record he will see that we have fulfilled 317 commitments and spent $5.6 billion. Just last week we committed ourselves to the largest single aid package ever delivered by any Government to the Canadian agricultural industry. We have 24 months to go. The Government has been conscious and supportive of the agricultural industry in the country as has no other Government. We remain committed and will do whatever possible, given our rather limited financial capabilities.

The Member should recognize the leadership role taken on behalf of Canadian agriculture by the Prime Minister (Mr. Mulroney) the Minister of State for External Affairs (Mr. Clark) and the Minister responsible for the Canadian Wheat Board (Mr. Mayer). They made great progress on behalf of this industry at the summit and, more recently and specifically, leading up to the multilateral trade negotiations. I draw particular attention to the meeting held recently in Uruguay.

I do not think you can mislead Canadian farmers, because they are pretty sharp people. But it would be irresponsible to suggest that we have the financial resources in this country to

take on Washington or the EEC. However, we will continue to play a leadership role in the international forum to bring about a new round of multilateral trade negotiations. We will do what we can within our financial capacity to maintain a strong and viable agricultural industry in the country.

Mr. Blaikie: Mr. Speaker, my claim was not about the unlimited financial resources of the Canadian Government, although I find it strange that arguments about limited financial resources spring much more quickly to the mind of the Government when it comes to western Canada and farmers than when it comes to banks or industrial assistance for projects in southern Ontario.

It is not only a question of directing financial resources, it is also a question of political will. In this case it is a question of political will for Canada to work together with others who may be of the same view against those forces of the market-place that are putting Canadian farmers in the position in which they now find themselves. Some of those forces are international and I do not expect the Government to overcome them in a day. However, some of those forces are domestic. My claim about the current Government is that it does not have the philosophical capacity, if you will, to set itself against the forces which are inevitably eating away at western Canadian agriculture as we have known it.

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, I would like to congratulate you on your reappointment as Deputy Speaker. I extend to you and your colleagues in the chair my best wishes for the coming session of this Parliament.

I would also like to congratulate the new Member for Pembina and welcome him here this afternoon. It is good to see you, Sir, and I hope to see you down here soon.

Some Hon. Members: Hear, hear!

Mr. Warner: I would also like to thank the constituents of Stormont—Dundas. I have enjoyed representing them in this House during the last two years and I look forward to continuing to be their representative here in the future. It is a great honour and one which I appreciate very much. All of you in Stormont—Dundas have my utmost respect. Stormont—Dundas is a riding in eastern Ontario less than an hour's drive from Cornwall and Montreal. Tourism is one of our most important industries and we have several very attractive features in our area. I want to briefly mention a number of them.

• (1700)

The St. Lawrence Seaway goes through my riding with a lock at Iroquois in the western part, in Dundas County. Close by in Iroquois is Carmen House, one of the oldest dwellings in the area, built around 1825. Also close by in Dundas is Dundela, the home of the McIntosh apple which has become world renowned. East of Morrisburg is auto Wonderland, and Prehistoric World on Upper Canada Road. There is also Upper Canada Village, a reconstructed pioneer village that many of us have visited several times. Further east toward Ingleside is a wildlife sanctuary which at this time of year has thousands of Canada geese and is truly an outstanding place to visit for any photographer or family.

In Cornwall, there is Rossi Glass, United Counties Museum, the R. H. Sanders generating station, Inverarden Regency Cottage Museum, a building that was built in 1816. There is the Charlottenburgh waterfowl sanctuary toward the eastern part of my riding near Lancaster, the Nor'westers Loyalist Museum in Williamstown, and the St. Raphael's church ruins in the heart of a Scottish community which is celebrating its bicentennial this year.

We are also quite fortunate in having several agricultural fairs around the riding. In June there is the Maxville Fair, in July there is the Avonmore Fair and in August there is Williamstown, South Mountain, Chesterville, while in September there is Newington. As well as these outstanding agricultural fairs there is the world famous Glengarry Highland Games on the first Saturday of August each year.

There are approximately 1,900 farms in my community, 43 per cent of which are dairy operations, 26 per cent beef cattle, and 12 per cent which cultivate small grains. When our nation's shoppers spend over $500 million per week in purchasing Canadian food products, we know the importance of our agricultural sector, not only for Stormont—Dundas but for all of Canada.

The Government's Speech from the Throne emphasizes Canada's commitment to agriculture and the role it plays in our national economy. As our Minister has recently outlined, we are aware of the present difficulties and we are definitely committed to work toward solving many of these problems, with the assistance and co-operation of provincial Governments and farm organizations, to help alleviate the hardship that many of our farm communties have been experiencing. The Throne Speech makes it clear, in making its commitment to Canadian agriculture, that the Government will spare no effort in seeking to protect the interests of Canada's farming community in the face of unfair competiton outside the country.

In co-operation with the provinces, we have recently committed $1 billion of assistance to our grain farmers in Canada. As the Minister of Agriculture (Mr. Wise) stated a few minutes ago, since coming to office the Government has brought forward over 300 separate initiatives totalling more than $5 billion which will benefit Canadian agriculture. The Government has effectively removed all sales tax and excise tax from all diesel and gasoline farm fuels, through a system of rebates. To date, some $100 million in low-interest loans has been approved under the new Commodity Based Loan Program. The Government has worked for lower interest rates, saving farmers millions of dollars in interest. We now have farm credit loans with the lowest rates since 1979.

Canada now has a national Red Meat Stabilization Program. The federal Government's commitment of $1.5

billion over a five-year period to its new dairy policy will provide the dairy industry with a stability it has not enjoyed since 1980. The 1985 Budget provided farmers with an immediate $500,000 capital gains exemption, effectively eliminating capital gains on the sale of most farms.

An essential part of our economic renewal program is tax reform. The capital gains initiative was one of the beginning steps of this tax reform. Federal tax reform is a top economic and social priority of the Progressive Conservative Government. A principal objective of the changes made so far has been to broaden the tax base and lower tax rates. We must restore a healthier balance among the personal, corporate and sales taxes, and specifically reverse the trend which has resulted in a greater reliance on personal income tax. The Government's further consideration of tax reform will have fairness as one of its guiding principles.

The Government is determined to move forward in a careful and co-ordinated way to ensure that the tax system is made less complex wherever possible. In developing our options for reform, we must also ensure that our tax system provides a strong and positive framework for economic growth and the expansion of job opportunities for all Canadians.

The Government has been examining broader options for the more complex reform of the federal tax system, including a business transfer tax which would possibly replace the federal sales tax. At the present time, there are several inequities in the federal sales tax and this area needs our immediate attention.

Since the Budget in February, the pace of comprehensive tax reform in the United States has escalated and they will soon be bringing in new tax measures which will have to spur us on in our tax reform program. Canadians must remain competitive with our American counterparts.

The Speech from the Throne noted the Government's concern about increasing concentration of corporate ownership, particularly where take-overs serve to increase corporate size without creating new jobs or stimulating economic growth in Canada. Tax reform will most likely deal with this concern.

[*Translation*]

Since we came to power, we have introduced important measures aimed at regenerating the Canadian economy. These measures have helped to restore confidence, create jobs, bring down interest rates and reduce the deficit. In September 1984, 11.7 per cent of the labour force was out of work. Today, the unemployment rate is down to 9.7 per cent.

[*English*]

Economic renewal has not been even across Canada. Certain parts of Ontario have experienced a tremendous boom, especially in the Toronto area where the housing boom has been quite astounding. Our programs will have to consider those other parts of our country that have been less fortunate.

Presenting statistics on unemployment has caused problems and, at times, controversy. The official unemployment rate in certain areas does not reflect the jobless rate. I represent one of those areas. The official rate of unemployment in Stormont—Dundas is approximately 8 per cent or 9 per cent, but no one in my area takes this figure very seriously because they know that it reflects the unemployment figures for all of eastern Ontario, including Ottawa. It also, does not take into consideration such factors as participation rate or those who are on welfare and available for work.

• (1710)

Yesterday in the House there was some controversy about the jobless rate in Manicouagan. I am sure that when the people in Manicouagan speak of a jobless rate, they understand it is closer to 37 per cent than it is to the official 15.8 per cent. They are living there. They know they do not have jobs. It is not 15.8 per cent because that does not consider the participation rate, the people who are employable and on welfare—

Mr. Hovdebo: There are thousands of others.

Mr. Warner: As the Hon. Member says, there are thousands of others who are unemployed and we are certainly concerned about them.

Mr. Hovdebo: In other places.

Mr. Warner: I do not believe that official rates in other areas accurately reflect the seriousness of the problem in those areas. I think it would be much better if Hon. Members could refer to a jobless rate which may be somewhat more accurate.

In the Cornwall area, we have been quite successsful in creating jobs for many of the unemployed people. Some of the companies which have located there and have expanded in the last couple of years, and continue to expand, are Almico Plastics, Astro Printing Service, C-Tech, C-E Vidaplate Inc., Can Lyte, Canadian Furniture Lighting Corp., Cornwall Machine and Welding Ltd., Cowall Inc., Cummins Recon, Denol Burr Inc., Dynamic Closures Ltd., Mr. Klaus Hartmann and his new company Chromolit, Helko Systems Furniture, Transcontinental Printing, Iroquois Chemical, Julius Resnick, Karl Gutmann, Karnuck Marble, Kershaw Manufacturing, Kohler Ltd., Malani Textile Mills, Valco Furniture, Robert Mitchell, Robert Windows, Twistex, Rol Manufacturing, Walteck and the list goes on. There are many other small companies that have taken on new employees over the last couple of years. Altogether these people have created, and are in the process of creating, over 1,000 new jobs in our area. That trend will continue because of the positive tone of the Speech from the Throne. We are quite pleased with the progress of job creation in Stormont—Dundas and the resultant strengthening of the economy. We know there is more to be done, but we are on the right track. We know that social policy concerns are more satisfacatorily met in a strong and growing economy, and that fiscal responsibility is fully compatible with social responsibility.

The Government is resolved to defend and strengthen the Canadian family which is the foundation of Canadian society. In many families in Stormont—Dundas, as in the rest of the country, both parents are now working. Adequate quality child care must be available. We look forward to receiving the Martin Committee Report on Child Care which will most likely be followed by discussions with the provinces, business and labour. I look forward to a co-operative approach from all the Parties in solving this difficult problem.

The Government is determined to take effective action against child sexual abuse, violent forms of pornography involving women and children, child prostitution and the serious and growing threat posed by the traffic in illegal drugs. Current indications are that Canadians now have a $10 billion a year drug problem. That is equivalent to $400 for every man, woman and child in Canada. This situation is intolerable and poses a serious threat to our society. All levels of Government and all Canadians must be concerned with this problem.

I would like to congratulate the law enforcement officers operating in Stormont—Dundas and Glengarry for their efforts in thwarting drug trafficking. Special congratulations go to the City of Cornwall police and their Chief, Claude Shaver, and Deputy Police Chief, Denis O'Neill, for their recent efforts.

The Government recognizes the essential relationship between a healthy environment and the quality of life. An industry-labour-Government task force will be preparing recommendations concerning the workplace environment. Following its recommendations, the Government will propose legislation to establish a workplace hazardous materials information system. Our environment is fragile and its protection requires the assistance of all Canadians.

[*Translation*]

The Government wants to adapt social measures to the real needs of the people. Canada's future is its young people, and the Speech from the Throne is emphatic about increasing opportunities for this important group in our population.

The Government is happy about the drop in youth unemployment, from 18.4 per cent on election day to 15 per cent today. However, much remains to be done.

[*English*]

The Government will be seeking the co-operation of the provinces and the private sector to enhance job opportunities and to encourage the participation and involvement of young Canadians in productive and challenging initiatives. The Government will be working with the provinces, the private sector and voluntary organizations to develop measures to ensure that all Canadians have access to the literacy skills which are the prerequisites for participation in a developed economy. Our local problem with illiteracy was recently brought to my attention by journalist Huguette Burroughs, whose concern I sincerely appreciate.

Today Canadian youth have benefited from numerous Government initiatives including the Canadian Jobs Strategy and Challenge '86. In 1985 the Student Employment Centre in Stormont—Dundas placed 1,200 student. That was a new record for student placement in our riding. In 1986 the Student Employment Centre placed 1,400 students. Other jobs were created throughout our riding at a most successful rate.

The Government Speech from the Throne recognizes the importance of Canada's multicultural and multiracial communities. The reality of Canada today calls for all facets of our national life to reflect the vital and distinctive nature of Canadian society. Increased immigration levels, particularly among business immigrants, will have a positive effect on Canada's well being. These people will not only help to create jobs for themselves but for other unemployed Canadians as well. Although many of our ethnic communities are relatively small, their contribution to our society is very substantial.

I am very proud to have been involved in the formation of our annual Multicultural Festival. Sultan Jessa, a former citizen of the year in Cornwall, will be chairing the fifth annual festival to be held in Cornwall on June 28, 1987. At least 12 ethnic communities will be represented by performances, displays, food and beverages. The festival provided the foundation for Worldfest/Festimonde. In its third edition next year, Chairman Denis Carr expects several outstanding performing groups from around the world. They will be in Cornwall from June 26 to Canada Day, July 1. Worldfest/Festimonde is destined to be one of Canada's outstanding multicultural events and it certainly will have the encouragement of our Government.

The Speech from the Throne acknowledged the tens of thousands of Canadians who serve their communities and their country as volunteers. Further support was pledged to encourage the growth of volunteerism in our society. Our Minister of National Health and Welfare (Mr. Epp) recently announced his approval of grants totalling $3.3 million for several national voluntary organizations to assist them in the cost of operating their national offices and carrying out national activities during the upcoming year. These organizations include Big Brothers of Canada, Boys and Girls Clubs of Canada, CNIB, Family Service Canada, YMCA. YWCA and many others. A 1983 study estimated that the value of volunteer time in Canada was worth $2 billion. Altogether, charitable contributions and volunteer time would be worth in excess of $5 billion today. The volunteers in our community are very valuable and will continue to have our support. I continue to ask all the people in my area to help me with my work: municipal politicians, provincial politicians and our successful contingent.

• (1720)

The Speech from the Throne is just a bench-mark in our progress. We look forward to a much better community in the time to come.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for York West (Mr. Marchi).

Mr. Marchi: Mr. Speaker, I listened with interest to the Hon. Member's speech on the Address in Reply to the Speech from the Throne. I would like to ask him two questions.

In his speech he took time to mention the multicultural and immigrant community in his riding. He mentioned the attributes that these people give to life in his community and, in fact, what they have brought to the country. I would first like to ask the Hon. Member what his thoughts are with respect to the infamous report written by some of his colleagues in Toronto with respect to using—and I use that word deliberately and in the negative sense—those very immigrant communities and ethnocultural organizations to the political benefit of the Conservative Party of Canada. How does that fit into the statements he has just made?

With respect to entrepreneurial immigrants, I would like to know what his thoughts are with respect to the following. The Conservative Party has doubled the quota for business immigrants. That is something which is key and integral to the immigration program. It is something which my Party supports. However, we support it only if it forms one part of the over-all immigration program. What is happening in posts around the world is that because of the doubling of the immigration quota for business applicants, resources and personnel are being shifted away from other operations of the immigration program to satisfy these quotas which have been targetted by the Government. Hong Kong produces one-half of the total number of business immigrants who come into Canada. Because there are not additional resources in place to handle these numbers, individuals are being removed from the family class and family assistance class in order to satisfy the business class quotas. Is the Hon. Member in favour of this practice? Would he like to see a cost recovery program put in place in terms of business immigrants who are willing and able to pay an additional $125 visa charge for services rendered? I ask this with the proviso that it does not negatively affect the chances of a family wishing to immigrate, since personnel are being shifted in order to meet the immigration quotas for business applicants.

I am interested to hear what the Hon. Member has to say with respect to the Toronto report. I would also like to hear what he has to say with respect to the whole philosophy of business applicants and how that situation negatively affects the delays in terms of family class immigrants, something on which the Standing Committee on Labour, Employment and Immigration took great pains to submit a report to the Minister in June.

Mr. Warner: Mr. Speaker, with respect to the Hon. Member's first question, I am not familiar with the report to which he refers. In my riding I do not actively participate in any sort of scheme of the type mentioned by the Hon. Member. As I mentioned in my speech, the ethnic community in my riding is fairly small and formed of outstanding citizens. Many of them are professionals, and most of them are quite active in volunteer efforts. They are very prominent in many ways outside their own professions and businesses.

With respect to the Hon. Member's other remark, I support the entrepreneur class immigrant. This encourages foreign investors to come into the country. The Hon. Member mentioned a doubling of the figure from 2,000 to 4,000. I believe we could consider an even higher target. The Hon. Member also mentioned the complications with respect to Hong Kong. Hong Kong has the potential to supply several times the maximum number of entrepreneurs, and there will probably be considerable pressure placed on the rest of the world in the next two or three years to try to absorb some of these immigrants.

A cost recovery program is something which I think can be considered. At the moment I really do not know what the Minister or his Department is considering. However, this type of immigrant has the financial ability to pay for any costs incurred. Most likely they would be quite willing to pay those costs.

At the present time there are some unscrupulous operators of various kinds, such as business consultants or travel agents, who charge a fee to assist a person coming into Canada. These people being assisted are paying fees, some as high as $12,000, for a service which is of absolutely no use. At the present time the service is provided free by the Government.

I think the Hon. Member's suggestion should be relayed to the Minister and his Department for further consideration. It merits further consideration.

Mr. Hovdebo: Mr. Speaker, I am rising to make a comment with respect to the Hon. Member's intervention. Perhaps I can give him some advice, or even possibly assign him some homework, since I am a former school teacher. The Hon. Member mentioned the fact that a correctional institution was moved to a certain area because there was a need in the area to which it was being moved. I refer to the Prime Minister's (Mr. Mulroney) constituency where he says there is a great deal of unemployment. The following is my homework assignment to the Hon. Member. I suggest he take a look across the river from the Prime Minister's constituency. If he does, I think he will find a constituency whose unemployment level is considerably higher than that of the Prime Minister's constituency. Just because the Government says so does not mean it is true. The question of the move needs to be looked at thoroughly. Just because the Government says that that is the reason for its move, that does not mean it is correct.

Mr. Warner: Mr. Speaker, in my presentation I made no reference to the institution. I spoke only of the way that joblessness is presented. I was speaking only of statistics which have been discussed in the House. I suggest to the Hon. Member that if he were to ask someone in Manicouagan whether or not there is a high or low unemployment rate in that riding he would be told that it is high. I make the same point with regard to my own constituency. I have heard numbers bounced around with respect to unemployment in my riding. The figure of 8 per cent has been mentioned. Anyone who lives in my riding knows that the figure is not 8 per cent.

Yesterday, a member of the Opposition suggested that the rate of unemployment in Manicouagan is 15.8 per cent. I challenge that Hon. Member to discuss that figure with someone who lives in Manicouagan. That might be good homework for the Hon. Member who brought up the statistic.

I know that statistics with respect to unemployment are awkward. However, when someone suggests a figure which is on the low side, it is totally unfair and does not present an accurate picture of what the people in that area are suffering.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the Speech from the Throne generally provides the Government with an occasion to take stock, to report on the progress of the past and to set the course for the future. Of course, a Speech from the Throne is not expected to give minute details or even a budget. However, it does afford the Government an opportunity to set forth its vision and course for future direction.

• (1730)

The Prime Minister's assessment of what his Government has achieved does not seem to find support in fact. Except for some of the major urban areas of the Golden Horseshoe, and possibly Ottawa and Montreal as well, the rest of the country is hardly thriving the way it should in a period of what might be called recovery, world-wide recovery after a devastating world-wide recession. If we analyse area by area the record of Tory promises and Tory fulfilments, I suggest we are even less impressed.

As a Liberal Member of Parliament my job has been to monitor the responsibilities and acitivities of the Secretary of State of Canada (Mr. Crombie), and I do this for the Official Opposition. The confusion and failure of the Tory Government, its incompetence and lack of concern for this vast area, is shown by the fact that in two years I have seen two Secretaries of State come and go, and a third one has been served up for inevitable embarrassment and humiliation because his Government fails to put its money where its mouth has been. The Cabinet of which he is a part has financially savaged the areas under the Secretary of State and betrayed its promises. Not only have we seen two Secretaries of State go by in two years, but Deputy Ministers of the Department of the Secretary of State have also passed through the revolving door. The Prime Minister (Mr. Mulroney) has served up a third Deputy Minister as well.

All those involved in the areas for which the Secretary of State is responsible cannot help but suffer from the fact that we are now on our third Minister and our third Deputy Minister in two years. This is a federal Government portfolio that relates to some very heavy responsibilities. To name just a few, it relates to the 52,000 charitable organizations in the voluntary sector, to the Department of Citizenship, to the one in every eight Canadians who is disabled or handicapped, to the realms of human rights and official languages and to the more than one million students, professors and administrators in our universities and colleges. I have named only a few of the areas for which the Secretary of State is responsible, the portfolio in which there has been a revolving door. Today I want to focus on just one of those areas, that of post-secondary education.

[*Translation*]

It is now two years since the Conservative Government came to power. If we look at what the Government has done, we see that post-secondary education in Canada is going through a serious crisis. The measures taken by the Government in the education sector are alarming, to say the least. However, the worst part is that these measures give the impression that this Government has no intention of acting on its responsibilities to young Canadians.

[*English*]

On the one hand, the Government acknowledges that we must do all we can to enable Canada to become more competitive and productive in order to survive economically and culturally. It even takes steps through so-called free trade negotiations to propel us at great speed into that very competition. Then on the other hand, at the very same time as it is thrusting us so rapidly into world competition, the Government is disarming our country for such a battle for national survival by allowing our educational system to drift into a state of demoralization, decay and despair, and is speeding up that process by deliberately setting priorities which retard research and the quest for excellence. It is as simple as that.

This is not a wilful act on the part of the Government to sell out Canada so that we end up as servants of foreign economic masters by cutting back on research and education, any more than in the name of economy and fiscal restraint during the Great Depression, Britain's Neville Chamberlain wilfully intended to sell out Britain to her enemies by cutting back on her military growth. Of course he did not do it intentionally. He was just looking after the deficit. However, just as the Battle of Britain was nearly lost, we shall lose the battle for Canadian economic and cultural survival unless this process and our priorities are fully reversed and unless the present *laissez-faire* approach is replaced by real leadership.

[*Translation*]

This overview of the measures taken by the Progressive Conservative Government may seem excessively negative and partisan. However, if we remember the promises this Government made and the measures it took subsequently, it is obvious that it has deliberately abandoned post-secondary education. If anyone remembers the promises made by the Progressive Conservatives during the 1984 election campaign, it must be the leaders of the Canadian Association of University Teachers. Responding to questions by CAUT, the Progressive Conservative Party made a commitment to maintain the formula set down in the 1977 accord for calculating transfer payments to the provinces for post-secondary education.

Furthermore, CAUT leaders remember clearly that the Progressive Conservatives made a solemn promise to double the federal Government's assistance for research.

[*English*]

No one could therefore be more disappointed and dismayed than the members of the Canadian Association of University Teachers to witness the course of events of the last two years.

The passage of Bill C-96 capping growth of Established Programs Financing transfer payments to the provinces at a level of 5 per cent, barely inflation, and bringing this into effect for the fiscal year ending March 31, 1987, not only broke the election promises made by Conservative Members to maintain the funding formula but broke the existing pending federal-provincial agreement before the funding formula expired. It was not only a breach of promise, it was even a breach of contract.

The planning of post-secondary education must, by nature, be long term, and anyone who is familiar with the administration of a university or a college knows that long-term planning must be used. The embarrassments caused by such a breach of promise both to the provinces and to the educational institutions are understandably acute. The assault on Canadian post-secondary education was further exacerbated by federal decisions in other vital areas.

Spokesmen on behalf of the Canadian Association of University Teachers, such as Dr. Arnold Naimark, have pointed out that the latest financing decisions made by the present Government condemn research granting councils to ending up with less money in real terms in the future than at the present. Planning ahead will be less predictable as uncertainty is introduced by matching grant formulae. Instead of the percentage of the GNP for research growing to 2.5 per cent, all evidence points to a freeze at 1.3 per cent. Again, those are more broken promises.

Other reinforcing evidence proving that this constitutes the real policy of the Government is seen in its decisions to freeze the level of the student loans, to cut back on training seats in community colleges by 40 per cent, to close many campus employment offices and to cut the budget of the Minister of State for Youth (Mr. Charest) to purely ceremonial levels. It is small wonder that this has caused a cry of alarm.

[*Translation*]

The Government doesn't know where it's going with its policies. It is not as though the recession were a perfect mystery. Alarm bells were sounded in report after report. The Johnson Report, the Macdonald Commission and reports from many of the provinces confirmed the seriousness of the problem.

• (1740)

[*English*]

Attention has been called to the diminishing level of funds spent per student, the deterioration of physical plants to serve them, the retardation of research, and the declining morale of faculty, administrators, and students alike. Representatives of all these groups have repeatedly witnessed these facts in speeches, in articles, and in testimony before committees of the House and of the Senate. The Canadian Association of University Teachers has been at the forefront of such representations.

One of the most dramatic efforts to arouse public concern was courageously voiced by the Chief Justice of Canada, the Right Hon. Brian Dickson, on May 30, 1986. Quotations from his speech are a succinct summary and eloquently articulate the matter. The Chief Justice quoted remarks made by Dr. Andrew MacKay, President of Dalhousie University, someone who we would all concede has some knowledge of the problems facing universities in the land. I should like to quote from Dr. MacKay who in turn was quoted by the Chief Justice:

> Fiscal restraints have brought student-faculty ratios perilously high at many of our institutions. They have made it nearly impossible for us to bring in bright new minds to teach our students and undertake research. Our libraries are suffering for want of appropriate acquisitions. Most of our scientific, technical and computing equipment for teaching is obsolete.
>
> Our physical plant is generally in desperate need of repair. And many of us have found it necessary to turn away students we would previously have admitted to our core programs in the arts and sciences because we can no longer do work of satisfactory quality except by limiting numbers.

Then, expressing his own views, Chief Justice Brian Dickson continued:

> Let me speak first to governments, provincial and federal. Please do not choke off the funding of universities. Canada must have good universities with outstanding teachers and world-class research facilities. Second-class funding of universities will inevitably lead to second-class teachers, second-class students and, ultimately, a second-class nation.
>
> It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to Ministers of Finance. Universities desperately require funds to perform their great mission in democratic societies. Governments spend billions of dollars every year on all manner of projects, many worth while, others not so worth while. In my opinion, money spent on minds will never be money misspent.

As the Liberal critic of the Secretary of State, I have repeatedly brought such representations to the floor of the House of Commons during Question Period. I have also spoken on them at length in speeches I made on May 5, May 6, May 8, June 10, and June 16. My colleagues have also spoken vigorously, so there cannot be doubt in anyone's mind about the Government's awareness of the problems associated with Bill C-96. However, the Conservative administration was determined to pass the Bill without modification. We see that by its repeated use of closure; that demonstrates it only too clearly.

[*Translation*]

The Government has only two arguments to explain why it failed to fulfil its promises and to justify its criminal negligence *vis-à-vis* the future of education in Canada. It can recall the need for bringing down the deficit, and it can also maintain that in any case, funds transferred to the provinces never reach the rightful recipient—in this case, educational institutions.

[*English*]

In the case of the former argument, the Conservatives cannot claim that when they made their promises and commitments to the electorate they did not know about the annual

national deficit and the national debt. In the course of the election campaign they repeatedly cited these statistics to condemn what they called Liberal mismanagement of national spending. At the same time they promised better things for both educational EPF transfers and research. Furthermore, the issue is surely one of priorities.

Through their spokesmen the provinces have expressed dismay. Many feel that the unilateral federal action taken in Bill C-96 transfers the deficit from the federal Government to the provinces and, in the case of poorer provinces, to the poor who will inevitably suffer. It also reinforces the thesis that the Government places a low priority on post-secondary education and research. However, if the future of Canada's economy and culture is linked to education and research, infrastructure, and standards which are now deteriorating—and I believe it is and every thinking person knows it is—then federal government policy in this area is surely subject to question if not downright condemnation.

The second excuse, which the Government could put forward for its low priority on education and research, but is afraid to mention except in whispers, is that federal funds do not always reach their intended destinations, namely, education, because the provinces do not always pass them on. That argument, however, would only affect federal government policy on EPF transfers and does not explain the Government's failure to provide moneys for research, student loans, et cetera. Morever, in the case of EPF tranfers, the Conservative Government has simply abdicated any kind of creative approach to dealing with the question. It has walked away from suggestions from the royal commission, from the proposals of the Johnson report, and from those submitted earlier by CAUT. It has done nothing to deal with what is clearly a growing national crisis that threatens not only the future of countless individuals but our potential and capacity to survive as a viable nation.

[*Translation*]

Criticism comes easily, but action is what really counts. This is why the Leader of the Opposition has set up a national task force on post-secondary education, of which I am chairman. The task force has begun its work and will report its findings to the Leader of the Opposition, to the caucus, and to the Party before the Liberal Party national convention scheduled for late November this year. On the basis of briefs submitted from every region of the country I will be in a position to recommend options taking into consideration the crisis to be resolved, and other options which will make it possible for Canada to begin the 21st century with all the necessary assets to survive.

[*English*]

Condemnation is not enough. Leadership is required. For this reason the Right Hon. Leader of the Opposition (Mr. Turner) has initiated a national task force on post-secondary education. We must not lose sight of the fact that students represent the ultimate reason for which education exists. That is why I say a *laissez-faire* approach will not protect the disadvantaged.

• (1750)

I would like to close my remarks with words spoken by the Leader of the Opposition at the Atlantic Policy Conference in June, 1986:

> I am going to initiate a review of post-secondary education funding to improve standards once again in co-operation and in negotiation with the provinces to ensure that we have minimum standards right across the country in terms of mobility, accessibility, research and student aid. These are going to have to happen. It is a national problem and it needs a solution with a national perspective.

Mr. Orlikow: Mr. Speaker, we have just had a wonderful example of what happens to members of a political Party when they move from the government side to the Opposition side of this Chamber. Every year for years when the Liberals were the Government representations were made to the Government by the Association of Canadian Universities, by the Canadian Association of University Teachers, and by the provincial Governments, pointing out that when it came to one of the subjects on which the Hon. Member spent some time, scientific research and development, that if you took all the countries belonging to the OECD, and Japan, only Italy spent a smaller percentage of its gross national product on scientific research and development. Every year Members of the Opposition, both Conservative and New Democrat, joined in that criticism and appealed to the Liberal Government to do better. Nothing happened, and Canada still remains at the bottom of the totem pole.

The Member talked about support for post-secondary education. I remind the Member that it was the Liberal Government that ended the fifty-fifty cost-sharing of post-secondary education with the six and five program. It put a cap on what the federal Government would contribute. It was the federal Government which ended the fifty-fifty cost-sharing, fifty-fifty for the have provinces and substantially more than fifty-fifty for the have-not provinces, which brought in the Established Programs Financing Act. Members of my Party, myself included, warned the Liberal Government that, not only would this cut-back on the federal Government's contribution in theory but in fact, the provinces would no longer be required to use that money, which came in a lump sum for post-secondary education and health programs on that, but could use it to build roads if that was politically advantageous to them, and is exactly what some of the provinces did.

All these complaints and appeals were ignored by the Liberal Government. Now the Liberal Party is in opposition. Now we hear all the speeches. Now we get the quotations from the briefs presented by the scientific organizations and by the university organizations. What assurances do we, the people of Canada have—I hope it never happens if we have another Liberal Government—that it will live up to the kinds of speeches and promises which the Hon. Member has made

tonight when the Liberals did not do it in all the years they were in power before?

Mr. de Corneille: Mr. Speaker, it does get a little tiring sometimes to hear the constant litany of NDP whining and complaining.

An Hon. Member: Look at the record.

Mr. de Corneille: It really does seem difficult to have to listen to it constantly.

Some Hon. Members: Oh, oh!

Mr. de Corneille: Take for example a number of points which the Hon. Member brought up, all of which are important.

An Hon. Member: All are true.

Mr. de Corneille: First, let us take the changeover from the system of payments which was 50 per cent from the federal Government for post-secondary education matched by 50 per cent from the provinces. If he were to tell the whole story and try to understand what the federal Government was doing at that time, it was trying to respond to the province's complaints that post-secondary education was a matter, under the Constitution, within the sole jurisdiction of the provinces to administer. Second, the Government was trying to argue that by putting it on a fifty-fifty basis, the rich provinces could put up 50 cents for every 50 cents the federal Government put up. But when you have a situation where a poor province is involved, a poor province cannot put up that 50 cents per dollar. If you have a province that has a smaller budget and less industry, such as some of our provinces and I will not name specific ones, it is unable to put up much money at all for post-secondary education. Sure the federal Government could match it, but it would be a small amount. Whereas, if you have a province that is well off, like Quebec or Ontario, it would be able to put up large amounts of money which the federal Government would then match. That was what was wrong with the matching system. It was not fair to the poor provinces. It was not fair to the young people in the poor provinces. That was the reason arguments were made for changing from a system which was a 50 cent match, fifty-fifty, to a system with a formula that was supposed to help us bring, through block payments and through transfer payments, a much fairer presentation sharing of funds to the various provinces and, therefore, to the poor people in the poor provinces. That was the nefarious reason for trying to bring about that change.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but I would like to allow a second question.

[*Translation*]

Mr. Fontaine: Mr. Speaker, when I listen to the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) who claims to be the education expert of the Liberal Government, of the Liberal Party, I am inclined to say—

An Hon. Member: Of the future Government!

Mr. Fontaine: —of yesterday's Government, of the Government which saddled the country with a $240-billion debt, I am inclined to say that this expert should consider the matter of education from a constitutional angle, if only because it falls within provincial jurisdiction.

I am quite aware that the Constitution is not the rallying point of his Party, that it is hopelessly divided, that his Party is on the verge of breaking up because of the constitutional issue.

The spokesman for that Party should acknowledge the fact that education comes under provincial jurisdiction.

The Hon. Member also says that we must contribute to the education program in certain provinces, but for our part, we would rather not burden our students with a debt which will haunt them and their descendants all their lives.

This is what the previous Government never understood, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: Since we have one minute left I feel that the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) should have the last word.

[*Translation*]

Mr. de Corneille: Mr. Speaker, I would like the Hon. Member to continue because I did not understand his question. He has not asked a question yet.

An Hon. Member: There is nothing new in that. He had nothing to say.

Mr. Deputy Speaker: I recognize the Hon. Member for Lévis (Mr. Fontaine) for a very brief question to which there can be a very brief reply.

Mr. Fontaine: Mr. Speaker, I would like to ask the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) if he really understands the Constitution and the essence of Canada. If so, he will stop talking about education as he has just done. First, we have to understand the legal and official framework in which we operate. Then, when you speak of something, you will refer to a comprehensive agreement. You should first put some order in your own Party and understand the essence of the Canadian Constitution.

Speak about it to your few Members, and it will help you at your next convention.

[*English*]

Mr. Deputy Speaker: Would the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) care to conclude?

[*Translation*]

Mr. de Corneille: Mr. Speaker, the Hon. Member is not aware of the history of education in Canada because there have often been transfer payments and funds allocated to education, during and after the war for veterans, and always since then. I believe that post-secondary education is a matter that must be of concern to the Federal Government.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

GOVERNMENT EXPENDITURES—PRIME MINISTER'S TRAVEL ENTOURAGE. (B) BUTLER'S DUTIES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, twice this week we have had a most serious controversy raised in the House. The issues involve the butler and maid of the Prime Minister (Mr. Mulroney). However, the Prime Minister chooses not to call these people a butler and a maid. They are nobodies as far as he is concerned. As a matter of fact, he gave an interview in which Canadian Press quotes him as saying: "I didn't take a butler, I didn't take anybody." If I was the Prime Minister's butler I would be insulted because, like at Speedy Muffler, the gentleman is a somebody, in my view. However, that is not really the point.

The point is, of course, that the Prime Minister needs the utmost in security around him. He needs people who are really qualified to make sure that the place is top-notch, security wise. So we have this James Bond butler working for the Prime Minister. He is not really a butler but a butler in disguise. We are told that he is in fact a combination stunt man, James Bond and butler all rolled into one. He should have that, because our Prime Minister deserves the best. If you do not believe me, just have a look and see what he has. Surely you will believe it then.

The Prime Minister used an L-1011 to go to Asia when a previous Prime Minister made do with a plane half that size. The Prime Minister travels on Parliament Hill with five cars. Not one car like you or I, not driving a Chevette like I do, but five cars, one of them a Cadillac. The front of the Parliament Buildings looks like a used car lot because of the attitude of the Prime Minister. Perhaps Gary Lautens said it best:

> It is a well known fact, if you watch James Bond movies, that foreign agents will resort to anything to hit their target. One of their favourite weapons is Exploding Underwear.
>
> The way it works is simple. A head of state gets up in the morning and, if he has no valet to check his personal clothing, slips right into a of pair exploding underpants without a second thought.
>
> Pow! There go the Jockeys, et cetera, up in a puff of smoke. Especially the et ceteras.

We would not want that to happen to our Prime Minister. That is why we have such qualified people to work for him as butlers. Remember, the Prime Minister said he was not a butler, he was a nobody.

We have qualified butlers to assist the Prime Minister in his task of leading the world. Yes indeed, the Right Hon. Secretary of State for External Affairs (Mr. Clark) told the House of Commons that during the trip in question an agreement was reached to have Canada become part of the G-7, which had never been done before. Would you believe it? This was achieved because of the butler. Perhaps because of the maid as well, I do not want to be partisan. Far be it from me to be partisan on such an issue. The Prime Minister deserves the best and he has the best, courtesy of the Canadian people.

The issue facing the Prime Minister today is not whether or not he took a butler with him on a trip. I think it is extravagant but if he thinks it is all right, let him do it and he can justify it to the Canadian people later. What I do object to is the fact that we cannot get consistent answers out of the Government.

Mr. Marchi: You mean the truth?

Mr. Boudria: I do not know, perhaps. We hear a statement from the Prime Minister which is contradicted by his Chief of Staff, who is contradicted by the Department of External Affairs, who is further contradicted by two cabinet Ministers on the floor of this House. Contradictory statements made simultaneously about an issue can only mean one thing, that at least some of them are, shall we say, inaccurate. Perhaps Professor Jean-Luc Pépin at the University of Ottawa said it best when he said that the Prime Minister had an acute need to embellish the truth.

• (1805)

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, in answering the Hon. Member, I hope that my calibre of response will be better than his calibre of questioning. I wish to impress upon him that security protection is granted by the Canadian Government to specific categories of individuals. The RCMP has the lead role in co-ordinating this protection. Approximately 250 person years are dedicated to VIP security duty with additional members detailed as required.

The RCMP has advised successive Prime Ministers that security must extend beyond the physical security of the Prime Minister (Mr. Mulroney) and his family to also include security of information and sensitive conversations, whether with close personal staff or with other officials, be they domestic or foreign. These security considerations become even more important when the Prime Minister travels abroad representing Canada.

The RCMP security office works hand-in-hand with foreign and domestic security officials as well as personnel in the

Prime Minister's office to ensure that transportation, accommodation, meeting sites, documents and communications are secured. The RCMP also stresses the importance of having close personal and domestic staff with appropriate security clearances to ensure that all of the other security measures put in place by the RCMP are not compromised. The RCMP can ensure security of personnel and information only if all persons are properly security cleared. When the Prime Minister is discussing matters of sensitivity, we do not want hotel personnel wandering in and out serving tea and cookies.

As the Solicitor General (Mr. Kelleher) stated in the House on October 6:

—what the Government does on Prime Ministerial travel is dictated in large measure by security requirements for our Prime Minister and his aides and for the people who meet with him. This is a fundamental requirement."

No reasonable person today should deny the need to provide security for heads of state and heads of government. We are constantly reminded by the RCMP, and rightly so, of the need to provide a high level of security at all times while the Prime Minister is on extended travel. This includes having trained and secure support staff who form an integral part of the overall security arrangements.

What would Members opposite say, what would Canadians think, if sensitive information concerning Canada's economic interest or national security, to give two examples, became common knowledge because we did not take the precautions advised by the RCMP protective security experts? We should all know the answer to that, Mr. Speaker. It is clear that in making arrangements for travel abroad for the Prime Minister, the Government has taken the best advice of the Royal Canadian Mounted Police and acted accordingly.

INDIAN AFFAIRS—FUNDING OF PROGRAMS. (B) BAND FUNDING INQUIRY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I rise this evening to express my dissatisfaction with the answer given to me by the Minister of Indian Affairs and Northern Development (Mr. McKnight) yesterday in the House. Before doing so, I would like to offer my apologies to the Minister. I did say that I would get some documents to him, but I did not get them to him in adequate time for him to fully absorb the contents and import of them. I hope that over the next few days he will allow himself the time to study those documents because I am sure his eyes will be opened by them.

In his answer yesterday the Minister stated that there had not been cut-backs to funding in the Department of Indian Affairs and Northern Development. He also stated that to his knowledge no signed agreement or contract had been broken. I believe that the documents which I have delivered to the Minister will convince him that the contrary is so. These documents show that contribution agreements signed on behalf of the Government of Canada were indeed broken, specifically in the instance of bands in the Manitoba region which received less than the funds to which they were entitled under the contribution agreement.

• (1810)

These funds were not delivered. They were not undelivered by a matter of inadvertence, they remained undelivered by a deliberate decision of officials of his Ministry. Any agreement, be it between individuals, or between Governments, or between different levels of Governments, contains clauses which allow for its revision and review. I believe that the opportunty has always existed under contribution arrangements for representatives of the Department to go back to bands and state the difficulties they are in and state the reasons why they would like to see funding not delivered or delivered in another fiscal year.

Almost as offensive as the breaking of agreements in this instance is the way in which those agreements were breached. It appears from my discussions with chiefs of Manitoba bands, and a former official of the Department in Manitoba, that there was not only no consultation with the bands which were affected and whose treasuries were substantially impaired by these withholding of funds, they were not even informed of the fact that the funds had been retained from them.

The impact of these actions holds the most serious consequences for the relationship of the Government, and the Minister, now that he is in that position, with the bands of this country. The whole basis of the relationship of Government with the indigenous people of this country is one of trust. It is even enshrined in the law of the land, that there is a trust toward the indigenous people of Canada from the Government and through the Ministry of Indian Affairs.

The result of these actions was that the trust has been very substantially eroded, perhaps beyond the point where the Government can re-establish it. The results at the band level were serious. A million dollars was clawed back in the last fiscal year from the operation and maintenance budget of the Education Department in Manitoba. A million dollars was: "Frozen to your mandatory deficit". The ultimate fate of that million dollars was to be returned to headquarters.

Even worse, there was a $4 million shortfall of which only 18 per cent has been funded in the Budget for education, operation and maintenance. Of course, that is mostly for the maintenance and repair of schools. That shortfall was because of the headquarter's doubts about the validity of the Capital Asset Inventory System valuation of the assets of the schools that were being maintained. Those doubts were subsequently resolved, but only 18 per cent of the shortfall has been granted to the region.

The Ward Mallette Report documented a misuse of the Payable at Year End procedure, which records obligations owing by the Department at the end of the fiscal year. I regret to inform the Minister that that malpractice is continuing on a scale that can only be described as high, wide and handsome.

The documents that I have submitted to the Minister show the shocking distortions of fiscal responsibility which occur when these actions are taken. They talk in such terms as early

recapitalization of assets, which frankly means if you do not maintain something it will have to be replaced much sooner.

Finally, the Minister made a spurious comparison in the House yesterday—I am sure unknowingly—when he compared the budget of 1975-1976 to the budget of 1985-1986. It was an apples and oranges comparison because there were services in 1975-1976 that were being delivered direct from headquarters, such as education, joint schools capital and child welfare which, now in 1985-1986, are delivered through the region.

I return to the point that the basis of this whole question is trust. The Minister must advise the House and the country what can now be done to re-establish trust in his Department.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, let me say to my colleague that I appreciate receiving the documents that were delivered by his assistant, although the time was brief for me to look at them. I can tell my colleague that I will be replying to him either in a written form or verbally, after I have had an opportunity to look at those documents. I would say to anyone who has further documentation that I hope they put it forward. I hope it is put into the public realm, either to the Hon. Member or to myself so it can be reviewed.

• (1815)

In the brief time I have, I want to assure the Hon. Member. He has a knowledge of the way our Department works and the way it is funded through 11 different categories of funding. The way that funding has to be handled, we have the ability to adjust within those funding areas, but sometimes there is no ability to adjust.

As the Hon. Member knows, in the Province of Manitoba last year some $2.5 million was returned to Treasury. At the same time there were Supplementary Estimates which went forward for $23.7 million. That is a ratio of $1 to $8. Every dollar which was returned to the Treasury of Canada was replaced with $8. That is the part of the Supplementary Estimates which goes forward across Canada. In Canada a total of some $50 million was returned to the Treasury of Canada. However, at the same time Supplementary Estimates went forward for $140 million plus. In reality, therefore, there was a net gain of some $92 million for Indian programs, for Indian people.

One concern expressed by the Hon. Member in the letter I received today regarded the child welfare agreement and the extension of that existing agreement in the Province of Manitoba. I can assure him that the commitment made by my predecessor that the extension will be funded will be kept. The Hon. Member is accurate. The funds have not been allocated by Cabinet, but I can assure the Hon. Member that the commitment made by my predecessor for the extension of the child welfare agreement in Manitoba will be kept.

I would like to relate to the Hon. Member, to the House and to those in the gallery that the difficulty of allocating funds is apparent from a conversation I had this morning with the chief of a southern tribal council and some of his advisers who asked if it was possible to move money from welfare to economic development. I said I did not know whether it was possible within my authority. However, the argument made sense. It is much better to use those welfare dollars to provide economic development if the same beneficiaries are going to be working rather than receiving welfare. So while there is criticism and concern about allocation within the Department of Indian Affairs, there is an ongoing pressure from Indian people and Indian governments to make that allocation where it will be effective.

I hope the Hon. Member can wait for my reply to the documents which he provided to me. I can assure him it will be forthcoming in very little time.

SUPPLY AND SERVICES—MAINTENANCE CONTRACT FOR F-18 FIGHTER AIRCRAFT. (B) REQUEST FOR TABLING OF CORRESPONDENCE RECEIVED FROM PREMIER OF NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise with regard to a question I posed to the Minister of Supply and Services on October 7, 1986. It concerned the awarding of a maintenance contract for the CF-18 fighter aircraft. The substance of my remarks has to do with the principles of fairness and equity for the poorer regions of the country.

I have to say with great sincerity that I was somewhat surprised, if not taken back, by the lack of response given to me at that time by the Minister responsible for Supply and Services. I would have thought that because of the importance of this particular contract, and the potential economic benefits which it could bestow upon a region and upon a people, she would have known of all the considerations being evaluated by her, her Department, and indeed, the entire Cabinet.

• (1820)

There are a number of companies which are bidding for this particular contract. They are western, Quebec and Atlantic consortiums. I thought that the Minister for a very important department, that is, the Department of Supply and Services, would have stood in her place and spelled out the criteria which would be used by the Government of Canada.

We have to put things in perspective when we look at the wording of the contract, since there is much confusion. There is a perception in the country that the Government has already decided, not on the basis of price and the potential of capacity for technical competence, but based on a political promise to a particular Premier of the country.

Let us now consider the contract which Bombardier of Montreal entered into when it purchased the Crown-owned Canadair. Included in that contract to purchase is a clause referring to a royalty payment to the Government of Canada upon the awarding of the CF-18 contract to Canadair. The royalty represents approximately 1 per cent of the total contract price. The federal Government agreed to this clause

even though potential buyers were advised that the award was not to be considered a component of the Canadair sale. Upon signing, the Government committed itself to this agreement. This is inconsistent with the procedure of the Department of Supply and Services and can be viewed by some as an inducement.

Then there is talk about the bid being submitted from Atlantic Canada. The Minister, but more particularly her colleagues from Nova Scotia, have been extremely silent with respect to the inducements and previous decisions they had taken in the months prior.

Atlantic Canada was set adrift in November of 1984 as a result of the financial statement made by the Minister of Finance (Mr. Wilson). Because of the outcry from Atlantic Canadians, First Ministers, members of the Opposition, as well as members of the Tory caucus, a decision was reached by the Government, as announced by the Minister's predecessor in February of 1986, which talked about the procurement of goods and services by the Government of Canada. Is this to be considered in the awarding of this contract?

The Government then said that it wanted to increase significantly—to the tune of $600 million over five years—the goods and services going into Atlantic Canada in order to enable businesses in that region of the country to gain some advantage. This is a clear and unequivocal opportunity to live up to the commitment of some months ago. However, all of a sudden the Government is very silent. It does not want to say anything. Ministers from Halifax and Central Nova have become sick. They cannot speak any longer about a program which they introduced with great fanfare. Nor does the Minister make reference to it in response to the question I asked. Perhaps today we will receive a different answer.

The Premier of Nova Scotia who extolled the virtues of this new-found policy of procurement has been silent. It is not something which has been legislated like it ought to have been. When I asked the Minister in a spirit of openness with respect to what those representations were and whether or not she would table them, I again received silence.

A reasonable person such as you, Mr. Speaker, would conclude that someone is hiding something here. One is left to conclude that there is something under the table when no reference is made to previous policies which have been announced, when Ministers who would normally speak up for their regions are extremely silent and when a provincial Premier is as silent as a mouse. I find the whole bidding procedure with regard to this particular contract to be very questionable.

• (1825)

I hope the Minister will avail herself of the opportunity to address this situation and to give an undertaking that all regions of the country, including Atlantic Canada, will have an equal and fair opportunity to bid for government contracts. We will not suffer prejudice because we come from a slow-growth area. I hope the Minister can provide that undertaking not only to me as an Atlantic Member of Parliament but to Canadians who live in that part of Canada and who subscribe to a Canadian Constitution that speaks directly about equality of opportunity.

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I want to thank the Hon. Member for Cape Breton—Richmond East (Mr. Dingwall) for giving me an opportunity to raise this important question once again, an issue on which, as I said recently, emotions have been running high.

Mr. Speaker, exactly what is covered by this contract? It means that the technical and engineering maintenance of CF-18 fighters used by our armed forces can now be done in this country. Until now, this service was provided by the MacDonnell-Douglas Corporation of St. Louis, in the United States. From the outset, it was intended that this maintenance service would eventually be done in Canada.

At the request of the Department of National Defence, my Department started the process of repatriating this service. The first step was to inform 16 Canadian companies in the aerospace industry of what we intended to do. As always in this kind of situation, a number of groups or consortiums were formed. These groups, which are known to the public, are the consortia formed around IMP of Halifax, Bristol of Winnipeg and Canadair of Montreal.

The groups prepared and presented proposals which were then subject to careful scrutiny. However, I hardly think the Hon. Member expects me to reveal the results of this assessment this evening.

According to our regulations, it was then up to the Minister of Supply and Services to transmit the results of the assessment and his conclusions to Treasury Board. And that is what I have done, Mr. Speaker. And, as was mentioned several times, the entire matter is now being examined by Treasury Board, in preparation for a meeting of Treasury Board Ministers who will have to make a decision.

Recently, the Hon. Member asked me what the criteria would be for their decision.

Mr. Speaker, a great many factors are involved. There is the technical assessment, price, offsets in terms of jobs, technology transfers and, finally, economic impact.

Mr. Speaker, the decision is a very difficult one. As Ministers, it is our responsibility to analyse all relevant factors to the best of our ability and to make a decision in terms of what we consider to be Canada's national interest. That is what we will do.

Mr. Speaker, I have one last comment to make. As you know, and as this House and all Canadian men and women know, the issue of which consortium will get the contract has become a very emotional one, and I deplore that. Neither emotions nor partisan considerations will determine who will

get the contract. What will determine the outcome will be a rational assessment by Ministers representing all Canadian regions. Unlike our predecessors, we belong to a truly national, not a regional party.

Mr. Speaker, the balances existing within our Government strengthen my conviction that our decision, whatever it may be, will be in the best interests of this country.

[*English*]

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

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

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, October 10, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SCIENCE AND TECHNOLOGY

CURTAILMENT OF COMPUTER PROJECT TO AID THE DISABLED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government was anxious to cast its recent Throne Speech in phrases of compassion. It tried to present a more caring image to the Canadian people and wanted to do with words what it has so far failed to do with action.

I point specifically to the Government's decision to curtail dramatically funding to the Neil Squire Foundation in Vancouver, under the National Research Council's Industrial Research Assistance Program.

This organization is dedicated to the research and development of technical equipment for severely physically disabled people. One of its projects, called Computer Comfort, is the only program of its kind in British Columbia that addresses the isolation of seriously disabled adults. With only minor modifications to home computers, the disabled can perform tasks and engage in activities that would otherwise be impossible for them.

Indeed, the program has been praised by patients, hospitals, and therapists alike. I call upon the Minister of State for Science and Technology (Mr. Oberle) to reconsider this unhappy decision and recognize the vast potential of our physically challenged Canadians.

* * *

FORESTRY

INVITATION TO VISIT CHILLIWACK RIVER FORESTS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, permit me to invite all Canadians to a self-guided tour of the forests along the Chilliwack River in my riding of Fraser Valley East. On the 14-stop route, one can experience the methods that man has been using to help Mother Nature perpetuate one of our most valuable renewable resources, our forests, and to increase its commercial production.

• (1105)

Beginning at the Elk-Thurston Trail, travelling through unmanaged forests, pausing at stations that show why we must manage our forests and harvest them properly, we have the opportunity to see our forests in action. Also included in this delightful tour is a fish hatchery and a tree nursery. There really is more to our forests than trees! This is a good example of how co-operation between the Chilliwack Chamber of Commerce and the B.C. Forest Service can give us a new perspective on the value to be found in silviculture. Come on out to Chilliwack and see for yourself.

* * *

TRADE

CANADA—UNITED STATES NEGOTIATIONS—SOFTWOOD LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, the United States International Trade Commission comes down in six days with a countervail duty against Canadian softwood. The Minister for International Trade (Miss Carney) made a once only offer to raise stumpage rates to the Americans. They said it was insulting and turned it down flat. Within hours the "once only" offer was undone by the Minister of Forests for British Columbia, Mr. Kempf, who said it was just an opening offer.

The Americans then revealed that the negotiations have been continuing. The Minister for International Trade denies that. The Department of Finance right here in Ottawa has drafted an export tax on softwood lumber destined for the United States. The Secretary of State for External Affairs (Mr. Clark) denies that.

The position of the Canadian Government and the forest industry until recently has been that we are innocent now, just as we were in 1983 when the ITC found us innocent. The problem is that these eleventh hour pleadings have played Canada's largest industry into the hands of U.S. protectionists. There will be a countervail, likely large, thanks to the confusion created by Mr. Vander Zalm, his Minister of Forests, and the Minister for International Trade.

S.O. 21

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

EFFECT OF DECISION ON ONTARIO FRUITLAND

Mrs. Shirley Martin (Lincoln): Mr. Speaker, I refer to an application by CFGM Radio to the CRTC approved October 2. Only after the public announcement was made did the town of Lincoln discover the fact that 80 acres of good fruitland are to be taken out of production and that eight radio antennas are to intrude on its quality of life.

The CRTC has advised me that public notices are not required in the area of installation but only in the area of service, in this case over 40 miles across Lake Ontario. Local municipalities have no jurisdiction over this policy which was established by the previous Government. It is a policy which is heavy handed and appears to ignore the concerns of local citizens.

I have asked the Minister of Communications (Miss MacDonald) to review this policy and specifically this application, and allow those citizens most affected by the ruling to have a rightful and proper hearing.

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NUCLEAR ENERGY

ELDORADO NUCLEAR—LOCATION OF WASTE DISPOSAL SITE

Hon. Chas. L. Caccia (Davenport): In August, 1984, the then Leader of the Opposition, now Prime Minister (Mr. Mulroney), promised the residents of Hope Township, Ontario, that a Tory Government: "will work most actively toward the safe, acceptable and permanent storage arrangement" for low-level nuclear wastes produced by Eldorado Resources. He also said: "All such waste should be removed from major population areas and kept well away from any major water resource such as Lake Ontario".

On June 23, 1986, the Minister of the Environment (Mr. McMillan) appointed a special panel to review publicly Eldorado Resource's disposal plans. But the Government did not honour the commitment of the Prime Minister (Mr. Mulroney) because it is considering two sites very close to Lake Ontario despite the opposition of the people he reassured in 1984.

Residents of Hope Township want the Prime Minister to instruct the special panel and Eldorado Resources to find the best possible site for the disposal of nuclear wastes away from populated areas and major water resources as he promised in 1984—

[*Translation*]

Mr. Speaker: I am sorry to interrupt the Hon. Member, but his time has expired.

[*English*]

UNEMPLOYMENT INSURANCE

FINDINGS OF NEWFOUNDLAND ROYAL COMMISSION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the recent findings of the Newfoundland Royal Commission on Unemployment that: "unemployment insurance has crippled the work ethic", and "encourages people to cheat the system", were not unanticipated and are largely self-evident. It used to be that Canadians from outside the Atlantic Provinces viewed with amusement and condescension the games being played in the East, but now the malaise is spreading nation-wide. "Pogey" is becoming a way of life for Canadians.

Hopefully the delayed report of the Forget Commission will recommend a return to insurance rather than welfare principles, an end to abuse and disincentives to work, and the restoration of sound financing for the system.

* * *

• (1110)

FINANCE

NONPAYMENT OF INCOME TAX BY CAMPEAU CORPORATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, concerning the need for a fair, equitable and just tax system, I wish to announce today our first presentation of the Great Untaxed Corporation Award. Today's super corporate achiever is Campeau Corporation which has been granted, by successive Liberal and Conservative Governments, the right to pay no corporate income tax since 1978 on profits totalling $126 million.

Had the tax system been fair and equitable, and had Campeau Corporation been required to pay even a 25 per cent tax rate on its profits, average Canadian taxpayers would have paid $31 million less in tax because of this one company alone. On behalf of all Canadian taxpayers, New Democratic Members of Parliament will continue to present this Great Untaxed Corporation Award on a regular basis as a means of highlighting the Government's need for immediate and serious comprehensive tax reform.

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AGRICULTURE

IMPORTATION OF UNITED STATES DAIRY CATTLE—BRUCELLOSIS HAZARD

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, because of government subsidies in the United States, American dairy farmers are being encouraged to slaughter or export cattle. The natural destination for export is Canada.

Canada is a brucellosis-free zone. If farmers in Ontario or Quebec export cattle to the United States, they are not given credit for such freedom. Americans demand we export cows only after herds have had negative test results and individual cows have been tested.

However, the U.S.A. is not free of brucellosis. We are allowing cattle to enter Canada with only one test. From my knowledge of veterinary medicine I consider this a distinct threat to the brucellosis-free zone in Canada. I call upon the Government to amend our approach with regard to the importation of American dairy cattle.

* * *

LABOUR CONDITIONS

NEED FOR INCREASED FULL-TIME EMPLOYMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, quick-fix measures will not help unemployed Canadians. Statistics today do not tell the whole story. Increases in employment were concentrated solely among part-time workers. Figures for part-time workers jumped by 57,000 while full-time employment in Canada decreased by 17,000. As well, employment among young people fell by 23,000. Employment of women also fell by a very large number.

A study by Statistics Canada in 1985 showed that 30 per cent of those people who were working part-time wanted full-time work. What we see from the Government with respect to unemployment is part-time solutions to a full-time problem. Regional disparities still exist. Gender disparities exist. Disparities among young and old-age workers who cannot find jobs still exist.

Unemployment is still a very serious problem and the Government should not hide behind today's statistical picture.

* * *

TERRORISM

ICAO RESOLUTION DECLARING AIRPORT TERRORISM AN INTERNATIONAL CRIME

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, on Wednesday the International Civil Aviation Organization unanimously passed a Canadian resolution labelling terrorist attacks on airports an international crime. This resolution requires countries to arrest and prosecute terrorists suspected of attacking airports anywhere in the world, regardless of where they are arrested. Suspected terrorists would be sent to other signatory countries, even if no extradition treaty exists.

Once law these measures will ensure that terrorists are brought to justice for their hideous crimes. This is another positive step forward in the fight against international terrorism. Earlier this year our Government took effective action to upgrade our counter-terrorism program by creating a permanent special emergency response team.

Wednesday's vote was a victory for civilized nations and law-abiding citizens. Canadians can take pride in the fact that we are in the forefront of the international fight against terrorism.

* * *

AGRICULTURE

SUBSIDIZATION OF FOREIGN FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it would appear that the Government has decided to abandon the growing of grain in Canada. For one year the Government has known about the collapse of world grain prices and the effects of the U.S. Farm Bill and the BICEP program.

Last Christmas U.S. farmers were given protection against that reduction in price. European farmers are given a continued price which they know they will receive even before they seed. Just last summer Australian farmers were given protection which will give them secure prices. Banks were given a security within two days.

Only last week, for reasons that are somewhat suspect, the Government started calling panic meetings to establish some type of assistance for farmers. In the process—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—THRONE SPEECH ANNOUNCEMENT

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased that the Government continues to place a high priority on environmental issues, the most recent evidence of which was our commitment to the environment in the Speech from the Throne. The Government recognizes the relation between a healthy environment and the quality of Canadian life.

• (1115)

The agreement with the provinces on acid rain is the first major breakthrough in that area since Confederation. However, toxic pollutants in the Niagara River continue to be one of the most serious problems that we face. Therefore, the proposed environmental protection Act focusing on the problem of toxic chemicals will be welcomed by my constituents in Niagara Falls, and indeed by all Canadians.

Let us work together to clean up Canada and to convince our neighbours to the south that more must be done to protect

our ecological system. The Minister of the Environment (Mr. McMillan) recognizes this and I congratulate him for it. All of us who care about the quality of life must make environmental issues a priority. I am pleased that this has been recognized in the Speech from the Throne.

ORAL QUESTION PERIOD

[*Translation*]

PENITENTIARIES

INQUIRY WHETHER CONSTRUCTION OF DRUMMONDVILLE II WILL BE STOPPED

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

We now know, on the basis of some confidential documents from the Solicitor General's office, that the Prime Minister was directly and personally responsible for the decision to move the Drummond II prison to Port-Cartier, in his riding.

Now the Prime Minister knows that everyone is opposed to this plan, and now that he realizes it makes no sense at all, I want to ask him—and I know he is trying to pass the buck to the Solicitor General—whether he is going to let reason prevail and put an immediate stop to all work on this project, which in the final instance would never work, since none of the requirements from the correctional point of view have been met.

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that, since he was kind enough to give me a copy of the notes in his possession, I find them to be nothing more than copies of briefing notes, and every Minister receives copious copies of briefing notes before Question Period. This is a normal thing.

The one thing I would like to say quite emphatically is that when this matter arose I checked very thoroughly with the officials in my Ministry and I was advised by them that there is no record in my Ministry of any interference or pressure by the Prime Minister or any member of his staff in this matter.

[*Translation*]

REQUEST FOR EXPLANATION OF CHOICE OF LOCATION FOR PRISON

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish the Solicitor General would read through his notes again and recall certain events and then tell me there was no outside intervention when his officials were given a choice between three locations, namely, Sept-Îles, Port-Cartier or Baie-Comeau.

Would the Solicitor General go so far as to say his own officials suggested these three locations for a prison that would then be miles away from nowhere?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can only repeat once again for the Hon. Member and other Members of the House what I have been saying all along. This was a government decision that was made for good and valid economic reasons to help against regional disparity in that particular area.

POSITION OF PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. For a month now the Government has been denying that the Prime Minister had any personal involvement in the decision to switch the location of the prison from Drummondville to Port-Cartier. The briefing note to the Solicitor General says under the heading "The Trust Issue": "Certainly the Prime Minister as head of this Government was involved in the decision". Does the Prime Minister still hold to his view that he had no personal involvement in the decision to move the prison?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am a Member of Parliament and I am a member of the Government. To that extent, as everyone has indicated, it was a government decision.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I do not think the documentation completely supports that answer.

ADVISORY COMMITTEE MEMBERS' COMMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the President of the Government's own Prison Advisory Committee, Sister Virginia Turner—no relation—of the Sisters of Charity in Halifax said that every taxpayer should be upset by this decision, and the committee's Quebec representative said that society really has no right to act like this. Does the Prime Minister agree with these comments from his own advisory commission?

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wonder if the Right Hon. Leader of the Opposition would agree with these comments from the Liberals of the riding of Manicouagan.

[*Translation*]

And I quote: "The Liberals of Manicouagan will offer the Liberal Leader, John Turner, their very qualified support, as a result of declarations made by the Leader of that Party on the subject of the Port-Cartier penitentiary."

Marc Brouillette will tell him about how disappointed the Manicouagan Liberals were after hearing their leader make statements right and left about the penitentiary for Port-Cartier, against the interests of the people of Manicouagan. I quote: "The Liberal Member, Mr. Turner, missed the boat in this affair because of poor advice." Of course he got his advice from the Hon. Member from Shefford (Mr. Lapierre).

DISTANCE AND EXPENSE FACED BY FAMILIES OF INMATES VISITING PORT-CARTIER

Right Hon. John N. Turner (Leader of the Opposition): Does the Prime Minister realize that relatives of inmates who live in Montreal will have to spend $210 and travel two days by bus to visit inmates at the new Port-Cartier penitentiary?

Doesn't the Prime Minister realize that the inmates' families are not guilty and therefore should not be penalized just so he can make some political capital?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Liberal leader and the Liberal Party are ganging up against the people of the North Shore. The Hon. Member is raising the issue of the relatives of inmates. And that is a problem that is dealt with by the Solicitor General regularly, with compassion.

But since you raised the visiting issue, I will talk about the unemployment problem on the North Shore, where we have brave, honest people who were battered by the Liberal recession and to whom the Conservative Government is offering assistance, in an attempt to alleviate the human suffering that exists on the North Shore. Let me tell you: Don't visit the outlying regions of Quebec, unless you want to suffer the consequences of your intransigent and ruthless attitude in the House.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—MINISTER'S BRIEFING NOTES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister. I have in my hands confidential briefing notes from the meeting of the Minister for International Trade with selected journalists last month, in which for the first time a clear outline is given of government objectives in the free trade talks with the United States. Why has the Prime Minister's Government practised this manipulation of the press? Why is it necessary that the Canadian people hear of these detailed objectives for the first time in this backhanded and unacceptable way?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member has raised an issue. I have in my hand the very same briefing notes which I was going to send to him in Question Period, saying "Here are the notes prepared for my media briefing on GATT and U.S. trade if you find them useful". I am really pleased to find that he has found them a clear statement and that they are useful. I will send him this copy as soon as I can.

Mr. Langdon: As usual the Minister cannot resist playing with the truth. What she has suggested is a press release dealing with GATT, and these are briefings dealing with bilateral negotiations.

AGRICULTURAL ISSUES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question. The Government has claimed that it will protect farming, other farm marketing boards and other restrictions, throughout these negotiations. Why is it a Canadian objective, not an American objective according to these documents, to address agricultural trade restrictions, to deal with them, to try to reduce them and thereby threaten hard pressed farmers even more—

Mr. Speaker: Order, please.

• (1125)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I fail to understand the Hon. Member's concern. As I say, this note says:

> "Steven. Here are the speech notes prepared for my media briefing on GATT and U.S. trade if you find them useful".

I have said in my note to him that they include the speech notes on the progress of the U.S. talks. He has them. I do not see why he is carrying this issue further.

Mr. Langdon: Mr. Speaker, I carry the question further because the objectives listed here totally contradict what the Government has been telling us for the past year.

An Hon. Member: What nonsense.

Mr. Langdon: It is absolutely true.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a last supplementary question. Given that the Secretary of State for External Affairs has said that getting a neutral mechanism to control countervail is at the heart of these talks, why does this document talk only about better disciplines on the use of such measures? Why the back-off—

Mr. Speaker: Order, please. The Hon. Member has put his question.

Hon. Pat Carney (Minister for International Trade): I must say I am bemused at how to answer the question, Mr. Speaker. I had thought that the documents the Member has are the ones I developed for the speech notes. This makes very clear that we need a treaty to deal with contingency protection to shield us from the kind of harassment that we are facing on the softwood lumber issue. I have said that publicly. I have said that in this House, and I said it as recently as yesterday.

UNITED STATES DECISION ON SOFTWOOD LUMBER IMPORTS—EFFECT ON TRADE TALKS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I too have a question for the Minister of International

Trade. I will only comment that whatever briefing notes she has are probably already out of date the way this Government works.

In the comments the Minister made in the House yesterday she said that the general trade talks would be imperilled by an unfavourable decision by the United States on the lumber matter. This is a fundamental change from previous government positions which were that the lumber and general trade talks were not linked. Now they are directly linked. Is the Government considering as a result of this linkage a withdrawal from the general trade talks if the United States reports next week an unfavourable decision on the softwood lumber matter?

Hon. Pat Carney (Minister for International Trade): Absolutely not, Mr. Speaker.

NEW YORK TIMES REPORT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): As a supplementary question, Mr. Speaker, I would further ask the Minister about the other exclusive interview she has now given to another American newspaper, this time *The New York Times*. She said the Government is not only planning retaliation but is studying ways to impose taxes that would exactly equal an American tariff. Can the Minister tell us in that interview did she indicate to that journalist the fact that the Government is studying a tax that would exactly equal the American tariff, and has the Government had any discussion whatsoever with the provinces, unions, and industry concerning such a measure?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have not got the copy of the article which the Hon. Member has. I can tell him that the only time I have spoken to a *New York Times* reporter was in the same general briefing of the U.S. media. At that time I said, contrary to what he has stated, that an export tax was ruled out by the Government as a means of dealing with this issue because, when we looked at all of the options, and we have looked at all of the options on how to deal with this issue, we found that there were constitutional concerns raised by the provinces and it was a very difficult procedure to undertake. I have said publicly, and I believe the Minister of Finance has said publicly, that that option has been ruled out at this time.

* * *

AGRICULTURE

ASSISTANCE FOR WESTERN GRAIN FARMERS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Agriculture. Yesterday we had a meeting of provincial Deputy Ministers with the Deputy Ministers and officials to discuss the federal Government's farm aid project. In order to clear up the confusion, can the Minister tell us how much money there will be for western grain farmers? Second, what form will the payment be? Will it be an acreage payment, a loan, or something based on marketing? Finally, when will the farmers be getting cash in their pockets? Will it happen before Christmas?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's improved attitude from yesterday. I have not had an opportunity to have a full update or a full briefing on the meeting of Deputy Ministers yesterday, although I indicate again that the Minister in charge of the Canadian Wheat Board and I spent considerable time there. I understand the meeting went well and, as expected, a variety and a number of options were put forth on the table for serious consideration to be given by the Deputy Ministers. Naturally that is what we expected to happen.

• (1130)

Mr. Nystrom: Mr. Speaker, maybe the Minister should spend more than 30 or 40 minutes at a meeting.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, can the Minister confirm that a federal-provincial task force chaired by Saskatchewan suggests a diversion option which is similar to Otto Lang's old operation LIFT, in other words, a scheme to pay farmers to take land out of production? Is he saying to this House that he is now giving up on prairie grain farming?

Some Hon. Members: Oh, oh!

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we would have liked to have spent a longer period of time meeting with the Deputy Ministers but we had to leave that meeting in order to meet with the representatives of the prairie pools.

The fact is that this is the largest aid package ever delivered by any Government in the history of the country to Canadian farmers.

Mr. Nystrom: Answer the question.

Some Hon. Members: Hear, hear!

Mr. Wise: It is our intention, and we will not be distracted from it, to work with the provinces and farm leaders to get this program right. It must be fair and equitable. If it is going to take an extra 10 days or two weeks to do it, we will take the time.

NATIONAL RESEARCH COUNCIL

SIZE OF BUDGET AND STAFF

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Science and Technology. Yesterday in the House the Minister stated: "There are no cuts to the National Research Council", yet this morning the President of the National Research Council stated that indeed there are cuts. Who is telling the truth? Are there cuts as the President of the NRC says, or are there no cuts as he said yesterday in this House?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, previously the Hon. Member predicted that there would be massive cuts to the IRAP. Now he is saying that there will be massive cuts to the staff of the NRC. Dr. Kerwin, the President of the NRC, says that speculation that the Council will have to lay off 10 per cent of its staff or close an entire department is alarmist. He said that he believes the lay-offs can be avoided. He says that jobs will have to be shifted but it is hoped that scientists can be reassigned. That is what Dr. Kerwin is saying.

[*Translation*]

BUDGETARY CUT-BACKS—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, the credibility of the Minister is on the line. I urge him to answer my question. Either there are no cuts, as he claims, or there are, as the President of the National Research Council stated. Who is telling the truth?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I just quoted the President of the National Research Council who said that these jobs will be reassigned within the National Research Council. Perhaps it would be helpful if the Hon. Member would check with his source inside the National Research Council, who has perhaps not realized that Canada is under new management.

* * *

AGRICULTURE

GRAIN PRODUCTION—DIVERSION OPTION INQUIRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. He did not answer the question of my colleague from Yorkton—Melville. Is the diversion option, which is similar to Otto Lang's LIFT program, being considered as one of the methods to get money to farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think I answered this question yesterday. My message to the Deputy Ministers during our discussions with them was that at the present we should not rule out any option. The only talk that I have heard about a diversion program is from the Leader of the NDP in Saskatchewan.

ASSISTANCE FOR GRAIN PRODUCERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the task force made that LIFT program one of the possible options. Is the Government considering a loans program or cash advance programs? Are these also options which the Government is considering? Is it considering methods other than the cash-in-hand which farmers are expecting?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is interesting to watch the shifting positions of the Members opposite. Last week it had to be a deficiency payment which had to be delivered yesterday.

Mr. Hovdebo: We want to know whether you are—

Mr. Wise: If the Hon. Member had listened to the answer to his first question, he would have had the answer to his supplementary question, that is that, as far as we are concerned, at the present time no option should be ruled out.

* * *

INDIAN AFFAIRS

SITUATION OF MANITOBA INDIAN BANDS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. The Indian chiefs of southern Manitoba have said that the RCMP investigation into his Department will do nothing to help resolve the urgent needs which exist in their communities among their bands. The chiefs claim that they have been forced into a debt situation because of maladministration in the Manitoba region of the Department of Indian Affairs and Northern Development.

How does the Minister expect these bands to carry out the responsibilities for local services which have been given to them if they have been forced into a debt situation by the Minister's own officials?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member expresses concern which is shared by everyone in the management of the Department with regard to the dollars which the Department controls. I am sure the Hon. Member is aware that 64 per cent of the dollars spent in the Province of Manitoba are administered and spent by Indian governments. Twenty-four per cent is spent by the Department of Indian Affairs and Northern Development, and 12 per cent is spent by the province. Therefore, there is more than one manager of those dollars. I have explained that I will have my officials discuss debt retirement separately with every band in Canada. The Hon. Member also knows that not every band in Manitoba is in debt and not every band in Canada is in debt.

Oral Questions

FUNDING OF BANDS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, southern chiefs maintain that their indebtedness is due directly to the incompetence and blundering of the regional officials in Manitoba. That is the claim that they have made. The Minister has not denied it. I want to know what will be done forthwith so that the moneys to which those bands were entitled will be received by them in order that they can carry out those essential local services.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know the Hon. Member is concerned and I share that concern. However, with regard to dollars being withheld, to date no one has been able to show that dollars were withheld. Yesterday in the House a question was asked about a cut of $40,000. In fact it was not a cut of $40,000. On that specific project, which was managed by the band involved, there was an increase from $50,000 to $73,000, an increase of $23,000.

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THE ECONOMY

TASK FORCE REPORT ON USE OF WESTERN COAL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister. The cost benefit analysis completed by the task force looking into the feasibility of using western coal in central Canada found that there was indeed a net benefit to the Canadian environment and the Canadian economy in terms of major job creation. When can we expect a comment and commitment from the Government to proceed formally with the recommendations of that task force in order to create the much needed jobs in western Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I thank the Hon. Member for the opportunity to raise this issue in the House. I share his enthusiasm for a very worthy project. The Government is taking this under serious consideration.

TIMING OF DECISION ANNOUNCEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Government has now had the recommendations of that very important task force for an adequate time in which to make a decision. The Minister knows how important this matter is for western Canadians and indeed for all of Canada. Can he not be a bit more precise about a specific time by which we can expect a decision and announcement by the Government?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sure the Hon. Member knows that the report was released in August. We have been condemned by Members across the way for acting in haste on certain initiatives. We would not want to be accused of that again. Suffice it to say there are a number of Departments involved in this initiative and I want to assure the Hon. Member that we will take this report very seriously because it is good for Ontario, good for western Canada, indeed good for all of Canada. Above all, it would stimulate the economy and generate a lot of jobs.

* * *

• (1140)

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of the Environment. As stated earlier today, Canadians everywhere support the new initiative by the Government as set out in the Speech from the Throne in its fight against toxic chemicals. Given that the eight U.S. States which border on the Great Lakes signed an agreement a few months ago called the Great Lakes Toxic Substances Control Agreement, and given the support of the Provinces of Ontario and Quebec for that agreement, what impact will this new initiative have on the leachate of toxic chemicals into the Niagara River?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member will perhaps know, the new Environmental Protection Act, which was heralded in the Throne Speech, will consolidate environmental authority at the federal level, make it more effective, and in particular increase sanctions against polluters through fines and jail sentences. The Act does not nor can it have authority in the U.S. However, we intend to pursue very vigorously with the Americans, through the 1978 Canada-U.S. Great Lakes Water Quality Agreement, our environmental objectives of a trans-boundary nature. We will be insisting in particular that, in the revision of the agreement next year, the virtual elimination of toxic chemicals into the Great Lakes be the central focus.

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EDUCATION

POST-SECONDARY EDUCATION—STATEMENT ATTRIBUTED TO BRITISH COLUMBIA MINISTER

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Last week the British Columbia Minister of Education made the obscene statement that young people should "re-examine their priorities and consider putting off their post-secondary education if they are unable to afford it." Is the Prime Minister going to allow that advice to go unchallenged?

If not, will he now do something to help the disabled, the disadvantaged, and the poor so they can afford post-secondary education in British Columbia and other provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not read the specific statement but as set out it is one that would not find much favour on this side of the House. That is evidenced by the actions of the Government so far regarding the disabled, disadvantaged, and the underprivileged, and evidenced by the restatement of some of those fundamental principles in the Throne Speech. Investment in the youth of our country is a great obligation on any Government, on any people, and the protection of people afflicted with disabilities is no less a noble cause, and this Government is committed to that.

FUNDING OF STUDENT LOAN PROGRAM

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the Prime Minister knows that his Government has frozen the amount of money available to students through the Student Loan Program. In light of his remarks and in light of the plight of poorer people, will he restore the necessary funds to the Canada Student Loan Program and student grants so that our educational system is available to all Canadians in British Columbia, indeed in every province, so we can make sure it is not just for those who come from well-off families?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Government's intention is evidenced by the tremendous increase of some $25 billion directed to these areas over the next five years. I think that indicates the extent to which we are very much concerned and ready to invest in the future.

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FAMILY VIOLENCE

PLIGHT OF BATTERED WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is also directed to the Prime Minister. He referred to the suffering of battered women in the Throne Speech. Unfortunately, we still have a nation of wife-beaters and very few resources for battered women. Will he confirm that his Government will give real leadership to provide funding for transition houses to assist and protect battered women and their children?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as we pointed out in the Throne Speech, the issue of wife-battering is a social tragedy and must be dealt with. The Government of Canada shall provide the leadership required to deal with this extremely sad and unacceptable state of affairs.

VANCOUVER TRANSITION HOUSES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am glad to hear a positive response for the funding of transition houses. The situation in B.C. is particularly urgent with only 65 transition house beds for over 5,000 battered women in the Vancouver area. Will he urge his Ministers, or perhaps do it personally, to put strong pressure on the Premier of B.C. to reopen the Vancouver transition houses and fund services for battered women?

Right Hon. Brian Mulroney (Prime Minister): I think my hon. friend is aware of the social leadership provided by the Minister of National Health and Welfare in this and other areas. He will be holding meetings in British Columbia and elsewhere with a view to advancing this very important initiative in order to come to the aid of battered women in Canada.

* * *

AGRICULTURE

WESTERN FARMERS—LIFT PROGRAM INQUIRY

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, my question is directed to the Minister of Agriculture. Having lived through the disastrous LIFT program which the Liberals imposed on western Canada some years ago, I became alarmed when I heard the NDP calling for a similar type of program. Surely the Government is not thinking of a LIFT program, is it?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate that question because it is our $1 billion, it is our program. It is fine if the NDP and the Liberals want to give up on Canadian farmers, but this Government is going to continue to develop programs and supply financial support to Canadian agriculture to keep farmers on the land and farming.

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister. In the Throne Speech the Government said it was considering new conflict of interest rules. On April 30, 1986, the Prime Minister said in a press conference that the existing rules were as tough as any in the western world and it was his job to enforce them. In view of that, can he tell us, if they were so great, why do we need new ones and what difference is it going to make when the Prime Minister has been unable or unwilling to enforce the existing rules?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as was indicated in the Speech from the Throne, these guidelines will be reviewed. I guess we were attracted to some extent by the contravention of conflict of interest guidelines by so many Liberals in the provincial Legislature so that we took our cue from there.

REQUEST FOR INCLUSION OF PUNITIVE MEASURES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the issue here is the credibility of this Government. It is certainly not a joke. If the Prime Minister is unwilling to answer, will the Deputy Prime Minister give us his assurances that the new rules will include punitive measures so that we do not again see what we have seen so often in the past from this Government?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I would think that the Hon. Member would want the conflict of interest guidelines broad enough so that they would take into consideration not only cabinet Ministers and Parliamentary Secretaries but, indeed, Members of Parliament. When we want to talk about credibility, I will stake my credibility up against the Hon. Member's any day of the week.

Some Hon. Members: Hear, hear!

* * *

RESEARCH AND DEVELOPMENT

TAX CREDIT GUIDELINES

Mr. David Daubney (Ottawa West): Mr. Speaker, in the absence of the Minister of National Revenue I would like to direct my question to the Minister of State for Science and Technology. On Monday in this House I urged the Minister of National Revenue to consult with high technology industry leaders on their concerns about the research and development tax credit guidelines. Have those consultations taken place and, if so, has an improved definition of research and development been arrived at and agreed upon?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I wish to thank the Hon. Member for his interest and his constructive suggestions in bringing this matter to a resolution. The Income Tax Act being such a potent instrument in stimulating industrial research and innovation in the private sector, it was important that the private sector agree with the guidelines we have developed. I am pleased to say that there is universal acceptance resulting from the consultations which the Minister of National Revenue has carried on.

AIRPORTS

TROUT LAKE AND JEAN MARIE RIVER AIRPORTS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. Can he explain why his Department refused to lengthen the Trout Lake airstrip and install lights at the Jean Marie River Airport as requested by the Dene National Assembly? Is it because all the money has already been spent in his Department for pork-barrelling operations in the ridings of the Prime Minister and the Minister of State for Transport?

• (1150)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, unfortunately we only have a certain amount of money in the Department of Transport to look after hundreds of airports across the country. Therefore, there is never as much as we would like. I might say that there has been a great deal spent at the airport in Hamilton and I am glad the hon. lady finds it to be humorous.

Ms. Copps: Not by your Government.

Mr. Crosbie: If I had notice of the hon. gentleman's particular question, I would have been able to check that, which I will do. With respect to the Prime Minister's district, he represents a huge area which I think is 160,000 square miles. He is the largest Member in the House—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —in terms of space, if not of importance. That district requires airports because there are many isolated communities in the district and I certainly intend to see that it gets every chance in the future.

Mr. Speaker: Order.

DENE NATIONAL ASSEMBLY'S REQUEST

Hon. André Ouellet (Papineau): Mr. Speaker, I appreciate the Minister's reply. Indeed, I hope he will look at the request of the Dene National Assembly. I appreciate that he is having difficulty getting enough money to meet the needs. Perhaps he could cut the $3 million provided for the airport at St. Jean-sur-Richelieu and give it to the Dene Nation because apparently the one at St. Jean-sur-Richelieu has not been approved by the Minister of the Environment in Quebec, despite the claims by Members of Parliament.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, if we were not forced to pay $27 billion in interest this year for past extravagances and wastefulness of the hon. gentleman and his Government, we would have money to do all of these things and many things more.

Some Hon. Members: Hear, hear!

[*Translation*]

LABOUR RELATIONS

LOCK-OUT AT PORT OF QUEBEC—MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. The Quebec City port dispute has become critical as a result of today's lock-out, a dispute which has been dragging on for over a month. What is the Minister prepared to do to re-open this port?

Hon. Pierre H. Cadieux (Minister of Labour): Indeed, Mr. Speaker, the Quebec City port dispute has been dragging on for some time. The lock-out was imposed on September 15. The union sought a ruling from the Canadian Labour Relations Board as to whether the lock-out was legal, and this was confirmed in a decision rendered this week.

REQUEST THAT MINISTER INTERVENE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I want to know whether the Minister is prepared to take the initiative, as he did in British Columbia and at the Lakehead, particularly since the maritime employers will allow the unloading of a DND ship today? Why not open the whole port?

Hon. Pierre H. Cadieux (Minister of Labour): The union has also applied to the Canadian Labour Relations Board, but no decision has been made yet. The union wants to know whether it can negotiate as a whole with the parties. Of course we will have to abide by the ruling, but in the meantime two mediators have been appointed and they are available to help the parties solve their problem if indeed the parties give us an indication that they are interested in doing that.

* * *

[*English*]

AGRICULTURE

IMPORTATION OF UNITED STATES DAIRY CATTLE—BRUCELLOSIS HAZARD

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, my question is directed to the Minister of Agriculture. American dairy cattle coming from brucellosis-infected areas can enter Canada with only one negative blood test. Our brucellosis-free zone is endangered by this policy. Why do we allow this dangerous condition to continue, and when will the Americans recognize our brucellosis-free zone?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. It should be noted that the U.S. Department of Agriculture does in fact recognize Canada to be a brucellosis-free area, with the exception of the two provinces of Ontario and Quebec which were the last ones to be declared brucellosis free. The Hon. Member should also know that in order for U.S. cattle to be imported into Canada they are required to meet our Canadian standards. I have been advised—

Mr. Speaker: Order. The Hon. Member for Cape Breton—East Richmond.

* * *

AIR CANADA

SERVICE TO YARMOUTH, N. S.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Transport. It concerns Air Canada's stated intention to terminate DC-9 flights into Yarmouth, Nova Scotia. Does the Minister not realize that, without this particular flight, air freight bound for export will be curtailed, thereby jeopardizing many jobs in Yarmouth and the surrounding communities? Will the Minister require Air Canada to terminate its request to the CTC in order that this entire matter can be reviewed?

Mr. Robichaud: No, he doesn't give a damn anyway.

Some Hon. Members: Order.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman's colleague is setting a very high standard for cynicism. However, I will ignore it in the spirit of turning the other cheek. I have been at the dentist for three and a half hours this morning and I have been turning every cheek I can think of.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I think the Hon. Minister has gone far enough. Perhaps he could get on with his response.

Mr. Crosbie: With respect to Air Canada and Yarmouth, Air Canada will not be abandoning the Yarmouth route unless completely satisfactory service with respect to both passengers and cargo is in place at the time it no longer wishes to serve the route from Yarmouth. It will only be permitted to cease serving it if an adequate and satisfactory service from other air carriers is in place before that happens.

REQUEST FOR MINISTERIAL ACTION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I remind the Minister that transportation is an integral link in terms of economic development. The proposal by Air Canada is to have Air Nova assume that particular flight. The air freight capacity of Air Nova is 300 cubic feet, while the DC-9 is 1,200 cubic feet. I ask the Minister on behalf of the Board of Trade, the municipalities, workers and business people in Yarmouth and surrounding areas if he will not ask Air Canada to recall its request to the CTC and review the matter before any action is taken?

Point of Order—Mr. Fulton

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is very late in his representation because the Member who represents Yarmouth has been making these representations to me for weeks now, with a great deal of success.

* * *

INDIAN AFFAIRS

FUNDING OF MANITOBA INDIAN BANDS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Among the documents he has received in the last while was a document which was sent to the Regional Director General in Manitoba on August 22, 1986. In this document which was later approved by the same Regional Director, a number of contribution agreements were down-sized. We have been told that these agreements were down-sized without the signed agreement of the various bands concerned. Will the Minister confirm that there has been absolutely no changes made to down-size contribution agreements without the signed agreement of those bands? Will he make that unilateral declaration?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have asked on several occasions in the last week for documents from anyone who has documentation that would show that signed obligations on behalf of the Department were not being met. I make that request again to the Hon. Member. However, let me repeat that he will find in the documents circulated yesterday—which were not complete—that where there was an accusation that there had been cuts, there had indeed been an increase of $23,000 on a particular capital project. If the Hon. Member has documentation that shows that signed agreements have not been met by the Department, I would ask him to bring them forward.

Mr. Murphy: The Minister has this documentation already. I am certainly willing to give it to him again.

REQUEST THAT REGIONAL ADMINISTRATION BE PLACED IN TRUSTEESHIP

Mr. Rod Murphy (Churchill): Mr. Speaker, given that a number of bands have said that they have not agreed to these agreements, and that a former senior official has said that this is happening, will the Minister put the Regional Department into trusteeship to make sure that there is some guarantee that the Indians in Manitoba are being treated fairly?

• (1200)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, my concern for the management of the dollars which flow to Indian people is as great as the Hon. Member's, I can assure him. I can also assure him that my predecessor had taken steps to reorganize the management of his Department. I will continue to take steps to organize the management of the Department. I am very concerned about the Manitoba region. However, the Hon. Member knows that there has been a new RDG put in place in that region, that there have been changes and there will be continuing changes in the management of the Department for which I am responsible.

* * *

PENITENTIARIES

CONSTRUCTION OF PRISON AT PORT-CARTIER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Solicitor General. In the documents produced this morning there is a suggested answer for the Solicitor General prepared presumably by his officials: "Neither the Prime Minister, nor any person on his staff intervened in this matter". In writing which could well be his, there is a note: "I can't say this. I can only say no record re Solicitor General". Does that mean that the Solicitor General of the country cannot categorically say: "Neither the Prime Minister nor any person on his staff intervened in this matter"? Can he not say that to the House?

Mr. Mazankowski: He just did.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I thought I was quite clear in my earlier answer. I pointed out quite clearly, when this matter arose I went to the officials in my Ministry and asked them. They advised me that there was no record in the Ministry of any interference by the Prime Minister or any member of his staff in this matter.

The Hon. Member must remember that I was not the Solicitor General at the time. Therefore, all I can do is go to the members of my staff and that is what they told me; there is nothing.

Mr. Speaker: I want to advise the House that I have received notice of a question of privilege from the Hon. Member for Skeena. I would point out that in the opinion of the Chair it is not a question of privilege but more properly a point of order. I will hear the Hon. Member for Skeena.

* * *

POINT OF ORDER

ALLEGED IMPUGNMENT OF INTEGRITY

Mr. Jim Fulton (Skeena): Mr. Speaker, yesterday during Question Period I put a question to the Minister of Transport (Mr. Crosbie). Part of his answer is found on page 239 of *Hansard*, and I quote:

> Mr. Speaker, the hon. gentleman from Skeena has said he is neither an accountant nor a detective, and that is certainly obvious.

I then said: "At least I'm not a crook". Following that the Minister of Justice (Mr. Hnatyshyn) said: "Says who?" As you will know, Mr. Speaker, following Question Period yesterday the Minister of Transport raised a question of privilege and I withdrew my remarks to make it clear on the record, and in this House, that I in no way intended that comment to reflect on him or any other Hon. Member of the House.

I am sure the Minister of Justice on the same grounds would want to remove his remark: "Says who?" because it is clear that that remark has the same kind of implications towards me which the Minister of Transport felt might have been directed at him. And I have already received a note from the Minister of Justice so I will leave it at that.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, in honest truth I do not recall saying the words. However, I had already indicated to the Hon. Member that it was my intention to stand at this time and categorically withdraw any imputation. I would not say it, I do not think it, and I am sorry if there was any offence caused.

* * *

QUESTION OF PRIVILEGE

ALLEGED IMPUGNMENT OF INTEGRITY

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, during the course of Question Period, the Hon. Member for Laurier (Mr. Berger) made some very unfortunate comments which I hope the Chair will take under advisement. These are comments which offend Citation 326(2) of Beauchesne's Fifth Edition. The Hon. Member in Question Period made reference to comments I had made in the House and quoted comments made outside of the House by the President of the National Research Council, Dr. Kerwin, and asked who was telling the truth, thus clearly implying that either myself or Dr. Kerwin had been lying.

Citation 326(2) of Beauchesne is quite explicit:

> Words may not be used hypothetically or conditionally, if they are plainly intended to convey a direct imputation.

I have been scrupulously careful to make certain no false information is conveyed to the House and to ensure that nothing is said in the House which would cause injury to the morale of this fine institution. Because of my high respect and regard for the integrity and competence of the President of the National Research Council, Dr. Kerwin, I would hope that the Hon. Member for Laurier (Mr. Berger) would reflect on his comments and would have the grace to withdraw them.

Mr. Speaker: I heard the Hon. Member. The Chair was very conscious of the comments which were made. Perhaps upon hearing other representations it will become clear that the comment was made in the search for accuracy and facts. Perhaps it was not meant to impute the personal honour or integrity of any particular person. But I would be interested to hear comment.

Hon. Herb Gray (Windsor West): Mr. Speaker, the citation referred to by the Hon. Member reads:

> Words may not be used hypothetically or conditionally, if they are plainly intended to convey a direct imputation. Putting a hypothetical case is not the way to evade what would be in itself disorderly.

Nowhere in the Citation does it say that an Hon. Member cannot ask questions for the purpose of inviting a Minister to clear up a contradiction or, as you yourself said, Mr. Speaker, to ask the Minister to whom the question is directed to deal with a matter of accuracy or clarification.

Questions in the exact language used by the Hon. Member for Laurier (Mr. Berger), in my recollection, have been used or asked many times in the House without such a question being ruled as offending any of the precedents of this House. Therefore, I respectfully suggest, Mr. Speaker, to use your own words, that the Hon. Member for Laurier was simply seeking responses with respect to accuracy and with respect to dealing with what seemed to be an obvious contradiction.

Mr. David Berger (Laurier): Mr. Speaker, for months, I suppose, I have been speaking for a good number of people across the country with whom I have been in touch. Many Canadians have been concerned about getting a clear statement of Government policy as it relates to the National Research Council and the Government's science policy. I certainly did not impute any motive to the Minister. I was, as you suggested, Sir, seeking clarification.

All I can say, if I have been misled, is there are certainly reputable newspapers in this country which have—

Mr. Speaker: Order. I think the Chair is in a position to comment. I think it is quite clear from what has been said by the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Laurier (Mr. Berger) that clearly no imputation of the honour and integrity of any particular person was intended. I thank the Hon. Members for making that clear.

I would remind all Hon. Members, however, that this is an example of what can develop if great care is not taken in the words which are used. I would hope the Minister would be satisfied with the outcome of this intervention and the comments of the Chair.

• (1210)

BUSINESS OF THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order with respect to House business. Is the Government House Leader prepared to provide further information with respect to the business of the House for next week? In particular, can he tell us when he will be offering to us an Opposition Day?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I indicated yesterday, in light of developments that transpired earlier in the day I was not able to give a firm commitment. It would be my intention to call Item No. 5, the consideration of report stage of Bill C-5, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act.

If we are able to complete that business, then it would be my intention to move on to the matter dealing with the Income Tax Act in respect of the child tax credit. This would be followed by the resumption of debate on the Speech from the Throne. It is my intention at this time to continue with the debate on the Speech from the Throne until its conclusion.

I will certainly take notice of my hon. friend's suggestion with respect to an early Opposition Day. We will try to arrange that at the earliest possible opportunity.

* * *

POINT OF ORDER

ALLEGED IMPUGNMENT OF MEMBER'S INTEGRITY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order arising from today's Question Period. It is something upon which I seek your guidance.

In response to a question from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who asked a general question about the issue of the credibility of the Government, the Deputy Prime Minister (Mr. Mazankowski) made a comment about the individual integrity of the Hon. Member for Glengarry—Prescott—Russell. I believe that is in violation of the Standing Orders. I seek your guidance with respect to impugning the integrity of an individual Member.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will take a look at what I said. I am prepared to examine it. However, as I recall it the question of credibility was raised by the Hon. Member. I responded in the spirit in which he raised it.

Ms. Copps: Mr. Speaker, I am seeking your guidance. I believe if you have a chance to review the "blues" you will note that the Hon. Member for Glengarry—Prescott—Russell referred specifically to the credibility of the Government. In his response the Deputy Prime Minister referred to the integrity of the Hon. Member for Glengarry—Prescott—Russell. That is, indeed, in violation of the Standing Orders.

Mr. Mazankowski: Mr. Speaker, on the same point of order, I believe that if the Hon. Member were to go back and check the "blues" she would find that I at no time used the word "integrity". If I did, then I would be prepared to withdraw it.

Mr. Speaker: Order, please. The Chair will review the "blues". There will be an appropriate time to raise this matter on Tuesday, which is our next sitting day after today. It might help if the Hon. Member who raised the issue and the Minister had a short talk about the facts. In any event, there will be an opportunity to deal with it on Tuesday.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF EXTRACTS OF MINUTES OF MEETINGS OF COMMISSIONERS OF INTERNAL ECONOMY

Mr. Speaker: Pursuant to Standing Order 120(1) I have the honour to lay upon the Table extracts from minutes of meetings of the Commissioners of Internal Economy for the period November 22, 1984, to June 26, 1985, and extracts of the minutes of meetings of the Board of Internal Economy for the period October 2, 1985, to June 18, 1986.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF FIRST REPORT OF STRIKING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to table the first report of the striking committee.

With leave of the House, I intend to move for concurrence in this report later this day.

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

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PETITIONS

POSSIBLE CLOSURE OF CN SHOPS—MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to present some petitions about the situation at the CN workshops in Moncton. These petitions

come from residents of Dieppe, Petitcodiac, Moncton, Riverglade, Scoudouc, Salisbury and Grande-Digue.

[*English*]

The petitioners humbly pray that this honourable House be pleased to instruct the Government to postpone a decision to close the CN Shops until the workers have had an opportunity to appear before the Transport Committee of the House of Commons.

REQUEST TO END LOW-LEVEL FLIGHT TRAINING—GOOSE BAY

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of residents of Canada who object to the low-level flight training of NATO pilots at Goose Bay because it disrupts the local traditional life and is an aggressive war-fighting technique. They call upon Parliament to ensure that the Prime Minister (Mr. Mulroney) will end the low-level flight training there and cease negotiating to have a NATO base established there for that purpose.

* * *

POINT OF ORDER

ALLEGED IMPUGNMENT OF MEMBER'S INTEGRITY—CORRECTION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order. I raised a point of order earlier arising from today's Question Period. I would like to correct my earlier statement on the record.

In my earlier statement I suggested that the Deputy Prime Minister (Mr. Mazankowski) accused the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) of a question of integrity. Indeed, it was a question of credibility and not a question of integrity. I would like the record to show that.

Some Hon. Members: Hear, hear!

DECORUM IN THE HOUSE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, since we are into the matter of decorum in the House, and since there has been some discussion on it, I would like to remind all Hon. Members, and in particular the Hon. Member for Hamilton East (Ms. Copps), that when a Member crosses the floor from one side to the other the normal practice is to defer to the Speaker in the passage back and forth. I think that perhaps the Hon. Member forgot to do that. However, I am sure she would like to be reminded of it.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I did bow, perhaps not at the right angle, but I definitely bowed.

Mr. Speaker: I want to assure all Hon. Members that I saw the Hon. Member bow.

[*Translation*]

AN ACT DECLARING THE NATIONAL CAPITAL REGION AS THE SEAT OF GOVERNMENT OF CANADA

DECLARATORY MEASURE

Mrs. Claudy Mailly (Gatineau) moved for leave to introduce Bill C-218, an Act declaring the National Capital Region as the Seat of Government of Canada.

Mr. Speaker: Does the Hon. Member have leave to introduce this Bill?

Some Hon. Members: Explain.

Mrs. Mailly: Mr. Speaker, this first Bill deals with our National Capital. It declares the National Capital Region as the seat of government of Canada. It changes the name given to our capital in the 19th century. From now on, the capital should be known under the names of Ottawa and the Outaouais. The Bill also asks that the territory of the region extend on both shores of the Ottawa River in Quebec and Ontario.

Mr. Speaker: Does it please the House to adopt the motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall this Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

Mrs. Mailly: Mr. Speaker, I have two Bills. The second amends the National Capital Act. I would also like this Bill to receive first reading.

* * *

NATIONAL CAPITAL ACT

MEASURE TO AMEND

Mrs. Claudy Mailly (Gatineau) moved for leave to introduce Bill C-219, an Act to amend the National Capital Act.

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

Some Hon. Members: Explain.

Mrs. Mailly: This second Bill also relates to the National Capital of our country. It would amend the National Capital Act so that the municipality of Gatineau would have one commissioner, which would raise to three the number of

Outaouais representatives, including one from Hull and the other for another Outaouais municipality.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read for the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1220)

[*English*]

PATENT ACT

MEASURE TO AMEND

Mr. Lorne Nystrom (Yorkton—Melville) moved for leave to introduce Bill C-220, an Act to amend the Patent Act, generic farm chemicals.

He said: Mr. Speaker, I want to introduce a Bill to amend the Patent Act regarding generic farm chemicals. This would in fact reduce the monopoly that farm chemical companies now have from a 17-year patent to a four-year patent. This would open up competition for ordinary Canadians to produce chemicals such as Roundup which are now produced by Monsanto at great expense to the farmers. It is patterned on the generic pharmaceutical Bill which was passed in Canada many, many years ago and which gave great benefit to the Canadian consumer.

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

Some Hon. Members: Agreed.

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

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved for leave to introduce Bill C-11, an Act to amend the Income Tax Act.

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

Some Hon. Members: Agreed.

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

* * *

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ENACT

Mr. Lorne Nystrom (Yorkton—Melville) moved for leave to introduce Bill C-221, an Act respecting parity prices for farm products.

He said: Mr. Speaker, I want to present a Bill on parity pricing for farm products. The purpose of the Bill is to provide farmers with a guarantee for the products they produce that will be based on the cost of production and a decent profit for the work they are putting into producing food for Canada and the rest of the world.

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

Some Hon. Members: Agreed.

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

* * *

CANADA-ALASKA BOUNDARY ACT

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved for leave to introduce Bill C-222, an Act respecting the international boundary between Canada and the State of Alaska.

He said: Mr. Speaker, I am pleased to put this Bill before the House once again. It almost made it through to a vote during the last Session.

My concern in reintroducing this Bill is that the Government of Canada seems to be drifting toward a negotiation with the United States on this sovereign boundary between Canada and the State of Alaska and only a vote in the House endorsing into law our boundary at 54-40 will set the stage for fair discussions on our offshore boundaries.

I am pleased to bring the Bill forward again. It is endorsed by many Canadians and is supported by the 1825 Sino-British Treaty, the 1867 treaty following the purchase of the State of Alaska by the United States and by the Hay-Herbert Treaty of 1903 plus a number of cabinet orders and Orders in Council proposing that this boundary be our sovereign boundary. A vote by this House would entrench that for all time to come.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I should like to know from the Chair whether the date of the draw usually held at the beginning of a session will be chosen within a few days. Could the House be informed? Could Hon. Members know when the Chair will proceed with the draw concerning Private Members' Bills and motions—Members . . . Liberal Members, at least, are interested and often ask me when the draw will take place. I wonder whether a date has been set.

Mr. Speaker: I believe it will take place on October 21.

• (1230)

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, October 9, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the Session; and of the amendment of Mr. Cassidy (p.227).

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I consider it an honour to participate in the debate on the Address in Reply to the Speech from the Throne. It is a pleasure for me as Minister of the Environment, especially because, for the first time since 1973 the Throne Speech not only mentions but, indeed, stresses environmental concerns. In fact, it deals with every facet of my mandate as Minister, from the built heritage to national parks, to environmental protection, through to water policy.

Representing as it does the agenda of the Government in this new session of Parliament, the Throne Speech makes clear that we continue as a Government to be totally committed to protecting the environment and, in particular, to ensuring that Environment Canada has the resources and the clear mandate required to play its vital role.

In the Throne Speech the Government has highlighted a central thought, one well understood by Canadians but I think too long ignored by Governments, that a healthy environment is essential to a sound economy; it is the *sine qua non*. Economic objectives and environmental goals are more than compatible. They are two sides of the same coin.

The past year has been for me a lesson in how myths take root and flourish, often without the benefit of even a seed of truth. No myth has been stronger and more groundless than that surrounding the Department of the Environment. If the naysayers and doom merchants in the opposition Parties were given credence, one would believe that the Government had slashed the Department's budget and diminished its clout. As if that nightmarish view were not enough, they say that the Government has a secret agenda to dismantle Environment Canada altogether, distributing its programs and funds among different federal Departments or delegating them to the provinces. Apparently more interested in fantasy than in facts, the opposition Parties have woven the supposed evidence from whole cloth. I will leave the fantasy to the Opposition and deal only with the facts.

First, Environment Canada is alive and well and living everywhere in the country. Indeed, instead of slashing the budget of Environment Canada, the Government has in fact increased it. The budget in the current fiscal year of 1986-87 is $745,349,000, an increase of $18,385,000 over last year. Where are the public servants supposedly slaughtered by the evil Tories on the high altar of budgetary restraint? They, too, are alive and well and working hard and effectively at Environment Canada. In fact, Environment Canada was one of only three Departments in the entire Government of Canada which was enlarged last year.

If the Government is wringing Environment Canada's neck like that of a chicken, I can only quote the immortal words of Sir Winston Churchill, uttered in this very Parliament of Canada almost a half century ago—"some chicken, some neck!"

In any event, those who mourn Environment Canada's alleged demise not only reach the wrong conclusion; they ask the wrong question. The question is not whether Environment Canada is bigger or smaller than it was before. Rather, the question is: In any over-all downsizing of the Government of Canada, is Environment Canada gaining or losing ground? Is it being singled out, as the Opposition would suggest, for particularly harsh treatment while the Government moves to control runaway deficits which are now forcing it to spend one tax dollar in three just to pay the interest on previous borrowings? The emphatic answer is no. Environment Canada is more than holding its own, though to be sure—and I hope the Minister of Finance (Mr. Wilson) will take particular note of this point—at the end of the Government's current mandate Environment Canada will have contributed its fair share of dollars and personnel to the Government's over-all restraint program, which I support 100 per cent.

Nonetheless, the relative size of my Department will remain the same, and it may well get bigger. Thanks to management reforms, especially in the Conservation and Protection Services

and in the regional offices, Environment Canada will be stronger than it has ever been since it was formed in 1971.

Since the Prime Minister (Mr. Mulroney) honoured me by appointing me Minister of the Environment a year ago, the Department and I, with the full co-operation of other Departments and other Ministers, have worked hard to put together a strong package of reforms, including new laws heralded in the Throne Speech itself. Such reforms do not just happen by pushing a button or pulling a lever or some other instrument in a legislative sausage mill. They require planning; they require consultation with affected federal Departments, provincial Governments, industry, labour, and environmental groups; they require lobbying for support within a complex government system; and they require time.

I am amazed by the number of otherwise informed people, including ones across the aisle in the opposition Parties, who, following my appointment expected every manner of environmental problem to be resolved overnight. Yet, many of those problems have bedevilled successive Governments for a generation—from Niagara River pollution, to acid rain, to stalemates on establishing important national parks like South Moresby. I certainly appreciate the sincere impatience of environmentalists as the system appears immoveable on burning issues which require urgent action. Being an environmentalist myself, I share their impatience.

However, progress is being made. By this time next year, the current Government will have accomplished more on a broad range of environmental issues than has ever been accomplished by a federal Government during any previous period. The corner-stone of that record will be the new Environmental Protection Act. For the first time much of the legislative authority of the Environment Minister will be consolidated under one Act, making it easier to integrate his mandate with that of other federal Ministers who share environmental powers. Equally important, a framework will be built within which federal laws can be better integrated with provincial ones. At present, environmental law in Canada involves a crazy quilt of some 22 federal Departments and agencies, 57 different federal statutes, and, yes, even 97 different provincial Acts.

In such a morass the only person who gains is the polluter. The citizen and even Government itself have been at a loss to make sense of the myriad of laws and regulations which are generally so weak they constitute a licence to pollute or are so Draconian they cannot be applied.

The new Environmntal Protection Act is designed to set such matters right. The Act will provide a clear statement of citizens' rights to a healthy environment. It will greatly strengthen sanctions against polluters. It will allow for the better management of toxic chemicals through their full life cycle, from research and development, to production, to marketing and use, through to disposal as waste. It will incorporate a compliance and enforcement regime devised to ensure that the country has more than just a good law on the books. It will have a good law in the courts, in the police stations, and, yes, even in the jails of the country.

The work on this landmark legislation has had the full co-operation of my cabinet colleagues, reflecting the high priority other federal Departments and Ministers attach to environmental protection.

• (1240)

A great deal of work, Sir, has also been done on the National Parks amendments highlighted in the Throne Speech. Not since the Act was passed more than half a century ago, in 1930, has it been reformed in any major fashion. The Government believes strongly that major changes are now overdue, reflecting the increased importance Canadians attach to the natural environment. Urban sprawl needs to be stopped in parks town sites. Heritage values need to be protected in the face of transportation and utility corridor development. Wilderness areas need to be defended against insidious encroachments by commerce. The hand of the state needs to come down heavily on well organized, well financed poachers who are robbing our parks of their very life systems and all of us of our wildlife heritage. The Parks amendments will be ready for first reading in Parliament soon, and I urge the Opposition to give them expeditious passage. Among the amendments, of course, will be one that establishes Canada's thirty-second national park, Ellesmere Island. Three weeks ago, Tagak Curley, Minister of Economic Development and Tourism for the Government of the Northwest Territories, joined me in a signing ceremony on Ellesmere Island itself, the very rooftop of Canada. The park, as you will know, is richly populated by muskoxen, Arctic hare, wolves, caribou and seals, all living among majestic mountain ranges, fiords and glaciers. Canadians have every right to be proud that Ellesmere Island— soon to be part of the country's national park system—exists and that it is ours.

The Government is not content with establishing a park only at Ellesmere Island. We all owe it to our children and to Canadians yet unborn to do even more to complete the total national park system. This past year, enormous progress has been made in establishing a national park in the celebrated South Moresby area of the Queen Charlotte Islands.

Until now, money owed by the federal Government to the Government of British Columbia for Pacific Rim National Park has been the biggest single obstacle to that process. A few days ago, British Columbia environment Minister Austin Pelton and I were able to resolve all remaining financial and boundary issues relating to Pacific Rim. As a result, we have been able to agree to complete negotiations on South Moresby by the end of next year.

Similarly, Ontario's Natural Resources Minister Vince Kerrio and I have reached agreement on all major issues concerning the establishment of a national park in the Bruce Peninsula, a major site that includes rugged bluffs, picturesque nature trails, deer in large supply and birds and flora in great diversity. Just as the Ellesmere Island National Park Reserve

asserts Canadian sovereignty in a part of our country under challenge, South Moresby and the Bruce affirm the commitment of this Government, and the commitment also of other Canadians, to preserving our natural heritage.

The same commitment must be made by Canadians to our built heritage, those cultural properties that express our identity as a people and enrich our national life. As the responsible Minister under a 1982 Cabinet decision, I intend to present to my colleagues, in co-operation with all relevant departments, the most far-reaching set of built heritage preservation proposals ever considered by the Government of Canada. Those are but some of my department's and this Government's plans for the environment in the coming months. I am proud of the agenda.

While the past year has largely been devoted to putting that agenda in place, Environment Canada has been active across a broad spectrum. The Department hosted the North American visit of the World Commission on Environment and Development, the so-called Brundtland Commission, headed by the Prime Minister of Norway. We co-sponsored the International World Conservation Strategy Conference. We produced the $1.5 billion bilateral North American Waterfowl Management Plan. We reached agreement with the United States on the need to reduce toxic chemical loadings in the Niagara River. We are going to work even further to push that program to its logical conclusion so that we will have targets and schedules. We undertook with Ontario a major investigation of contamination in the St. Clair River and reached agreement with Nova Scotia to clean up the worst toxic chemicals disposal sight in eastern Canada, the Sydney Tar Ponds. The Department signed water quality monitoring agreements with Ontario, British Columbia and Newfoundland. We held discussions with the United States, under the leadership of the Prime Minister, on acid rain; and together, in a spirit of neighbourliness, co-operation and international harmony, the president's go-ahead was obtained on work toward a bilateral accord on trans-boundary pollution. There will soon be tough new emission standards for cars and light trucks and new emission standards for heavy duty vehicles. The elimination of lead from gasoline by the end of 1992 will be achieved. My Department published the first ever State of the Environment Report and alerted Canadians to the dangers of misfueling and of tampering with pollution control devices through a massive advertising and public information campaign. Research, information and programs were strengthened concerning weather forecasting, water levels and water quality, wildlife management, environmental contaminants, maintenance of park trails and a host of other activities too numerous to mention in a relatively short speech. The record over the past year, indeed over the past two years, is impressive, Mr. Speaker. What has happened, though, is merely prologue.

Let no one doubt the commitment of this Government to protecting the environment. Here, after all, for the first time in Canadian history is a Government headed by a Prime Minister who has made an environmental issue, acid rain abatement, a top agenda item in two successive summits and one more to come with the President of the United States. The Prime Minister has pledged to continue this work until acid rain is no longer a bilateral issue by virtue of it being resolved by the two countries.

I began by saying that I would leave the myths and the fantasies to others and deal only with the facts. I am proud, Sir, that the facts speak for themselves.

Mr. Caccia: Mr. Speaker, after listening to the Minister of the Environment (Mr. McMillan), I would ask, has he reached a point in his role as Minister in this very important portfolio whereby he and his Government have understood the important economic, central and top priority role that his Department has to play in present circumstances?. Unfortunately, the Minister spent a lot of time chasing shadows and shadow boxing, accusing the Opposition of all sorts of negative statements which, if they exist, can only be traced to the activities of the Minister or of his Government. For instance, the Minister spent a lot of time on negative forecasts by the Opposition on the future of the Department. I have to remind the Minister that it was his own former Deputy Prime Minister who ordered a report which studied the present and future role of the Department of the Environment. That led to all sorts of speculation until that report was published, and even afterward. It is absurd for the Minister to blame the Opposition for action which was initiated by the former Deputy Prime Minister. These speculations and rumours were fed by the Government until we requested a tabling of the report in mid-June. That report was finally made public in mid-August.

• (1250)

In his speech the Minister elaborated on funds and budgets. He has a selective memory on that. He did not say one word about the actions of his predecessor and the cuts inflicted by her on the Department of the Environment. Those cuts are not fully restored even now.

I hope that once the Minister gets rid of the rhetoric and embellishments of which he is so capable he will come to grips with his important responsibility, to utilize his Department as a major instrument for the economic well-being of Canada in the long term. The Minister has not yet addressed this item. I urge him to address it rather than dealing with inconsequential items here and there. The Minister must come to grips with the major and very important environmental function within the economy of the country. We will be satisfied with his speeches in this House at that time and not before.

Will the Minister indicate something which is very unclear in the Speech from the Throne, namely, when the amendments to the National Parks Act will be tabled? These amendments have been ready since the spring of 1984.

Second, when will the Minister move on gasoline taxation in order to bring about desirable pricing policies whereby unleaded gasoline will cost less than leaded for the benefit of

agriculture, forestry and structures which are negatively impacted upon by the emissions from the combustion of leaded gasoline?

Mr. McMillan: Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia), who is the critic on the environment for the Official Opposition, has essentially raised three points. The first has to do with a report commissioned by the Deputy Ministerial Task Force on Program Review. That was one report among two or three done on the Department of the Environment, not to mention many other reports on other Departments but having an impact on the Department of the Environment. Twenty major studies were performed by the task force within the entire federal Government. When the former Deputy Prime Minister tabled most of those reports in the House of Commons, he noted that, together, they weighed approximately 35 pounds and covered every nook and cranny of the federal Government.

I say that to remind the Hon. Member for Davenport that those are only reports. The one on the environment to which he has taken greatest offence is one of several on the environment. There are conflicts in many of them. They are not government policy and are not even necessarily options that the Government is considering. They are recommendations by private sector individuals and public employees concerning options which they hope the Government will consider.

Having said that, the Government's answer to the report to which he has made particular reference is in the Throne Speech. There were references in the Throne Speech to the Environmental Protection Act, to major amendments to the National Parks Act and to a commitment to come forth soon with a water policy for the federal Government and for the country as a whole. Those initiatives, individually and collectively, should put a lie to the speculation and rumours of the doomsters and naysayers against this Department.

Second, the Hon. Member asked about amendments to the National Parks Act. Contrary to what he said, these were not ready in the spring of 1984 and were not ready even in the spring of 1985. They went to the Department of Justice for drafting this past summer. The drafting is now completed, the printing is in process and the translation is well underway. I hope to be able to introduce the amendments in Parliament for first reading within weeks.

On the issue of leaded and unleaded gasoline, I am working hand in glove with the Minister of Energy, Mines and Resources (Mr. Masse) who is in the House today. He is proving to be not only a great Minister of Energy, but also a great environmental Minister of Energy. I am also working with my colleague, the Minister of National Health and Welfare (Mr. Epp), and other Ministers on that issue.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Essex—Windsor (Mr. Langdon) and then the Hon. Member for Western Arctic (Mr. Nickerson) for very short questions or comments in order that the Minister can reply.

Mr. Langdon: Mr. Speaker, in view of your admonition I will cut to the minimum the comments which I wanted to make.

There is a tremendous sense of urgency across the country, and it is particularly strong in my part of the country, with regard to issues like the Detroit incinerator, the flooding which is taking place in Lake St. Clair and Lake Erie, the continued inability to identify the source of the infamous St. Clair blob of last year, the tremendous dioxin ingestion which seems to be taking place in the Great Lakes Basin and, of course, acid rain.

I do not question the Minister with a sense of strong criticism or denigration of his efforts because I think he has been a breath of fresh air after the previous Minister. However, is the Minister not prepared to stand up and admit that he is not satisfied with the attempts to reclaim our environment for people? If he is honest he will say that he is not satisfied. Therefore, how does he envision that we can push ahead with much more urgency to achieve some of the goals that are so crucial to all the people of the country?

Mr. McMillan: Mr. Speaker, I will answer very briefly because I think I have only about 60 seconds. Of course, I am not satisfied. I am not satisfied with the record of all governments or the record of Canada and Canadians. We have to do more and we will do more. We are going to bring in an Environmental Protection Act which will be the most progressive in the western hemisphere. It is going to be backed up with a compliance and enforcement schedule to demonstrate to Canadians that the Government means business when it takes on polluters in all their forms.

The Acting Speaker (Mr. Paproski): I will not see the clock. I will recognize the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Nickerson: Mr. Speaker, my question is supplementary to some of those asked during Question Period dealing with brucellosis.

Canada has been declared a brucellosis-free country, yet the Minister of the Environment knows that brucellosis, as well tuberculosis, is endemic in his herd of buffalo in Wood Buffalo National Park. It would be a danger for domestic cattle if that disease spreads. Could the Minister outline his plans to deal with this persistent and very important problem?

Mr. McMillan: Mr. Speaker, the Hon. Member for Western Arctic (Mr. Nickerson) is right. This is a severe and very persistent problem. My Department has instructed its top scientists to remain on top of the issue and recommend a course of action. We think that before very long we will be able to announce it.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the Chair until two o'clock.

At 1.01 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Dan Heap (Spadina): Mr Speaker, I am very pleased to have a chance to speak in the debate on the Address in reply to the Speech from the Throne. I want to deal with a subject which was reflected in the Throne Speech, the subject of tax reform. Although the speech did not give any details, it spoke about improvement of the economy and the general health of the country. What it neglected to deal with directly, although it did so implicitly, was the growing gap between rich and poor, the growing gap between the rich and the majority. This concerns me as it concerns the majority of the residents of my riding. In that, of course, Spadina riding is not essentially different from other ridings.

In Spadina we have a great many old houses. Some are well-maintained by the hard work of those living in them, and some are falling down because they are owned by absentee landlords. In either case, the people in those houses usually have low incomes. There are some with little better incomes who live in very tiny apartments called bachelorettes. There are a few who live quite comfortably in quite pleasant houses. We also have a great many, several thousand in fact, small businesses, and some of them come and go. In other words, some of the bankruptcy statistics are real human events in the small business world in Spadina. Then we have some very rich and powerful corporations represented in their head offices in the business core of downtown Toronto. Therefore I regret that the Speech from the Throne, while it touched on many aspects of the economy, skipped over the growing gap between the few rich and the many who are not so rich, the many who constitute the majority, whether they be called middle income or poor.

This gap was not invented or created primarily by the present Government. It has been growing for several decades at least. However, this Government has done nothing to reduce the gap. It has even done some things to increase it. This is particularly so when it talks about tax reform, as the Throne Speech does, without giving any specifics. We do not know whether to expect taxation which will redistribute money from the poor to the rich, as is the current pattern, or a reversal to begin to redistribute some of that money from the rich to the poor.

The general result of this policy of redistributing money from the poor to the rich shows up in many ways in our country. For example, the general income level, measured in real dollars, has dropped 3 1/2 per cent in the last five years. This affects the overall figure, but it particularly affects families headed by women. In 1981, 12 per cent of all Canadian families were living in poverty. This increased to 14 1/2 per cent by 1984. Although it has dropped to 13.1 per cent in 1985, my guess is the figure for 1986 will be heading the wrong way again. Single parent female headed families had a poverty rate of 52.8 per cent in 1981, and it is now 60.2 per cent. It is worth noting that the number of children living in poverty has jumped in four years from 16 per cent in 1981 to 20 per cent in 1985. This same pattern also affects young people. Some 42 per cent of young unattached individuals between 15 and 24 years of age were living in poverty conditions in 1980, and it is now almost 48 per cent. I could of course quote individual examples, as could anyone on the other side.

The Government advertised job opportunities for young people, but they have to be between 18 and 24 years of age and be able to put several thousand dollars into a project. In Toronto we know where to find 18-year olds who can ante up several thousand dollars. They are in Rosedale, not Spadina. They are in the north end of Rosedale, not in Cabbagetown or Regent Park. In other words, this is another form of subsidy for the rich or the children of the rich. It does not do very much for the great majority of young people in Spadina, or the rest of Canada.

One of the biggest expenses a person has is for housing. We used to have a standard measure of 25 per cent of income being spent for housing. That is much higher than people in many other countries expect to pay. However, it is now much lower than most people are forced to pay in Canada. It goes to 30 per cent or 35 per cent, often by government regulation through CMHC, and 40 per cent, 50 per cent or 60 per cent in fact in the private market.

In 1985 an average house in Toronto cost $110,000 and average family income was $41,500. With mortgage rates of 13 1/2 per cent, they would need $10,000 a year more in order to buy a house. The fact is that incomes are going down in one way or another for a great many people. There has been a decline in real wages for about the last nine years. That is, the buying power of the weekly wage packet or the monthly salary has declined. There has been a decline in jobs in the better paid fields such as manufacturing and construction. They are often replaced by jobs with much lower wages in such fields as community services, business and personal services. There is a shortening of the hours of work, not usually by choice or with compensation. That is to say, in 1981 the average hours worked were 32 in services but dropped to 27.3 in 1986. If we use constant 1981 dollars, the buying power of the average hourly wage in the service industry has dropped from $7.32 an hour in 1981 to $6.78 an hour in 1986. In manufacturing, reckoning the same way, an hour's work that would have bought $9.15 worth in 1981 will now buy only the equivalent of $8.92. It is lower than it was five years ago.

• (1410)

Wage rates generally are down, again if one reckons them against buying power. In 1981, the hourly wage rate was $11.86 in the better paying jobs. Now it has dropped to $8.92. That is on the wage side. That is what has happened to people who are primarily engaged in private employment. That is what happens to their earings before taxes, but the Government, along with its predecessor, has also been shifting the tax burden away from those who have more money to purchase to

those who have less. We can go back only to 1981 when the then Government reduced the marginal tax rate for people who were earning the higher incomes and saved them a total of $1 billion or $2 billion a year. Of course, it transferred that burden to people earning lower incomes.

In 1982, family benefits and other social benefits were deindexed down to 6 per cent and 5 per cent when the inflation rate was running at twice that. At the same time, the Government renewed tax breaks for investors so that they could invest money and have it protected against inflation.

We jump to 1984, during part of which the present Government took over, and we find that a regressive sales tax, against which the Government preached when in opposition, was adopted as soon as it became Government. That is a tax primarily on the poor and middle-income people.

The next year the Government gave the $500,000 capital gains gift to the wealthiest people, people who earn $70,000 or $80,000 or more a year. Again, the Government increased the sales tax. In 1986, a 5 per cent surtax on upper-income Canadians was replaced by a 3 per cent surtax on all Canadians and another 1 per cent increase in the sales tax.

We have no word in the Throne Speech that any of those injustices will be undone. There is no word that the buying power of the vast majority of Canadians will be in any way restored by reversing those unjust tax changes. Therefore, considering what is not in the Throne Speech, it looks as though we will get more of the same. What we have now is a situation in which a family at the poverty level has lost about $435 per year. When a family at the higher level of $100,000 a year loses $400, that is 0.4 per cent of the income. However, for a family that receives only a couple of thousand dollars a year to live on, it is very serious to lose $400 in this kind of regressive taxation.

The fact is that over the last 35 years, the share of income tax paid by individuals has trebled and the share of income tax paid by corporations has, accordingly, been cut in third. To put it another way, the situation now is that by 1988, when the present legislative tax changes are completed, sales and excise tax increases will have yielded more revenue to the federal Government than the revenue coming from personal and corporate tax increases combined. That is called a policy of soaking the poor.

This has been the unbroken pattern of the Government's policy. There is no hint in the Throne Speech that there will be any change, which is very unfortunate. The fact is that not only are rich individuals being let off without paying taxes, as many thousands are, others who pay taxes sometimes pay less than middle-income people. It is also a fact that there are very large corporations paying no tax at all. The Argus Corporation, in 1985, made $51.7 million profit but paid no tax. Power Corporation paid no tax on $152 million. In 1983 there were 27 non-financial corporations with profits of more than $25 million, each of which paid no tax at all. There were 37 financial corporations that year making $25 million or more each in profit and paying no tax at all.

Some of the very largest corporations in Canada get away with paying no tax in some years. During the last five years, at one time or another, General Motors, Chrysler, Shell, Hudson's Bay, Nova and TransCanada PipeLines Limited all made profits but paid no tax.

We have some of these big corporations in Spadina. Women from Spadine go and clean their offices in the night. Immigrant women leave their children in the evening for five hours to go and clean the offices, usually for the legal minimum wage or perhaps ten cents over that wage. Within a few minutes walk of some of the very richest corporations in Canada, including Cominco, Bell Canada Enterprises, Noranda, Inco, F. W. Woolworth, Mobil Oil, and Canadian General Electric, women living in very poor houses get bottom wages for cleaning the offices of these companies, many of which pay little or no tax, while the women who clean their offices have to subsidize them by their taxes. Perhaps their daughters subsidize them by working in the garment industry on Spadina Avenue.

While this is not mentioned in the Throne Speech, perhaps the intention is to study this question. I would like to see these corporations report to us with a breakdown, year by year, of their tax breaks, according to programs, the amount, geographic location, how much the federal Government has kicked into those companies through tax breaks, how much the Departments and agencies of the federal Government have provided in financial assistance or in the form of grants and contributions and loans in the last 15 years, since this give-away program to the corporate welfare bums was initiated under the Liberal Government. In the case of loans, we would like to know what were the terms of the loans and whether they were repaid or simply quietly forgiven after a couple of years.

If the Government is serious about tax reform and has any real compassion about the four million to six million people living in poverty, according to our statistics, and others who are living close to poverty, it will examine the give-aways to these large corporations and restore income tax on the wealthy individuals of this country. It will restore an effective corporation tax from which corporations cannot be excused because of loopholes, as well as lower taxation on the working people of this country, most of whom do not have the means of finding these loopholes and using them, and the unemployed who are often required to pay tax to subsidize the very companies that dump them on the pogey line.

• (1420)

We heard this morning some very scornful comments about how reliance on pogey—unemployment insurance benefits—is spreading to the west. I think it would be much more to the point to ask where all the money goes which is generated in the west, whether it be from oil, grain, or the railway industry.

Where does all that money go? Why does it not stay in the west?

We should also be asking, where does the money go which is generated in Canada as a whole? We would find that $10 billion or more goes annually to the United States which leaves Canadians $10 billion poorer and some Americans $10 billion richer. When the Government talks about free trade, I hope it will examine those figures and bring them to the attention of the public as well.

The Speech from the Throne was a great disapointment because it did not address the need of the great majority of the people of Canada.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate.

[*Translation*]

Debate. The Minister of Energy, Mines and Resources.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to offer you my sincere congratulations on your election and wish you the very best. We all appreciate our new Speaker's experience, his fairness and I would even add his reputation as a francophile, and we know that these qualities will serve him well during the proceedings in this Chamber. He has our support and our full co-operation.

The Government of which I am privileged to be a Member has set itself the following priorities: social justice, economic renewal, national reconciliation and constructive internationalism, all of which are in perfect harmony with the aspirations of Canadian society.

The Speech from the Throne read by Her Excellency the Governor General is an accurate reflection of the needs, plans and hopes of our society. I will explain subsequently how it also reflects the specific expectations of Quebec.

The wording of the Government's priorities reminded me of a comment taken from a work by the French historian Edgar Quinet, entitled *La Révolution*, and I quote:

> Any philosophy that is limited to the intricacies of economic policy is doomed to fail when faced with the important business of human values.

The Government's plan of action reflects this view which, while considering the demands of the economy, goes on to situate them within the sphere of justice, reconciliation and constructive internationalism. The interdependence between economics and the "grandes affaires humaines", to speak with Quinet, is a concept that is very real to us. We cannot deny the importance of economic factors in connection with culture any more than we can ignore the human dimension in the economy's development.

Mr. Speaker, before I go on to discuss the energy issue, I would like to take this opportunity to thank all those Canadian men and women who were asked and generously agreed to act as chairperson or sit as members on the several task forces I had the privilege of setting up as Minister of Communications.

I also wish to thank members of the support teams and those who made a contribution with their presentations. I must say it was a pleasure to receive their excellent reports. Canada's cultural policies must become part of the dynamics of our society. Let us give our creative and performing artists the recognition of a mature and enlightened nation. For too long, these witnesses of our human condition have been relegated to the fringe of society, while they are in fact its very core.

Let us give our cultural industries the place they deserve. As the link between producer and consumer, they are the instruments that transmit to the world the best we have to offer.

The status of the artist, broadcasting, film, the Arts Centre, museums, financing the arts, these are some of the themes and institutions that attracted our attention. The State has a duty to look and listen and review its policies. That is what this Government is doing and will continue to do for the greater benefit of our national identity.

Mr. Speaker, this is the first time I have risen in the House as Minister of Energy, Mines and Resources, and I see this portfolio as a challenge and as having a vast potential. To a country, energy is the lifeblood of its industry, the means of its mobility and the basis of its well-being. It is therefore a fundamental part of our lives.

The great French author François René de Chateaubriand gave us the following thought in Book IX of his *Mémoires d'outre-tombe*: "In politics, the result is almost never what we expected."

Who could have predicted the dramatic drop in oil prices, one of the major events of the past year? The price collapse has had a drastic impact on oil and gas exploration throughout the industrialized world, and it has forced us to take a second look at the situation and redefine our priorities. It also demanded action on the part of the Government. And we did act to provide a new stimulus for exploration and research. We had already refunded to the companies the taxes imposed by the National Energy Program, but as a result of the accelerating price drop, we had to reduce the tax burden even further, by cutting the Petroleum and Gas Revenue Tax, which was withdrawn altogether last month.

• (1430)

The abolition of the PGRT will give the industry a twofold stimulus. From now on, it will be in a position to increase the capital it needs to finance projects, and key energy projects will become more attractive for investors. Two days ago, Chevron announced a major exploration program at Fort Hope in the Northwest Territories, and mentioned that the abolition of the PGRT was one of its reasons for doing so.

Since, in the long term, it is in the interests of both producers and consumers for the Government to take a market-oriented approach, we also intend to meet our commitment to deregulate the natural gas industry, despite the problems created in

this respect by the drop in oil prices. As the November 1 target date draws closer, I will see to it that we take a truly consistent approach bearing in mind the fact that producers must have ready access to bigger markets, while guaranteeing competitive Canadian prices and adequate supplies for the foreseeable future.

In a series of measures—the Western Accord, the Atlantic Accord, the agreement on gas, the abolition of the PGRT, and our approach to such major projects as Husky's in Lloydminster—we always looked upon the development of our energy resources as a means to unite the country. Among other things, we acknowledge the vital role of the provinces in the implementation of coherent energy policies.

If I may, Mr. Speaker, I might point out in passing that the World Energy Conference ends today in Cannes, France. Earlier this morning, on behalf of Canada and all Canadians, I had the pleasure of extending an invitation to all participants to come to Montreal in 1989 to continue their discussions. More than 3,000 delegates from the world over will then meet to debate world energy issues.

Mr. Speaker, Canada must also be able to benefit from its plentiful mineral resources to sustain its growth. In this respect I have a particular interest in our asbestos industry. The human cost of the sharp decline in this sector over the past decade is unacceptable to this Government. The labour force dropped from 8,000 to 3,000. Five thousand workers lost their jobs, practically all of them in a region located within my riding. Mr. Speaker, I have seen the heartbreaks and sufferings caused by this crisis.

The Government of Canada gives priority to the asbestos issue because, like most countries and international organizations, it believes that the use of asbestos fibres is not only safe but desirable if adequate controls are in place. The European Economic Community shares our views. International Labour Organization officials endorsed this position a little over three years ago despite the fact that they were fully aware that asbestos workers are undoubtedly those who suffered most from the lack of adequate safety standards.

We have made strong representations on the international scene since September 1984, particularly to the American Environmental Protection Agency.

After my recent trip to Washington, Mr. Speaker, the EPA finally gave up under pressure and agreed to review the figures on which its recommendation to ban asbestos was based, figures which I described as being vague, incomplete and contradictory. I have now every reason to hope that the asbestos issue will not end on a sour note.

The asbestos issue, which is so significant for my own constituency, naturally brings me to speak about Quebec. I pointed out in my introduction how much the themes of the inaugural speech seem to correspond to the needs of modern Quebec. Let me explain.

Throughout the years, Quebec has developed, as was its prerogative, one of the best, if not the best social security system in America. Therefore, when the Government of Canada makes, as it has done, a commitment to improve the system for which it is financially and administratively responsible, Quebecers can only approve. When we state that established rights will be maintained, we are assuring Quebecers and all Canadians that we are pursuing our objective of equity. However, as the Prime Minister (Mr. Mulroney) has said, this equity must essentially rely on our collective production of wealth. It is impossible to distribute continuously what we are not producing. In this perspective, the action of the Government has two major thrusts: to slow down the deficit and, at the same time, to stimulate the growth of our collective wealth. In this regard, Mr. Speaker, I would like to mention an important figure.

Since the general election of September 1984, 25 months ago, 120,000 jobs have been created in Quebec alone, for an average of over 4,800 new jobs a month.

The significance of these figures stands out even more if we make a comparison. In the 55-month period before the election, the Liberal Government had created only 41,000 jobs in Quebec. In other words, since 1984, the actions of this Progressive Conservative Government have created three times as many jobs in half the time.

I have no intention to gloat, Mr. Speaker. The Progressive Conservative Government knows better than anyone that there remains a lot to be done in Quebec and elsewhere in Canada.

We are also aware that the time is past when Governments thought they could solve everything by imposing their own will. The Prime Minister described the statement of this Government as a speech of continuity, and he is right. The Government wants to continue and will continue to stimulate the economy by allowing creativity and initiative to find its expression throughout Canada.

There is in Quebec a new generation just as creative as the previous one, but it has other ways to express itself. It is a generation of business women, entrepreneurs, administrators and intellectuals who are developing new relationships between industry and the academic world. This generation has only one message: Let us express our creativity, our taste for invention and our business sense, and we shall give Quebec the economic vitality it was about to lose. This generation does not want to go backward, but forward. It does not want to rehash social or linguistic facts, but to express another kind of vitality. It has said to the State: Thank you very much, we will operate in French, we will preserve our social security schemes, however we are prepared also to assume our responsibilities.

Mr. Speaker, I like to think that one of the first political initiatives of this generation was to end the Liberal era in 1984 and elect a young government which can understand its needs for expression and appreciate its competence.

I wish to pay tribute to the Right Hon. Brian Mulroney, Prime Minister of Canada; born in Quebec, he is the perfect

model of this generation which has achieved maturity, is eager for justice, proud of its mother tongue and open to the world. Quebec is part and parcel of the future of Canada. About to deal with the essential topic of reconciliation between Canada and Quebec, I should like to quote again the Prime Minister who stated in this House exactly one week ago: "Federal-provincial relations are very important. In my judgment, they are the laboratory of a federal state within which great things can happen. Anyone who tells you that he can run this country by issuing directives from 24 Sussex Drive has a very poor understanding of Canada. The easy way is to issue directives. The tough way is to listen to and understand the regions and to respect their point of view." Mr. Speaker, these words are those of a true statesman. They express a lesson of history, namely, that conflicts can only be resolved through confrontation or through co-operation. Between Canada and Quebec, the years before 1984 were those of confrontation. I will not go over that history again, but we all know it, and I was personally involved in it. I will note however that many political careers here in Ottawa have been built on the exploitation of confrontation.

Ever since the Progressive Conservative Party came to power, the Quebec-Canada constitutional issue has progressed more rapidly than over the previous 15 years. That is because this government has chosen the way of co-operation. It is a difficult way which does not foster enthusiasm easily, but it is the only way. Quebecers indeed expressed their will to remain in Canada during the 1980 referendum, but not at any cost. That is what the Liberal Party of Canada has failed to understand. Quebecers will not let anybody impose on them what they refuse. They are proud of their roots. The generation which has come to power and to which I referred a while ago is a generation of serene, lucid men and women who will negotiate hard. It is a generation which rejects the state as a provider of goods, but accepts it as the guardian of liberties; a generation which will not allow the Canadian and Quebec governments to settle this issue in any other way than "honourably and enthusiastically", to quote Brian Mulroney.

The ways of co-operation are not the ways of abandonment but those of intelligence. Quebecers are too politically astute not to recognize a Government that at last accepts their major contribution to the Canadian federation, a Government that supports their international presence because it believes, and rightly so, that Quebec's contribution enhances Canada's status, while Canada's status benefits Quebec.

Quebec will become a signatory to the Canadian Constitution. In 1984, Quebecers rejected a Liberal Government that held them in contempt, but today, they see themselves reflected in a Progressive Conservative Party where their unique strength is represented and their energy, their special characteristics and their expectations are held in high regard. That is what they expect from the Government of Canada and the Prime Minister of Canada and that is what the Government and the Prime Minister are committed to give.

Finally, Mr. Speaker, there will be a new chapter in the history of Canada. After negotiating the Constitution under the Conservative Macdonald-Cartier Government, Quebec was excluded under the Liberals and will now be able to return, its head held high, under Brian Mulroney's Conservative administration.

• (1440)

[*English*]

The Acting Speaker (Mr. Paproski): Questions or comments? If there are no questions or comments, debate.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, when the Speech from the Throne was being read by Her Excellency, the Governor General of Canada, I was absent from Ottawa attending the annual meeting of the Parliamentarians of the Commonwealth, a meeting which this year was held in London, England. That meeting was officially opened by Queen Elizabeth II, who is the head of the Commonwealth, and by Prime Minister Margaret Thatcher whose Government was hosting this year's conference. I wish to advise the House that two of the heaviest items on the agenda at the conference were, first, the continuing, distressing and disturbing question of apartheid in South Africa and, second, the future of the Commonwealth itself.

At the conference, there was an air of confidence that the racist regime in South Africa would eventually collapse. It was also felt that those Governments that had introduced strong economic sanctions were Governments that were helping to bring about the collapse of that white supremacy regime much faster than would otherwise be the case. It was felt that what has happened in southern Rhodesia, which is now the new nation of Zimbabwe and now has a high degree of racial harmony, will in fact also be the pattern in South Africa in time.

Of course, the United Kingdom was somewhat embarrassed by its position on sanctions. Baroness Young made a noble attempt to explain to delegates from all across the Commonwealth that the U.K. position could be justified, but in fact her speech was rather poorly received. It was necessary for no less a personage than the Foreign Minister of the United Kingdom, Sir Geoffrey Howe, to come to the conference to indicate that there was no question at all about the United Kingdom's commitment to the Commonwealth and about the United Kingdom's desire to see apartheid end in South Africa, but that it could not agree with other Commonwealth leaders including Canada that sanctions would be effective.

In speaking at that conference, I was proud to say that Canada's position was unequivocal and strong. Many other delegates from across the Commonwealth praised the leadership of Canada and, as one delegate among the many, that gave me reason for pride in my own country.

I notice that the Speech from the Throne reinforces the commitment of Canada to the Commonwealth and to the ending of apartheid in South Africa. I will quote from the

Speech from the Throne because I think it is important to all Canadians:

> The Commonwealth is central to Canada's efforts to promote, through concerted international action, a process of political dialogue in South Africa aimed at establishing representative government.

It is, I think, almost impossible for reasonable men and women to understand how one could make any sort of a justifiable argument for preventing a majority of the people in a given nation-state from having their say at the ballot box and from being represented in a free Parliament.

Returning to Ottawa after attending this very exhilarating and useful conference, I examined for myself and read very carefully the Speech from the Throne. As Hon. Members might expect, I looked particularly for pertinent references dealing with such questions as aboriginal rights, a new comprehensive native claims policy, Indian self-government and constitutional and political development in northern Canada.

I recognize as do all Hon. Members that not every single thing can be mentioned in a Speech from the Throne. Simply because something is omitted does not necessarily mean that there will be an absence of action. Nevertheless, I think the one single reference to aboriginal rights and the upcoming First Ministers' Conference on that subject scheduled for the spring of 1987 did seem to me to be just a little on the slim side for such a major issue in Canadian public policy.

I have to say that the one reference to aboriginal rights that was made in the Speech from the Throne was undoubtedly an important reference. There is no question about that at all. However, unless I am guilty of a misinterpretation, its phrasing seemed to me to carry with it a certain weariness and a certain frustration with the process of defining and entrenching aboriginal rights in the Constitution of Canada.

The Speech from the Throne mentioned that the question of aboriginal rights is still on the constitutional agenda. It then went on to say that the federal Government will exert every possible effort to bring these discussions to a successful conclusion, but there are the provinces with which to contend. The Speech from the Throne seems to imply that this reality will make life very difficult, indeed.

I have the distinct impression that with respect to its commitment to Indian self-government, to aboriginal rights and to the settlement of native claims, the Government is moving down market. I do hope I am wrong. If I am, I will be the first to admit it and to rejoice in the fact that I am wrong, but I do feel that these issues are sliding down on the scale of national priorities.

The Leader of the Government in the other place has said that we must plan for success, but he made repeated references to the cost of the effects of failure. My fear is that there is a mind-set developing toward the inevitable failure of this next crucial First Ministers' Conference scheduled for the spring of next year.

When I read what was written in the Speech from the Throne, I contrasted that with the election promise made by the Government in 1984. At that time, government Members said that they were going to continue to search for an accord on self-government issues. I found that promise to be strong and unequivocal. Even the Throne Speech of 1984 was stronger in its language. It talked about the need to honour the commitment to Canada's aboriginal peoples contained in the Constitution Act of 1982, and said that for these people, as for all Canadians, the high expectations that attended the act of patriation must not be disappointed. There is a continuing search; high expectations must not be disappointed. Those were things said in the past. The current Speech from the Throne indicates that the question is still on the agenda. There seems to be a kind of weariness about it all. Although some politicians, officials, or Premiers of the provinces may be weary with the topic, it will not go away. It is either this Government or its successor which will have to face up to the reality that there must be a resolution. The resolution must be just, be historically based, and satisfy the expectations which are abounding in the country.

• (1450)

I have not been in the House of Commons all that long, but the issue of Indian self-government and aboriginal rights, in the time you, Sir, and I have been Members of the House of Commons, has moved from a position where it was regarded as being something radical and remote, to a position where it was considered to be ridiculous for a while, and now to a position where it is relevant and a reality.

I should like to spend a few minutes talking about high expectations. Exactly what are the high expectations of Canada's indigenous people? For what will they be looking at the First Ministers Conference which we believe is scheduled for sometime during the month of April, 1987? Let us be very clear. They are looking for an acknowledgement, a right which they believe to be an inherent and unsurrendered right. They are looking to have that right recognized and protected in the Constitution of Canada. There is a very big difference—and it should not escape any of us—between having a right protected and recognized in the Constitution and merely enshrining a principle. I am not opposed to enshrining principles, but if we want reality to flow from constitutional amendment, it must be more than the enshrining of a principle; it must be the recognition and protection of a right which, I repeat, was never surrendered and is inherent.

Beyond that, the discussions at the First Ministers' Conference in the spring of next year must be serious, practical, and detailed in certain specific respects. For example, we cannot any longer avoid facing up to the necessity of an expanded land base for the indigenous people of Canada. I do not want to spend time giving a history lesson to the House of Commons, but it is terribly incongruous that the original inhabitants of the land, those who occupied and used the land in the north, west, east and centre, constitute only 2 per cent of Canada's population today. That 2 per cent of the population has a

certain degree of control over only one-quarter of 1 per cent of the land in Canada. I say only "a certain degree of control" because we know that Indian lands are administered under the authority of the Indian Act and that the Department of Indian Affairs has a great deal to say about how that land is used.

Also we must talk about resources at the upcoming First Ministers' Conference. When the country was explored and then settled, the indigenous people of Canada were the people who controlled wildlife resources and the fishery. It was their livelihood and it gave their lives meaning. Today we have court cases and disputes about control and jurisdiction over wildlife resources and the fishery. Surely Canada is mature enough, and surely there are those people in the country who can provide leadership, so that we can arrange some kind of co-management agreements which will work, and quit engaging in terrible confrontations such as the one we saw in the Province of British Columbia when the federal Department of Fisheries engaged in hand-to-hand combat with native people over the fishery. I felt ashamed to see that on television. We cannot blame the fisheries officers; they are simply carrying out orders based upon a policy made by the central Government. We must talk about those matters and resolve the question of wildlife and fishery resources.

In respect of other resources, there must be a facing up to the reality that the revenues which flow from resource development must be shared in one way or another with the original peoples of Canada. Finally, we must be very practical, serious, and detailed about the legal and financial relationships between the Government of Canada and the native people.

I do not want to repeat the Manitoba situation again because there have been questions about it in the House, but it resulted from an unsatisfactory financial regime between the Government of Canada and the Indian people in that province who were given the responsibility of providing local services.

We require what was contained in the report of the special committee on Indian self-government—nothing other than a new, fresh, workable relationship between the central Government, of which we are a part in one way or another, and the Indian people of Canada, the indigenous people of Canada, the original inhabitants of the country. Surely to goodness we can accomplish that. I think the rest of the world is watching carefully to see whether we can provide leadership in this area. The opportunities are present. If we fail at the next First Ministers Conference, it will be to the lasting shame of our great country.

Let me say that the present policy of Indian self-government devised by the Department of Indian Affairs is totally unacceptable. It is too slow, and it is too restrictive. I should like to refer to the national management plan in respect of self-government to the year 1990. It indicates that from the adoption of the federal Government's present self-government policy to April 1, 1988, a minimum of five Indian bands and Inuit communities are expected to be under the self-government regime. Can we imagine anything moving as slowly as that? If we talk with the Sechelt people of British Columbia, who just yesterday finally had their self-government Bill proclaimed, they will say that that is the pace at which we are moving. What is even more disturbing from the management plan is that up to 1990 we expect a minimum of 20 Indian bands and Inuit communities to be under the self-government regime. At that pace, the Department of Indian Affairs will be with us another 100 years. That is exactly what some of us anticipated when the Department of Indian Affairs embraced the policy of self-government and said that it would make the policy work. It is going to make it work on its terms. It is going to guarantee its own longevity. It is going to be around for a very long time and the pace is going to be as slow as all of that.

• (1500)

The aboriginal peoples of this country are becoming impatient. They want decisive action. Let no one misunderstand what they are seeking to do. In advocating self-government they are not seeking to separate from the rest of us. There is no question of that at all. They are seeking to join Confederation, to become working partners with the rest of us so we can have effective government at all levels. No matter how it is worked out, what the indigenous people of Canada are seeking is to have more control over their own affairs.

In the closing minutes, if I have enough time, permit me perhaps to quote two of the leading spokesmen in the indigenous community who can speak with far more authority on this than I could ever hope to. Dorothy Wabisca, Vice-President of the Native Council of Canada, says:

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

What could be more reasonable than that? Who among us in this House of Commons would want to have every aspect of our lives rigidly controlled by an Act of Parliament? We would be the first to be screaming for emancipation. Yet the indigenous people of Canada live under an authoritarian Act of this House called the Indian Act. It is an intolerable situation. I turn to another leading spokesman, Mr. Georges Erasmus, National Chief of the Assembly of First Nations, who says:

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

I think that says it all, Mr. Speaker. I intend in the course of this session to introduce a resolution which will support what will take place at the First Ministers' Conference. I will be asking all Hon. Members to support that resolution not only by making good speeches but by standing in their places and, when you call the vote, Sir, saying yea and not nay.

Ms. Mitchell: Mr. Speaker, I was interested to hear from the Hon. Member for Cochrane—Superior (Mr. Penner) about the Commonwealth Conference which he attended. I share his pride and agree with the position that Canada has taken regarding apartheid. I would like to ask him about the situation here at home. I know he is interested in native children as well as in native communities. I know that he will share some of the concerns that we have had in the Special

Committee on Child Care. We heard from many representatives of the native community about not having services for native children. Native people want control of child welfare in their communities and they want services to help promote their culture. Children are extremely important to them. They are the future of their communities.

Is the Hon. Member aware of some of the funding problems? I just found out about this situation in British Columbia. There are many many reserves on Vancouver Island, in the northern part of British Columbia and I think the Yukon as well, and only about $45,000 is allocated for community funds. That is the only budget to cover anything on reserves having to do with families, and none of it, I understand, is for child care programs. At the same time the federal Government has been down-sizing the DIA staff and that means some pretty substantial salary moneys going back into the pot, I assume, which money, in my view, should be going to community services under the control of native groups. Does the Hon. Member have any comment to make about that issue and what should be done about it?

Mr. Penner: Mr. Speaker, very briefly, I would like to respond to that very relevant question. At the beginning let me say that I regret that I cannot directly give an answer to British Columbia. What is happening in one province is probably the same as in the other regions of the country with respect to Indian Affairs policy.

The best example on child welfare I can give the Hon. Member is in the Province of Manitoba where a tripartite agreement was arranged between the Government of Manitoba, the federal Government and the Indian leaders of the province. The first agreement was to run for five years. It is just now subject to negotiation and signing for another period of time. The idea was that when the Indian people of Manitoba assumed responsibility for child welfare there was to be a comparable level of service to that provided by the provincial administration.

In Manitoba, the child welfare programs now under the authority of the Indian people of Manitoba have worked extremely well. The goals they set for themselves have been met. They are satisfied with assuming this responsibility. The Province of Manitoba continues to set high standards for child care. The Indian people of Manitoba who have this responsibility find they cannot live up to the provincial standards because the Government here in Ottawa will not provide a comparable level of funding. We have created two situations. We have created two nations. This is where the theme of broken promises is repeated again, again and again. Although the Minister refuses to accept the fact so far that broken promises and broken agreements are the theme right across the country, I think the Assembly of First Nations, the Cree people in the James Bay area of northern Quebec and many other indigenous groups are gathering information which will convince the new Minister of Indian Affairs and Northern Development (Mr. McKnight) that this is the pattern and it is a pattern that has to be broken very quickly.

Mr. Nickerson: Canadian parliamentarians, I am sure, were well represented by the Hon. Member for Cochrane—Superior (Mr. Penner) at the CPA conference in Great Britain. I for one, and I am sure most other Members here today, were pleased with the report that he gave us of that meeting. I have a couple of comments to which I would hope the Hon. Member can reply.

First, dealing with his report saying that Commonwealth members were trying to engineer the collapse of the Government of South Africa, I would hope that he is not a victim of Marxist theory according to which you have to bring a government down, get to a state of anarchy and then kind of build up from there. There are great dangers involved with that revolutionary approach, not the least of which is a possible bloodbath. I would hope that what might be achieved is a smooth transition from a racially restricted Government to one that embraces equal opportunity for members of all races.

This brings me to my second point. I have the honour to represent a constituency where about half the population is of aboriginal decsent and the other half consists of Canadians of descent from all over the world including a fair proportion of recent immigrants. We, meaning the people of the west and Northwest Territories, for 20 years or so gave a great deal of thought and devoted a lot of energy to what might be the best system of government. We, collectively after that hard work and thought, have come up with the proposition that we should not have racially restricted Governments. It should be one person, one vote regardless of the race and everybody can work together for the Government and for the betterment of all people. That is what we want, which seems to go a little bit against what the Hon. Member was saying.

Would the Hon. Member be so kind as to reconcile on the one hand his abhorrence, which I share, with racially restricted Government in South Africa and, on the other hand, his advocacy of what appear to be racially restricted Governments in Canada? We talk about Indian self-government, Government by people of one race, and the establishment of what could well amount to homelands. How can he reconcile those two?

• (1510)

Mr. Penner: Mr. Speaker, that question can be answered very quickly. First, the Member asks about the South African regime. He asks whether we do not want a smooth transition. Certainly we want a smooth transition. All that is necessary is for the present Government in South Africa to pass a Bill which would extend the franchise to all people who live within the boundaries of that nation. All that is necessary is to give the vote to the people.

The Member wants to draw a very spurious analogy between that situation and the advocacy of self-government for Indian people in Canada. If he will take the time to read what no less a knowledgeable person than the Hon. Mr. Berger has written, he will realize that the definition of apartheid is to refuse access. In the advocacy of self-government to give

Indian people control over the matters that affect their day to day lives there is no restriction of any kind to access to the greater society, be it the vote, be it running for public office or any sort of restriction of even the most minute form. To draw a spurious relationship is quite unworthy of the Hon. Member. I know that he knows much better and is just trying to bait me a little bit. I do not mind that at all.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I will recognize the Hon. Member for Montmorency—Orléans (Mrs. Blouin).

[*Translation*]

Mrs. Anne Blouin (Montmorency—Orléans): Mr. Speaker, first of all, I wish to congratulate our new Speaker on being elected to the Chair of this House, and also the Deputy Speaker and Acting Speakers, and assure them of my co-operation.

Mr. Speaker, it is a great privilege for me to rise in the House today in response to the Speech from the Throne. Mr. Speaker, I can assure you that the entire population of the riding of Montmorency—Orléans takes pride in the opportunity I am given today.

Mr. Speaker, I shall, if I may, start my speech with a brief description of my riding and an outline of its history. Subsequently, I intend to comment on the themes of social justice contained in the Speech from the Throne. Northeast of Quebec City, Montmorency—Orléans covers an area of nearly 2,969 square kilometers. Its south side borders on the St. Lawrence River, while its northern limits go as far as the Parc des Laurentides. To the east, it has always entertained harmonious relations with its neighbour, the riding of Charlevoix.

Seventy per cent of the riding's 90,000 people live in the urban area of Beauport. As the economic focus of the riding, Beauport has many small- and medium-sized businesses, mainly in the services sector.

Agriculture is an integral part of life in this riding. Most arable land is found on the Île d'Orléans and along the Beaupré shore. The farmers in Montmorency—Orléans are knowledgeable and skilled, proud of their often ancestral properties, while they have no hesitation in using the latest technology to upgrade their production capacity in various agricultural sectors.

Mr. Speaker, Montmorency—Orléans is also a part of our history. With Quebec City, this region can claim to have been the womb of French culture in North America. More recently, the town of Sainte-Anne-de-Beaupré became a famous stop on Pope Jean Paul II's historic pilgrimage on Canadian soil.

Already famous for its pilgrimages, the region also has a wild life reserve, a genuine sanctuary for white geese, whose fame has reached beyond our borders.

As an area that attracts tourism, the riding includes among its many attractions Montmorency Falls, the highest falls in Quebec, and Mont Sainte-Anne, a ski resort of international calibre.

Mr. Speaker, I could not describe this region without evoking the rural charms of the Île d'Orléans. It has been described by poet Félix Leclerc as 40 miles of tranquility, and for farmers of the Côte de Beaupré, its reflection in the St. Lawrence still remains the best of barometers.

Mr. Speaker, the residents of my constituency are warm people, full of originality and aware of the historic and cultural significance of their region.

In the Throne Speech, the Government squarely states its will to improve the quality of life for all Canadians. This Government confirmed its determination to achieve this social objective by stating its desire to make of this country, and I quote: . . . a modern, tolerant and caring nation in which its citizens are secure and prosperous.

Mr. Speaker, Canadian families are not immune to the upheavals and reassessments which typify this period in history. Family members are facing new commitments and, in many cases, a new sharing of parental responsibilities.

In this regard, Mr. Speaker, it is imperative to take concrete action to promote the development of the family unit. As far as the family is concerned, the Government must also become the catalyst for a change in attitudes. In family-related matters, the Government recognizes the obvious expertise of the various groups interested in these issues and listens carefully to all their suggestions. Our Government is responsive to the needs of the Canadian family and will continue to work for its development.

At a time when some people are vainly attempting to discredit our efforts and question our will to honour our commitments, it is my conviction, Mr. Speaker, that we are on the right track.

The Government, in its efforts to maintain the quality of life for our senior citizens, has announced that low-income widows and widowers aged 60 to 64 will now receive a larger part of the spouse allowance, at whatever age their spouse may have deceased. It is important to note here that mostly women will benefit from this.

It is along those lines, with that sense of social responsibility that the Government intends to maintain its support to senior citizens. In that respect, let me recall the changes proposed to the Canada Pension Plan, a package of various improvements including benefit eligibility at 60, higher disability benefits, the extension of the survivor's pension in case of remarriage, and new rules for sharing credits and pensions between spouses.

Who among senior citizens does not benefit from the New Horizons Program? This is a program that enables them to carry on community-oriented projects which they have themselves designed and managed. This Government has not forgotten that those people are the very foundation of our society.

Mr. Speaker, I would like to mention to the House a subject which understandably is of a particular concern to me, the status of women.

When they come to Parliament, women of course are entering a place that has been largely permeated with exclusively masculine values. But today, they help change the rules of the game. Men and women understand that diversity is a source of enrichment for Parliament and a sure factor of true democracy.

This Government has shown how serious its commitments were with respect to the economic and social development of women. The labour market now includes 347,000 more women than in September 1984, while the unemployment rate has declined by 2.4 points.

Let me stress here, Mr. Speaker, some achievements directly linked with the subject at hand. Better job and training opportunities; employment equity in jobs under federal jurisdiction; a new divorce act; improved pensions for women; increase in women appointments, and the forthcoming publication, next November, of the report on child care by a parliamentary task force.

Over the past two years, Mr. Speaker, the status of women has greatly improved, but much remains to be done. Aware of their difficulties, concerns and rights, I will watch very closely how the issues of particular interest to them will progress.

We must assume a great social responsibility towards the emergence of the various social realities among women. Mr. Speaker, we will pursue with determination the objectives which we have set up in order to guarantee women a decent future.

I was delighted to read in the Speech of the Throne, that the Government intends to intensify its fight against the harmful effects of pornography, a major factor which contributes to violence against women and children.

When a free society wishes to assess itself, it is brought naturally to wonder how its citizens should behave and what limits there should be to their free expression. There are no easy answers to these two questions, but only in trying to delineate the elements of a possible answer can we possibly define our freedoms and responsibilities.

Again, Mr. Speaker, our Government has a major role to play. With the assistance of the various people concerned, it is necessary, even imperative, to convince Canadians to tackle the roots of this problem and to remedy the situation.

The same applies to violence against women; even though it is not new, this problem concerns all of us and its solution depends upon our collective efforts. It is a complex issue which necessitates co-operation and understanding in the steps to come. But we simply cannot afford to wait much longer to find solutions to this problem which, in a modern society such as ours, is troubling, not to say embarrassing.

Since our election, Mr. Speaker, we spared no time and energy to improve the condition of our young people. Our efforts have been rewarded and we have made remarkable progress in the past two years. From 18.4 per cent on election day, the youth unemployment rate has now dropped to 15 per cent. The number of jobs for young people has increased considerably during the same period. Lastly, the programs launched by this Government to promote student employment have led to a sharp increase in the number of summer jobs for students.

Much remains to be done, Mr. Speaker, and this is why the Speech from the Throne advocates better opportunities for young Canadian men and women. As indicated in the Speech from the Throne, the Government is firmly resolved to pave the way for closer co-operation between the federal administration, the provinces and the private sector to improve employment opportunities for young people so they will take a more active part in productive and challenging endeavours.

The Speech from the Throne also highlights our commitment to promote small business and private initiative, especially through new projects designed to instill a genuine spirit of entrepreneurship in young Canadians.

The quality of post-secondary education also ranks high on the agenda of the Government. To help meet the challenges facing higher education, the Government will propose a national forum on post-secondary education, to be held early next year.

During the first session our Government introduced Bill C-18 which was given third reading by the House. Since this Criminal Code amendment became law, there has been a sharp decline in cases of impaired driving which, as we know, is the main cause of highway accidents. Penalties are much stiffer and many drivers think twice before getting behind the wheel. The 1985 Christmas highway toll was the lowest in many years.

In the Speech from the Throne, Mr. Speaker, the Government is again committed to support the prevention of drug and alcohol abuse. The Government has indicated its firm intention to implement strong measures against the serious threat of widespread trafficking in hard drugs. To prevent drug and alcohol abuse, the Government will propose a national strategy to fight against drugs, and a comprehensive action program to reduce impaired driving. The Government will continue to campaign in Canada and elsewhere to put a stop to the use of drugs by amateur athletes.

On the international level, the major supplier countries keep producing large quantities of drugs. On the national level, there is no indication that drugs are less available. The overall value of drugs seized by Customs Canada exceeds $244 million, a 142 per cent increase over the estimated value for 1984. Total drug seizures made by Customs Canada increased 10 per cent over the previous year.

It must be noted that drug seizures by Canadian Customs over the first six months of 1986 are higher than those recorded during the whole of 1985. At the end of June 1986, the value of drug seizures totalled $334.6 million, some $100 million more than the total for 1985. The report on drug

seizures for 1985 shows an increase in the number of cocaine and heroin seizures and also in the quantity of those drugs that were intercepted, but heroin accounts for the major part of the increase. I am convinced, Mr. Speaker, that no one can remain indifferent in the face of those figures. I am therefore convinced the measures the Government will be proposing to control hard drug abuse will meet with unanimous approval.

Mr. Speaker, I am pleased to have had an opportunity to comment on some aspects of the Throne Speech that deal more specially with social justice. That Speech assures the Canadian people of our constant commitment to improve their well-being. Under the guidance and leadership of this Progressive Conservative Government, our country will experience physical, moral, intellectual and cultural growth. Many are the fields of interest in which Canadian men and women can come forward with new ideas to strenghten our development, in an atmosphere of peace and serenity. That progress, Mr. Speaker, is further evidence of the qualities of our Canadian people and their firm intention to participate fully in the development and strenghtening of the nation.

The Acting Speaker (Mr. Paproski): Questions, comments. Debate. The Hon. Member for Prince Albert.

• (1520)

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak about the Speech from the Throne. We have had this particular majority Government for two years and it is now, to some extent, taking on the appearance of its predecessor. Members opposite, while they may have the majority of seats in this House, should remember that only 50 per cent of the people voted for them and a good portion of that vote has crumbled away. The arrogance of the majority is showing through more and more. The Government needs to remember that the essence of democracy is the consent of the governed. If you do not have that consent, your mandate is tentative. After two years, I suggest that the mandate of this Government is tentative only. It no longer has a majority of the voters supporting it.

Given the need to do something about that crumbling mandate, the Government brought forward the Speech from the Throne. It was, I suppose, an attempt by the Government to put a new mask on an old face. The Speech from the Throne was supposed to be the manifestation of that new face which it hoped the people of the country would recognize. Unfortunately, its mask is a little thin and in the short time since prorogation and the Speech from the Throne, it appears that the old face is increasingly showing through. Ordinary Canadians recognize the old face of the Government as that of a government which concerns itself particularly with the protection of the privileged in every way possible.

When we consider the past two-year record of the Government, we think of patronage appointments, support of corporate power in the banks and of industrial giants, attacks on the universality of our social structure, bail-outs of industrial and financial institutions. It has been a Government that gave the edge to the privileged while the underprivileged were expected to make their own way.

It is very interesting to note that even in its attempt to show a new face in the Speech from the Throne, many of the items that were brought forward in this Speech from the Throne can be directly related to the 1984 Speech from the Throne.

• (1530)

Let me give a few examples, of which there are many. In 1984 the Government suggested that it needed to defend and strengthen the Canadian family. In the two years since it took office it slashed the family allowance and made a strong attempt to change pensions. It has consistently attacked universality. The Government has done many things to weaken the family structure, but in the current Speech from the Throne it stated that the Canadian family is the cornerstone which the Government will support and strengthen. The Throne Speech indicates it will go on strengthening the Canadian family, yet for two years the Government attempted to weaken it.

In the 1984 Speech from the Throne, the Government said it would make the tax system simpler and fairer. Direct taxes have trebled since then and the income tax structure has been made much more complex in the last two years with the addition of more loopholes for the privileged so that they may make more money and pay less taxes. In 1986, the Government again claims that it will make the tax system simpler and more comprehensive.

In the 1984 Speech from the Throne, the Government said that accessible and affordable child care was needed. It did nothing except to establish Study No. 3, which was supposed to make recommendations about what the Government should do in this particular area. In its 1986 Speech from the Throne, the Government said that adequate quality must be made available in child care.

In 1984, the Government said in its Speech from the Throne that legislation to control pornography will be brought forward. While the Government introduced such legislation, it was almost a bust and created a great deal of concern. In its 1986 Speech from the Throne, the Government suggests that it will take effective action, and let us hope that it does.

In 1984, the Government stated that the Constitution would be incomplete without Quebec. In its 1986 Speech from the Throne, the Government stated it would do its utmost to make Quebec a full partner in the Constitution.

I believe these examples suggest that the Government's old face has not been entirely covered and shows through even in the wording in the Speech from the Throne.

Furthermore, the Speech from the Throne illustrates the Government's propensity to conduct studies. For instance, it will study agriculture at the economic summit and GATT talks. It will conduct a national forum on education, an

advisory board and strategy board on scientific research, as well as a space agency. If a Government does not want to take action, the best way to guarantee that there is no action is to send these matters to another committee for another study. In this way the Government will not have to take action in these areas for the next two years.

The Government did not mention the question of agriculture in 1984, yet, in 1986, it was the first item in the Speech from the Throne. I congratulate the Government for that because we must not neglect agriculture. However, this first item in the Government's Throne Speech shows the thinness of the mask over the Government's old face. While agriculture should hold a position of great importance in our economy, it is facing the most problems at this time. The agricultural sector provides our country with approximately 50 per cent of our foreign exchange, yet it has the most need for quick action. It became quite obvious to the House, Canadians, farmers and people in many other countries that as a result of the United States Farm Bill, the farm economy in Canada, particularly in grain production, would be in trouble because that Bill would push the prices down. The farm groups knew this and came to us saying that something should be done.

Not only were we in the Opposition aware of these problems, the Government knew of them as well. On March 21, after the Prime Minister's (Mr. Mulroney) visit to President Reagan, he stated in response to my question that they recognized there was a problem with the Farm Bill. Incidentally, that Bill was passed on December 27, 1985, and there was no doubt since then that we were going to have problems with the price of grain across Canada. The Minister stated at that time that they recognized the problems and would give it the highest priority. That was eight months ago. The Prime Minister's response to my question was in March, also several months ago.

• (1540)

I think the farm community has the right to ask why no action has been taken. Why was there not a plan in place? Why do they yet not know what is going to be done to assist them to survive? The United States Government had in place in the passing of the Farm Bill a structure which gave the farmers of the United States more than $6 Canadian a bushel for wheat. They knew last December that when they planted grain this spring they would get that amount for their grain in the fall. We knew when we planted our grain this spring we were likely to receive $2.50 or $3 Canadian a bushel, half of the guaranteed U.S. price.

The farmers of Europe, who in the last few years, are producing a considerable amount of grain, wheat, canola or rapeseed, as it is called, before they plant their crop, they know what they are going to receive for it. I recognize that some of the problems of overproduction in Europe are directly related to that policy, but we should be able to learn from that policy and put in place some kind of structure in Canada which would allow the farmers to survive, still be productive and contribute to the economy.

The farmers should be asking, as they are, why was a plan not in place? Compare that with the weekend decision to bail out the bank which was in trouble. On Friday night the bank was in trouble. The announcement was made on Tuesday afternoon that the Government would provide for the two banks what amounted in the end to over $1 billion. Compare that also to the action taken by previous Governments as well as this Government for large corporations such as Massey-Ferguson and the Chrysler Corporation for loan guarantees. Not only did the U.S. Farm Bill guarantee that we are going to receive a very low price for our grain but almost at the same time the U.S. put in place the BISEP Program which subsidized the export of U.S. grain.

We can argue the pros and cons of why it was done. The suggestion is that it was done to save the markets the U.S. felt it was losing in various parts of the world to the European community. That is probably so, but it did happen to the extent that a ton of wheat, which costs approximately $200 to produce in Canada, was being delivered to countries such as Egypt and Algeria for approximately $100 Canadian. In other words, to work in that market, we would have had to sell the grain at half the cost of production. That is a problem which the Government had to face. I appreciate the effort made by the Minister responsible for the Wheat Board in trying to get the rest of the wheat producers of the world, the U.S. and the European Common Market, to recognize the fallacy of their policy. I have assisted wherever possible to get the word out that something needs to be done about the syndrome of subsidies to farm grains.

In the end, what was important was some kind of action which would make it possible for the farmers to survive. Right at the moment in western Canada—and I cannot speak for the rest of the country, but I think it is not that far different—approximately 25 per cent of the farmers who raise grain and depend on the sale of grain for their incomes are in a position where, at the price which is presently being paid for grain, they will not survive another year. Take away 25 per cent of the farmers and you make a big hole in the farm community and the effective rural economy of the Prairies.

The Prime Minister and the Minister of Agriculture (Mr. Wise) in the Speech from the Throne, and after the Speech, suggested they were going to take certain action. I suggest their action is too little and too late. The suggested amount of $1 billion is less than would be necessary to bring the price of wheat and barley in the prairie provinces only up to the lowest price paid in the United States, or up to the cost of production. It is not even enough to do that. The amount being suggested of $1 billion is to be divided by the graingrowers right across Canada. And that is right. The $1 billion, or whatever the Government decides is going to be given, should be divided on the basis of all those people producing grains and affected by the reduction in the price. But it is, as I said, too little and too late.

Members of the farm community in the United States and in Europe have had the comfort of knowing that what they produced was going to bring back at least the cost of production. The farmers in Canada, in all provinces, have not had that comfort. The comfort which has been extended to them, which was that we will pay for their transition in getting out of farming, has been of much less comfort than could have been expected.

Therefore, I suggest that the Speech from the Throne, contained a lot of nice words, a lot of words which should make us think we are going in the right direction, but those words are a mask which covers the face of a Government which does not yet recognize that all the people are its responsibility, that the farmers who are suffering now, the underprivileged, should also be part of it. The attempt to show a more caring face is not really coming through. The old mask of the Party for the privileged is showing more often than it should.

Mr. Boudria: Mr. Speaker, I would like to begin by congratulating the Hon. Member for Prince Albert (Mr. Hovdebo) for his excellent speech. I have had the pleasure of working on the Committee on Agriculture with the Hon. Member and he is obviously very knowledgeable about these topics. I just wanted to make a brief comment and ask the Hon. Member to respond. It has to do with the U.S. Farm Bill.

Together with other Hon. Members of the House I had the opportunity to go to Washington earlier this year in order to have a three-day briefing on the U.S. Farm Bill. Quite apart from the fact that it is a disastrous piece of legislation in terms of what it will do to Canadian agriculture, $70 billion U.S. in subsidies, which is $100 billion Canadian, is aimed directly at competing against our agricultural commodities. When we came out of our briefings in Washington we had meetings with our Embassy people. I asked our Embassy people the following questions. What kind of lobby did we put together to ensure that this type of legislation would not pass? What attempts did we make in order to have the legislation amended which, in turn, would reduce the serious effects that it would cause Canadian agriculture? More specifically, I asked whom we had hired to lobby on our behalf.

• (1550)

As all Hon. Members know, we hired Mr. Deaver to lobby on acid rain, despite the fact that he was apparently a controversial individual. However, he did an effective lobbying job, or at least he was seen as being effective. I was told that we did not hire anyone to perform a lobbying function and that, in fact, whatever lobbying was done was done by a few staff members at our Washington Embassy. That was the response to what I consider to be one of the most offensive pieces of legislation to Canadian agriculture passed by any country on the face of the globe. We did not even retaliate or attempt to influence the legislation other than by having one or two people at our Embassy make a few phone calls, or whatever else they did.

Will the Hon. Member respond to my comments? As far as I can see, this issue is an important and fundamental one. Perhaps if we had made a better effort we could have had some impact with respect to lessening the bad side-effects of the legislation.

Mr. Hovdebo: Mr. Speaker, I thank the Hon. Member for his question and for his comment. I think that he has answered his own question in that we know what was done and what was not done in order to have some effect on the legislation.

The Hon. Member pointed out one of the factors which not only we in Canada but those in the world community dependent on trade need to consider. I refer to the ideology which allowed, suggested, or even pushed the U.S. Congress to pass such legislation even when it knew it would have some effect on the economies of the world, not only the Canadian economy but the economies of many other countries. I refer to countries such as Zambia, for instance, which was affected by the Farm Bill. Zambia can no longer sell the peanuts which it produces. Peanuts are also being dumped on the world market at lower prices. The legislation affects the Third World as well as countries such as Canada.

It is absolutely necessary to change the ideology of trade. It is no longer any good to do what must be done at the expense of whoever happens to be in the road. That is the philosophy on which the Farm Bill was constructed. Unfortunately, such a move affects not only us Canadians but most primary producers in the world.

Mr. Brightwell: Mr. Speaker, I always listen closely to the remarks of the Hon. Member for Prince Albert (Mr. Hovdebo). I noted a variety of subjects that he discussed today. I took particular note of his statement with regard to agriculture. He said that French farmers knew, when they planted their crops, what they would receive. He said the same with respect to American farmers. I suggest to the Hon. Member that perhaps in Canada farmers know what they will receive when they plant their crops. We have agriculture stabilization legislation which allows for a payment of some 90 per cent of the five-year average price for crops. Thus, I believe Canadian farmers know what they will receive for their crops.

I also wish to bring up another point. I believe the Hon. Member is sitting too close to members of the Official Opposition. He is becoming affected by their rhetoric, especially that of the Hon. Member for Montréal—Saint-Marie (Mr. Malépart) and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who both take off on flights of fancy every once in a while.

The Hon. Member said that we bailed out the banks. Of course we did not bail out the banks; we bailed out the investors. The Hon. Member said that pornography legislation is of great concern. There was a bit of a play on words in his remarks. He said that the pornography legislation was a bust.

The Hon. Member discussed the area of the family allowance. He said that we have not allowed the family allowance to

grow as fast as the rate of inflation. With such a low rate of inflation I do not know how he can go so far as to say that we slashed the family allowance. Those are my comments.

Mr. Hovdebo: Mr. Speaker, I will deal first with the subject of the family allowance since that was the Hon. Member's last point. I know what the Government did to the family allowance. I know that the payments did not go down, and I accept that. However, they are now less than they would have been if the Government had allowed the law which was in place to stay in place. What is the difference if the price of bread goes up and a person dependent on the family allowance to buy food for the family does not receive an increase in his or her family allowance? There is no difference between the family allowance not being increased and buying bread that costs more. I am suggesting that what the Government did is the same as cutting the family allowance. The rhetoric that is used to defend the move is just that. It is rhetoric that affects poor families in the same way as if their family allowances had been cut.

As far as agriculture is concerned, we need a global policy on agriculture. The Government seems incapable of looking at agriculture as a whole. Stabilization policies are the taking over of problems that do not solve the problems concerning farm economies.

Mr. Hawkes: Mr. Speaker, I would feel more comfortable with the remarks of the Hon. Member for Prince Albert (Mr. Hovdebo) if he had mentioned the child tax credit and its delivery to the poorest sector of the Canadian economy when he talked about family allowance. The two matters are tied together. I am comfortable with our Government's attempts to provide money to those who need it most in our society, particularly when we spend so much on the interest payments on debt which was run up by the previous Government supported by the New Democratic Party back in 1972-73. They created the problem and we are doing our best to solve it as quickly as we can. We would appreciate a little support in that regard.

Can the Hon. Member tell us how many embassies and consulates we have in the United States? Can he tell us how many Canadians are working on behalf of Canadian agriculture in those embassies and consulates? Is it 100, 200, or 300? I would not want the Hon. Member to leave the impression with the House that we are not putting some resources into our relationship with the Americans in terms of agriculture.

Mr. Hovdebo: Mr. Speaker, I am sure the Hon. Member does not expect me to be able to answer such a detailed question. However, I want to make the point that the child tax credit was taken up as a result of the direct taxes levied at almost the same time. In effect, it was given with one hand and taken away with the other before it could be used to feed those who need it.

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am delighted on behalf of my constituents of Nepean—Carleton to rise in the Chamber this afternoon and to share with you and with my colleagues in the House of Commons some of my concerns and remarks regarding the Speech from the Throne.

If we look back to 1984 when we as a Government delivered our first Speech from the Throne, we find that we had four cornerstones at that time. They were economic renewal, national reconciliation, social justice and constructive internationalism. I think the Government now recognizes, as do most Canadians, that those goals are within our reach. If we as a Government can achieve those goals in the course of our mandate, then we will have done well by Canadians and by our great country. When reading the Speech from the Throne, one always asks oneself, perhaps selfishly at first, how the material in the Speech impacts upon one's constituents. Then, of course, one asks oneself how it impacts upon Canadians.

• (1600)

As I read the Speech from the Throne, and particularly those aspects that relate to environmental protection, programs for veterans, programs that will affect the Canadian family and child care, elevating the importance of volunteerism, establishing our sovereignty in the Arctic, enhancing the National Capital Commission, placing new emphasis on research and on science and technology, placing new emphasis on our post-secondary processes of education and research, and moving through the world with peace and justice as priorities, I found a great deal for my constituents.

You have been in this House for some time, Mr. Speaker. Two of my predecessors, the late Hon. Walter Baker and the Hon. Mr. Bell were colleagues of yours. They served the House with grace, strength and sincerity and with productivity. Prior to them, there were other great parliamentarians representing my riding, including George Drew, the Hon. R. L. Borden and, before him, of course, Sir John A. Macdonald. Over the years since Confederation, my constituency has been very well served in this House. I am proud to be a part of that tradition and a part of the present Government so that I may carry on with enhancing my community and enhancing Canada in some small way.

Going back to the time of Macdonald, the part of Carleton County which includes Nepean—Carleton was then totally an agricultural community. In the days since, it has progressed from an agricultural and bedroom community to a dynamic mixture of rural and urban. Now the riding contains some 135,000 people but, more important, there are about 36,000 people who work in that constituency. There are about 1,900 small companies at work in the riding, the largest of them being that tandem of Bell Northern and Northern Telecom. Those two companies employ between them nearly 5,000 people.

Within the framework of the small business community, there is, in addition to the figures I already mentioned, about 3,200 farm units, about 1,000 of which are operated by full-time farmers. These farms have a gross annual income of about $27 million. Of the farming community, those who are

in the dairy industry are prospering. However, those who are involved in the cash crop business, the grain farmers like those in western Canada to whom my colleague who spoke previously referred, are experiencing all of the same difficulties as those across Canada. I very much welcome those initiatives in the Speech from the Throne that comment upon stabilizing and broadening markets for agricultural products for Canadian farmers. It will impact on my community in a dramatic way.

About 11 out of the 50 largest employers in metropolitan Ottawa are now located in Nepean—Carleton. More surprisingly, of all of the companies, organizations and businesses in metropolitan Ottawa with sales of over $25 million annually, at least one-third are situated in Nepean—Carleton, a community that only a few years ago was an agricultural community or an agricultural and bedroom community.

The community of Nepean—Carleton has grown and prospered over the years. It has prospered because it has had good municipal Government. It has prospered because of the role played by volunteers in that community. It has prospered because of the strong school boards that have been set up both in the public and separate school systems. It has prospered because of its programs for seniors and because of the foresight we had in the area of recreation. That blend of recreational facilities, good Government, good libraries and good homes, all of those things that make the community a comfortable, convenient and enjoyable place to live, have all come together. I am proud to be part of a Government that is working toward enhancing all of the good things that are there in the business world and elsewhere.

One of the areas on which the Throne Speech touched was the National Capital Commission, an organization that has been with us now for many years. That organization is dramatically important to metropolitan Ottawa and to the nation. I have now had the privilege of residing in the greater Ottawa area for 27 years, and as I have watched this community grow, many of the good things that have happened in metropolitan Ottawa over the last years have happened because of the National Capital Commission. I am thinking of the parkways, our remarkable expanses of open land, our green belt, the great festivals we have throughout the year such as Winterlude and the Festival of Spring and the joyous occasions that take place here on what was once Dominion Day and is now Canada Day. All of those have been orchestrated by the National Capital Commission. Those are things that we see in our everyday lives, but there is much that the NCC does that goes unseen including the provision of hard services, roads and other things like that.

Of course, the National Capital Commission is charged with enhancing our national monuments and with having a national presence in this our capital city. In balance, it has done its job well. The National Capital Commission needs to be supported by all of us so that our nation's capital will grow stronger and so that Canadians will become prouder of their capital and will want to come here for holidays, for educational experiences and to see their national heritage. As parliamentarians, we have a responsibility to see that that comes about.

For those of us who live here, who have our homes here and who work and play here, the National Capital Commission touches on our daily lives in a dramatic way.

One of the things I have recognized in recent months, working closely with members of the National Capital Commission, is that within the Commission's mandate is the development of the so-called green belt that mantles the metropolitan community, so the National Capital Commission needs a much stronger policy, a much more refreshing approach to how the farmland in the green belt is developed and enhanced. At the same time, I am concerned that a mechanism has to be found to allow the National Capital Commission to be more accountable to the concerns of the local community.

I hope that we all might give this some thought as we address those principles contained in the Speech from the Throne, principles that will enhance the National Capital Commission and will make it one of our important instruments for the future.

On Wednesday, we heard the Minister of State for Science and Technology (Mr. Oberle) address this Chamber on the actions of the Government over the past two years in the area of research, science and technology. It is a remarkable record, when we stop to think about it. The Government introduced a five-year plan for granting councils. It brought forward support in a unique way for organizations like the Institute of Advanced Studies. It has put into place the Technology Centres Program, a program of which few Canadians are aware, that is starting to pay remarkable dividends for Canada. It introduced our Space Station Program, and it is working with a great deal of enthusiasm to continue our satellite program with the M. Sat and Radarsat program. After all those achievements, the Government included some additional items in the Speech from the Throne. Foremost in all of this was the indication that the Government intended to establish a National Advisory Board for Industrial Technology and industrial technology transfers.

• (1610)

I trust that my colleagues, as well as all Canadians, recognize the impact of that decision. It means that a group of informed Canadians will be brought together as an advisory board. They will be the best minds available in Canada from industry, education, the private sector, and Government. This group will work together, and the meetings will be chaired by the Prime Minister (Mr. Mulroney). For the first time in Canada's parliamentary history, decision and policy-making relative to the significant areas of research and innovation is being brought forward to the Prime Minister's Office, a most significant place in our decision and policy-making role.

Also the Speech from the Throne indicated that Canada and MOSST would be bringing forward a new policy for enhancing science and technology in Canada, especially enhancing strategic technologies. The Minister indicated that he would be bringing forth that strategy to the House within the next four months to five months. We await that strategy with great expectations.

At the same time—and I think it was welcomed by everyone—there was a recognition in the Speech from the Throne of the importance of our secondary and post-secondary school educational programs. We cannot take that approach too seriously. As we look at Canada and at the challenge which lies ahead of us, we will not be able to face those challenges without skilled, trained, and innovative people. Regardless of what we do in the policy sector, if those human resources are not available over the next 10 years to 15 years to compete in an innovative world, we will never succeed. It is important to recognize that this area was highlighted in the Speech from the Throne. We as parliamentarians should welcome it.

I am confident that everyone in this room has given considerable thought to what Canada and North America will be like in the last 10 years of this century and the beginning of the next. Historically this great nation of Canada was built upon our forest products, the products of our oceans, agricultural products, and mineral products.

Those industries have created a great deal of wealth for us. However, as we look to the future, we realize that these industries are all facing difficulties with greater competition in world markets and more productivity in other parts of the world. We will have to work to enhance them. As we think about the Canada of tomorrow, we realize that those industries are important and will always be important to us. They will provide great sources of livelihood and income. We will have to grow in a different area if we are to compete with European countries, the United States, countries such as Brazil and those in the Pacific Rim in the years ahead.

We will probably not be great manufacturers. We will not be prepared to accept the standard of living which other countries might accept to allow them to be great manufacturers of products. We will have to build our future upon a knowledge-intensive society. If that becomes our goal or our requirement, the great institutions which we must strengthen are our universities and colleges in our educational system.

The Speech from the Throne sets the framework for the Canada of tomorrow, and I am delighted that it does.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments? Since there are no questions or comments, I recognize the Hon. Member for Davenport (Mr. Caccia) on debate.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the remaining time this afternoon, I will try to condense a few thoughts flowing from my reaction to reading the Speech from the Throne which set out a sense of direction for the Government of the day.

If we look at the Speech from the Throne wherein it deals with the environment, we find a few paragraphs at the end of the document which contain an assortment of thoughts related to a piece of legislation, an initiative in relation to parks, but nothing comprehensive or all pervasive as the public was expecting from the Government of Canada.

What is happening here is that the Government is dealing with the environment, through the Speech from the Throne, as if it were another activity to which attention must be paid in the same manner as it pays attention to other governmental activities, not with the overriding urgency and comprehensive approach required if we are to protect our waters, air, soil, and our major resources such as our forests and fisheries in such a manner that future generations will be able to benefit.

I will explain what I mean. As a result of the experiences we have witnessed from the impact of acid rain on buildings and other structures and on our fisheries and forests, from dumpsites along the Niagara River which have leeched chemical substances into Lake Ontario, and from industrial activities along the St. Clair River on the Canadian side, we are rapidly reaching a point where we must conclude that inevitably the long-term economic interest of our nation coincides with environmental goals.

In other words, we do not have a choice between the economy on the one hand and the environment on the other. We cannot say that we will be able to do certain environmental things when the economy permits, but we must conclude that our natural resources and other basic resources such as air and water need protection because of economic considerations, not because of idealistic or perhaps sometimes romantic notions. The economic underpinning of this and future generations of Canadian industrialists and entrepreneurs depends upon the way we manage our basic resources today.

I should like to give an example. A couple of weeks ago we read on the front page of one of our national newspapers an article which indicated that our maple forests in the Province of Quebec are suffering from an increased percentage of damage. From year to year, according to the measurements which have been taken, this damage is increasing to the point where sugar-maple tree growers are seeking millions of dollars in compensation from the Government of Canada for the damage they are experiencing because they are downwind of sulphur emissions in the air from non-ferrous smelters in Quebec. Here is classic example of an economy being damaged downwind by industrial activity upwind and resulting from lack of environmental concern over the years.

• (1620)

If that experience were not enough, Mr. Speaker, we need only look across the Altantic to the immense economic damage imposed on some European economies, particularly in the forest industry where there have been discoveries over the last

five years of progressive damage, of lack of growth year by year and of trees dying over the years because of acid precipitation. In Europe the problem is doubled. It is caused in part by air emissions from the burning of fossil fuels and from non-smelter activities and by car emissions. Our situation may differ in degree, but nevertheless we are gradually observing the same symptoms and beginning to measure the same damage in economic terms as the Europeans are at the present time. Therefore, we see not only an inter-relationship, a link between environmental and economic issues, but we begin to discover that actually the economy functions within the environment and the two cannot be seen as separate entities.

I will illustrate this with another example. What the people living along the Niagara River and the people living along the St. Clair River are experiencing is the result of economic activities in preceding decades which have resulted in damage being caused to those water resources, surface water in this case. For example, along the Niagara you cannot drink the water. Canadians living in Niagara-on-the-Lake have to depend on water pumped in from Welland. People living in cities and communities along the St. Clair River are also beginning to depend on water being pumped in from Lake Huron. Here we see serious damage to an economic base that depends on water as a result of industrial activities. The clear conclusion that inevitably one has to make is that if we are not very careful in our conceptual way of organizing our thinking, we are in for some deep trouble in the long term because we will fail to see that the protection of the environment is actually the same as the protection of the economy. The "E" beginning the word environment equals the "E" beginning the word economy. The two in the long term are indistinguishable, but in the short term we seem to think that they are separate. I am putting it this way to warn Members about the potential danger that we will face unless we rectify our thinking in this respect.

Coming back to the Speech from the Throne and to what I mentioned a moment ago, I regret very much that the Government of Canada has not in this document given the environment the top priority that it requires for the reasons I have just outlined, namely, linked to the fact that when we talk about the environment we are really talking about the economy of the nation. The environment has to become the top item on the agenda of any modern Government that wants to protect its economy in the medium and in the long term if not in the short term.

In more detail, when looking at the Speech from the Throne there was one item some of us here had been looking for and which you have heard about several times on different occasions. I am speaking of a measure whereby we would see a change in the taxes applied on the price of gasoline at the pump. You have heard me, Mr. Speaker, urging the Government at the time of the last Budget to ensure that the price of unleaded gasoline, which for several reasons is environmentally friendly and less damaging to human health, is made less expensive than leaded gasoline. Yet this matter is not being tackled by the Government in this Speech from the Throne. If you go to the pump, you have all the incentives possible to misfuel because leaded gasoline is still less expensive, and becoming more so, than unleaded gasoline. While this may seem to be a measure of small impact on the environment, there is conclusive evidence to indicate that a switch to unleaded gasoline on the part of motorists, the trucking industry and any type of vehicle on our streets and highways is extremely important to reduce the impact of the NOx gases emitted by cars when they use leaded gasoline. Burning leaded gasoline adds to the acid rain problem, which in the long term affects the acidity of the soil and affects our waters. It also has an eroding and a damaging effect on crops, buildings, structures and on the capacity of our forests to maintain the optimum pH level which has been in existence for centuries and which is presently being seriously affected.

The question of changing our fiscal systems in order to modify the price of gasoline at the pump and give unleaded gasoline the lower price to make it more attractive to the customer is a matter of great urgency with which this Government has to deal. It is very regrettable and most unfortunate that in this document the Government has not indicated any vision or sense of direction as to what it wants to do. May I call it 4.30 p.m., Mr. Speaker?

• (1630)

The Acting Speaker (Mr. Paproski): It being 4.30 p.m. it is my duty, pursuant to Standing Order 62(4), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment. The question is on the amendment. Mr. Cassidy (Ottawa Centre), seconded by Mr. Riis (Kamloops—Shuswap), moved:

That the following be added to the Address:

"This House regrets that the Government has failed to provide leadership on major issues of social justice affecting average Canadians including the need for action to provide greater protection for battered women, a commitment to legislate pro-rated benefits for part-time workers, the majority of whom are women, a refusal to establish and work towards lower unemployment targets for Canadians, and the failure to pursue a serious tax reform that would eliminate the unfairness, the complexity and the unaccountability of the present system".

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 13(5), a recorded division on the proposed motion stands deferred until six o'clock p.m., Tuesday, October 14, 1986.

It being 4.30 o'clock p.m., this House stands adjourned until Tuesday, October 14, 1986, at 11 o'clock a.m., pursuant to Standing Order 3(1).

I wish each and every one of you a very happy Thanksgiving.

The House adjourned at 4.32 p.m.

HOUSE OF COMMONS

Tuesday, October 14, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved for leave to introduce Bill C-223, an Act to amend the Official Languages Act (primacy of the Act).

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

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I am pleased to have this opportunity to introduce this legislation once again. I have done so a number of times before, but this time I am very optimistic, because the Government has made a commitment to review the Act. As the House is aware, the purpose of this Bill is to affirm the primacy of bilingualism, as defined in Section 2 of the Official Languages Act, over any other Acts and regulations of Parliament and the Government of Canada.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA PETROLEUM RESOURCES ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-5, An Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, as reported (with amendments) from a Legislative Committee.

Mr. Speaker: There are 19 report stage motions on today's Notice Paper in amendment to Bill C-5, an Act to regulate the interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act.

Motions Nos. 1 and 2 will be grouped for debate. A vote on Motion No. 1 will also apply to Motion No. 2. Motions Nos. 3, 4, 14 and 15, all deal with the land claims of aboriginal peoples and therefore will be grouped for debate and voted on separately.

Motion No. 3A, in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell), seeks to introduce a new concept, namely, that pending negotiations on aboriginal claims would be a reason to prohibit the commencement of or continuing of any work or activity by an interest owner. This was not contemplated by the Bill as read a second time. It is beyond the scope of the Bill. I refer the Hon. Member to Citation 773(1) of Beauchesne's Fifth Edition. I must therefore rule the motion out of order.

• (1110)

Motions Nos. 5, 5A and 5B seek to introduce into the Bill a new requirement. Before a licence or before any work or activity on any frontier lands could commence, a benefits plan would have to be concluded with the affected aboriginal groups in accordance with their land claims agreement. Again, this would introduce a new concept which was not contemplated by the Bill as read a second time. For the same reason as with Motion No. 3A I must also rule Motions Nos. 5, 5A and 5B out of order.

Motions Nos. 6 and 7 will be grouped for debate. A vote on Motion No. 6 will be applied to Motion No. 7.

Motion No. 7A will be debated and voted on separately.

Motion No. 8 seeks to set aside moneys paid in royalties for aboriginal peoples in settlement or part settlement of outstanding land claims. This is a new concept which offends the Royal

Recommendation in that it relaxes the conditions set out therein. As noted in Citation 773(7) of Beauchesne's Fifth Edition, an amendment is out of order "... if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the Royal Recommendation." Therefore, I must rule this motion out of order.

Motions Nos. 9, 10 and 11 will be grouped for debate and voted on separately.

Motions Nos. 12 and 13 will be debated and voted on separately.

As I said, Motions Nos. 14 and 15 have been grouped with Motions Nos. 3 and 4.

The Chair will now proceed to propose Motions Nos. 1 and 2—

Mr. Waddell: Mr. Speaker, I rise on a point of order. This is the first time I have risen in the House, with the exception of another occasion when I rose to make a statement, when you were in the Chair. May I offer my congratulations to you, Sir. We share a common border, 49th Street in Vancouver. I am the MP for one side and Your Honour is the MP for the other. I wish to extend to you my congratulations.

I accept your ruling, of course, Mr. Speaker. However, I wonder if you had a chance to refer to Section 35 of the Constitution Act which states in part:

> 35. (1) The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.
>
> (2) In this Act, "aboriginal peoples of Canada" includes the Indian, Inuit and Métis peoples of Canada.
>
> (3) For greater certainty, in subsection (1) "treaty rights" includes rights that now exist by way of land claims agreements or may be so acquired.

The amendments proposed to the Bill were an attempt to give native people whose land claims are guaranteed in the Constitution and who are now in negotiation with the federal Government a say in the matter. They are now seeing their land being given away from underneath their feet. They are giving away interest in these lands to oil companies. That is what the legislation before us does.

I wonder if Your Honour has had a chance to look at that proposition. What we were trying to do by introducing these amendments was to give native people some say with respect to their lands, something to which they are entitled under the Constitution.

Mr. Speaker: Order, please. The Hon. Member has raised a matter of great concern in our country. I know that all Hon. Members in the House realize that there is a very interesting potential debate on the matter raised by the Hon. Member. Without commenting at all on how that debate should be conducted or concluded, I must remind Hon. Members, and especially the Hon. Member for Vancouver—Kingsway (Mr. Waddell), that the Chair must rule on points of order with respect to the Bill in question. I am sure the Hon. Member for Vancouver—Kingsway wishes that the Bill in its original form took into account some of the matters he has brought to the attention of the House this morning and which he will bring to our attention later this morning. However, the Chair is in the position of having to look at the wording and the substance of the Bill as it is. Under those circumstances I felt compelled to rule as I have ruled.

I know that the Hon. Member will have a chance to express his concerns with respect to the amendments he will be debating. I ask all Hon. Members to consider the reason behind the ruling which the Chair has given.

As Hon. Members know, it is not the function of the Chair to put the Constitution Act into legislation which appears before the Chamber.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I wish to clarify one point with you. It has been the practice of the Speaker in the past to present notes on rulings to us prior to the reading of the ruling. This was done so that if any Member wanted to debate a question he could do so. This would allow the Speaker to take into account the points debated by Hon. Members.

If I read you clearly this morning, Your Honour is now telling us that once you have ruled, as you have done this morning, no further debate can be entertained. I would ask the Chair to be more flexible in this regard in terms of future Bills. For example, if there are debatable points with respect to future Bills which are put at report stage then I ask the Chair that we be allowed to put these points to you before you rule as to the acceptability, or not, of the so-called motions.

Mr. Speaker: I thank the Hon. Member for his intervention. I advise the House that motions in amendment were being received during the last sitting day and the first opportunity the Chair has had to consider the proposed ruling which has been made was this morning. At approximately 10.30 this morning I instructed the Clerk to circulate the notes of my ruling to Hon. Members. I regret that if for some reason or other the Hon. Member did not receive a copy of my notes. He should have received a copy of them. I will ensure that this does not happen again.

It has been the practice of the Speaker to make rulings such as the one I have made. If there is some particular point about which the Hon. Member feels strongly, and if he asks that he or some other Member be granted leave to raise some points with respect to it in terms of something the Chair may have overlooked, then arrangements can be made to hear such arguments later on today. Unless there is some very serious reason to raise such arguments, I ask Hon. Members to co-operate this morning.

I want to make it very clear that the point raised by the Hon. Member is a good one. I hope that in most cases the Chair will be able to give notice in more time than was possible today. If the Hon. Member did not receive a copy of the notes, then I ask that he speak with the Table Officers to find out what went wrong and ensure that it does not happen again.

Mr. Waddell: Mr. Speaker, I rise on a separate point of order. I have had a chance to read your ruling very quickly and look through the sections of it. I think the groupings are set out quite fairly. The first section of your ruling states that Motions Nos. 1 and 2 will be grouped for debate and that a vote on Motion No. 1 will also apply to Motion No. 2. I think there is a problem there. I ask that Your Honour perhaps reserve on this area or give us leave to raise our concerns later as the debate progresses with respect to the first motion. I think you might find, Mr. Speaker, that they should not be grouped together for a vote.

• (1120)

The Government might be prepared to accept Motion No. 1, and I will make my reasons for that clear during debate. In any case, Motion No. 1 is a far less drastic amendment than Motion No. 2. Motion No. 1 simply adds words like "for greater certainty" and brings it into line with the wording in the Sechelt Act which we passed not too long ago. Motion No. 2 is quite drastic in the sense that it excludes all lands that are the subject of land claims negotiations. That goes quite a long way.

I am rising now to identify that point. Perhaps the Parliamentary Secretary could listen to my remarks.

Mr. McDermid: I am listening with great intensity.

Mr. Speaker: I thank the Hon. Member for his intervention and I have listened very carefully to it. I invite the Parliamentary Secretary to comment at this time if he so chooses.

Mr. McDermid: Mr. Speaker, I gather that the Hon. Member was up on a point of order. I have no objection to splitting that vote if that is what he desires. We are here to cooperate with the Opposition and to get this Bill through. If he would like to split the vote on Motions Nos. 1 and 2, that is entirely up to him. I can tell him now that we will oppose both his amendments.

Mr. Gauthier: Mr. Speaker, we are dealing with my exact point. We are now debating whether or not Motions Nos. 1 and 2 should be grouped for debate. We are debating certain things which I believe we should have debated before you ruled, Mr. Speaker. In other words, we should have had copies of this beforehand, but we just got them when you walked in here.

Mr. Speaker: I thank the Hon. Member for his intervention. Perhaps we can return to this in a few minutes. I would ask that Hon. Members consult together. Of course, if there is consent to split the vote, the Chair is the servant of the House.

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 1.

That Bill C-5, be amended in Clause 3 by striking out lines 4 to 8 at page 4 and substituting the following therefor:

"3. For greater certainty, nothing in this Act abrogates or derogates from any aboriginal title, right, claim or interest that pertains to the, or any of the, aboriginal people of Canada."

Motion No. 2.

That Bill C-5, be amended in Clause 3 by adding immediately after line 8 at page 4 the following:

"(2) All lands subject to unsettled aborignal claims, which have been accepted for negotiation by the federal government, are excluded from the application of this Act."

He said: Mr. Speaker, before I begin, I would like to make my position clear on the last point I raised. It seems to me that your ruling is fair, Mr. Speaker, except for that constitutional point that I raised. On a quick reading of the ruling, it seems to me that the groupings are all right. I agree that Motions Nos. 1 and 2 should be grouped together for debate, as we are doing now. However, I think there probably should be separate votes on them. Perhaps at some point when listening to the debate you could make that decision, Mr. Speaker.

Regarding Motion No. 1, let me explain how this process works; You know how it works, Mr. Speaker, but it is good to summarize it.

We are on report stage of a Bill that will in fact set up a new regime for licensing oil companies to explore in the Canada Lands. The Canada Lands are the lands on the frontier and are lands over which the Canadian Government and not the provinces has power. These lands are located in the northern territories of Canada and include the Beaufort Sea where there is lots of oil and gas, and the high Arctic where there has been exploration for gas. Perhaps in my lifetime—if not, in the lifetime of other Canadians—we will be able to use that gas. Of course, the Bill also covers the offshore, both off the coast of British Columbia and the coasts of Newfoundland and Nova Scotia.

The Government has decided that the provinces should have control over the offshore, and is bringing in a separate Bill which we will discuss later that will deal with that issue. Therefore, this Bill deals with oil and gas licences for the offshore and the northern frontiers.

People ask if this is really important. The energy committee found out that between 1980 and 1987, the Government will have spent $7.2 billion or $7.3 billion on Petroleum Incentive Program grants for the oil companies. That is one of the reasons the Government has a big deficit. It has given $7.3 billion to oil companies to explore the frontiers; that was part of the National Energy Program. Therefore, this matter is very important. The Government will be ending these grants but it will bring in tax incentives to get companies exploring in the future. Canadians should, therefore, pay particular attention to this. Even though this is an energy Bill and deals with exploration in the frontiers, it in fact affects things like social programs and whether or not we can afford to have daycare in Canada.

People say that it does not matter right now because nothing is happening anyway. The price of oil is $15 per barrel, and until it gets back up to $30 per barrel nothing will happen. In

the 1990s, the price of oil will rise again. That is what all the experts seem to be telling us. This then becomes very important for the future.

This Bill is very important for the future of Canada because Canada is a northern country. Canada has the greatest resources known to mankind. Canada has all these resources and at some point we will develop them on the frontiers. We have already spent over $7 billion in only seven years dealing with these resources.

We have another problem. Who lives in the North? People think it is simply a vast, barren land. The great poet, Frank Scott, called it a land waiting for things to happen. In fact, people do live there. Those people are called the Inuit. We used to call them the Eskimo people. The Inuvialuit people of the Arctic as well as Indians, Dene and Métis people live in the western Arctic. The North is their homeland. For us it is a frontier but for them it is a homeland. This is what these amendments are all about and this is the whole point the Government has missed.

The Government sees the North as a frontier that we can control completely and has excluded the native people who live there. How would you feel, Mr. Speaker, if your backyard were being carved up, mineral rights were being given to oil companies to drill and explore, all for the national interest, but they did not give you any say over what was going to happen at all? That is the way we ought to look at this. This is the backyard, the homeland, of the native people of Canada and the Government is bringing in this Bill which completely ignores the native people.

• (1130)

The Prime Minister (Mr. Mulroney) was sent a letter dated October 10, 1986—and I have a copy of it—signed by Donat Milortuk, President of the Nunavut Land Claims organization. It refers to the Tungavik Federation of Nunavut, which represents more than 17,000 Inuit of Nunavut, the central and eastern Arctic of Canada. In part the letter refers to Bill C-5 and says:

> This Bill prejudices our land claim negotiations.

The country agreed to a new Constitution in 1982. Section 35 of the Constitution, the supreme document of the country, indicated that the existing aboriginal and treaty rights of the aboriginal peoples of Canada were recognized and affirmed. "Aboriginal peoples of Canada" includes the Indian, Inuit, and Métis people. For greater certainty, subsection (1) treaty rights include rights which now exist by way of land claims agreements or may be so acquired.

I should like to summarize what we did with this Act. It is like a cake. At the foundation of the cake was the native people or the aboriginal people of Canada. Then we built on to the cake to include the English-speaking and French-speaking people, and then we added multiculturalism and the new people. That is an over-simplification, but it is a good overview of Canada. Each part of the cake is important, particularly its base, the native people.

The letter continues as follows:

> —we protest in the strongest possible terms the enactment of any federal statute which facilitates the alienation of our land and resources from under our feet.

The alienation of their land refers to giving away their land, giving an interest to oil companies. That is what the Bill is about—giving drilling interest drilling permits, development permits, and so on to oil companies. The letter referred to the alienation of their land and resources from under their feet. There is an inconsistency here. The Canadian Government recognized in the Constitution of Canada the rights of native people. There are ongoing negotiations to try to settle land claims. Why do we want to settle those land claims? It is for many reasons, but one reason, from my own southern Canadian point of view, is that it is a unique way to get native people, who have been left behind in many ways in the development of the country, involved in the development of their own resources and their own lands. Perhaps this is the last chance we have in Canada.

I often think, when we stand in the House and elsewhere in the country and criticize South Africa, that we should look at the way we treat our native people. We must find a way to change that. One way—and it seems to me that it is the best way—would be to deal with the native people on the basis of settling land claims negotiations.

I had the honour of being an employee of the Berger Commission on the Mackenzie valley pipeline as counsel for the Commission, along with Ian Scott, my friend who is now the Attorney General of Ontario. We had a chance to travel for three years in the Arctic. This provided us with an opportunity to see these lands and to see these people. We heard from them firsthand. They told us what it meant to have control over their future and their lands. They stated this far more eloquently than we in the House of Commons could ever say it.

I know I must address the two motions specifically, so let me return to them. I provided this information as a background so that the House would understand from where we are coming with the amendments. In Motion No. 1 we used the simple phrase "for greater certainty". The Government will say that it recognizes that nothing in the Act takes away from their land claims. In the first amendment we are asking: Why not add "for greater certainty"? Referring again to the same letter, it continues:

> We insist that the Bill be amended to provide that lands subject to land claim negotiations be withdrawn from disposition. This could be accomplished by amending Section 3—

The letter continues:

> We believe the words "for greater certainty" must be included in Section 3(1), if this clause is to achieve its intended purpose. This Act cannot abrogate or derogate from our aboriginal rights as protected by Section 35 of the Constitution Act, 1982. However, given the possible uncertainties surrounding the interpretation of Section 35 it seems prudent to keep a non-derogation clause which is enacted for the purpose of certainty. This wording would also be consistent with the Sechelt Indian Band Self-Government Act—

Mr. Speaker: Order, please. I think I should advise the Hon. Member and other Hon. Members that under the rules each Member is limited to 10 minutes of debate. I do not want the Hon. Member to be unable to make his point in respect of the second amendment, and I advise him that there is a minute remaining.

Mr. Waddell: Thank you, Mr. Speaker. I will try to conclude my remarks in a minute. I might ask the House for an extra minute to put my two points.

I was referring to the letter wherein it indicated that that wording was consistent with the Sechelt Indian Band Self-Government Act. It continues:

—and Section 117(2) of this Bill which deals with the constitutionally entrenched rights of the Inuvialuit. If you are not willing to withdraw all lands subject to aboriginal title from disposition under this Bill we urge, that at a bare minimum, you make provision for withdrawal on a case by case basis.

All we are asking in the first amendment is to bring it in line with the Sechelt formula. There may be a clash between the legislation and the Constitution, and we want to make clear that the Constitution is primary. Oil companies want certainty. Why not the native people? I do not think anyone objected to this particular amendment in the committee hearings; the oil companies did not object to it. I think the Government can accept the first amendment.

The second amendment goes a little further because it comes at the problem from a different angle in fact.

Mr. Speaker: Order, please. The Hon. Member's time has expired. He indicated that he might ask for consent to continue for a very brief period of time to finish his remarks. Is there such consent?

Some Hon. Members: Agreed.

Mr. Waddell: Thank you. I have made my point on the first amendment. I think the Government can expect it. It is consistent with another Act, and it does not go that far.

I admit, however, that the second amendment goes further. In part it reads:

All lands subject to unsettled aboriginal claims, which have been accepted for negotiation by the federal Government, are excluded from the application of this Act.

In fact it indicates that if they are negotiating with the aboriginal peoples, they cannot turn around and alienate or give away part of their land from under their feet. It is not good enough for the Government to say that it is just giving an oil company a drilling permit, because that is dealing with the land in a very important way.

I draw the Government's attention to that point. I hope it has a copy of the letter which was written on October 10 and sent to the Right Hon. Prime Minister of Canada. Those are my points on the first two motions.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I should like to speak in support of the amendments of the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Something very relevant or very important is at stake here, that is, the attitude of the Government of Canada toward our native people.

It has been stated that we have the right to interfere with or intervene in the land claims question and, as the native people themselves have indicated, to take it out from under their feet. It is important that everyone in Canada support the discussions of the land claims question. Everyone should be interested in resolving the question. We cannot arbitrarily state the position of these lands until we know exactly for what the lands will be used.

How can we say that these lands will be removed from the negotiations and given away for other purposes? How are we going to expect the native peoples to believe the Government of Canada is negotiating this question in good faith?

• (1140)

The very Bill we have before us this morning is at the present time an exercise in futility. The policies of the Government have completely stripped any relevancy in today's world away from this Bill. With Bill C-5 having been completely nullified by the policies of the Government I do not think that we should go one step further and act so arbitrarily concerning our native people.

The recent decisions in Beaufort, in the north, where the major oil companies have stopped exploration and activity, mean that the fragile economy of the Northwest Territories and, to some extent, the Yukon as well, will be severely jeopardized and may essentially collapse in the northern part of the Northwest Territories and the Yukon.

We have, particularly with respect to the younger generation, encouraged the native people to become involved in the oil and gas industry, in the exploration and in what we stated emphatically would be development following on the heels very quickly of exploration. But we have snatched away the incentives for the companies and the companies in direct retaliation have closed down.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I am enjoying the comments of my friend, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), but I do not believe he is talking about the amendments to the Bill. His speech sounds more like a third reading speech. Could he discuss the issue at hand?

Mr. MacLellan: Mr. Speaker, with all due respect to the Parliamentary Secretary, what I am saying is directly linked to the condition of the native peoples and the economy in the Northwest Territories and the Yukon. What we are doing is adding to this downturn in the economy by relegating the native people to an uncertain position concerning their own lands. This is not something that most Canadians would want done. We have received letters, testimony and a lot of arguments from the native groups, as my friend, the Hon. Member

for Vancouver Kingsway has stated. We have recently received copies of correspondence recently dated October 10 from the Tungavik Federation of Nunavut complaining about exactly what I have been saying, namely, the uncertainty that the Bill will cause in the land claims question and the losses that could be incurred by the native peoples.

I would ask that the amendments put forward by the Hon. Member for Vancouver Kingsway be supported, so that we can at least give the native people the assurance they are looking for concerning Clause 3, their land and the land claims question in the northern part of the country.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Hon. Member for Vancouver Kingsway (Mr. Waddell) has made something of a career both before he became a Member of Parliament and since that time telling the people of the Northwest Territories what is good for them. My career is dependent upon being told by them what is good for them. I do not represent a riding in the south where I could have all these airy-fairy ideas of what goes on in northern Canada. I am directly responsible to the people who elect me. Therefore, I have to present to this House their point of view which, of course, also coincides with that of my own.

The intent of the amendment we have before us would be to preclude all oil and gas activity in the entire Yukon territory, in nearly all of the Northwest Territories and probably in considerable parts of the offshore. When I go to towns and villages in my constituency I am told by people who live there that what they want to see is not less oil and gas activity but more. They want the opportunities that go with the oil and gas business. They want the business opportunities. They want the opportunities to work in the oil patch and make good money because you do make good money in the oil patch, Mr. Speaker. You make a lot more money working on a drill rig than what you do choking rabbits for a living, for instance. People want the opportunity to become involved in the oil and gas business, to become oil men and oil women in their own right. This is what they are telling me and this is what I am telling the House of Commons.

I am completely in opposition to the proposed amendment. I do not want to see the oil and gas industry die in the northern parts of Canada. To the contrary, I and my constituents want to see it thrive and prosper. That is why I am supporting the Bill presented by the Government of Canada.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have listened with interest to the presentations of my friends, the Hon. Member for Vancouver Kingsway (Mr. Waddell) and the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). We spent a considerable amount of time on this Bill, as you can imagine, Mr. Speaker, in committee in the spring. We had excellent representations from many groups on the Bill including our native peoples. I do not feel the way the Hon. Member does that the aboriginal peoples are not protected in this Bill.

First, I think it would be proper to explain that this Bill is framework legislation to deal with frontier exploration, exploration on what is known as Canadian Lands, whether they be north of 60, offshore British Columbia, Newfoundland or Nova Scotia—no matter what. Stemming from this legislation would be specific Acts covering the Atlantic Accord: our agreement with Newfoundland and the offshore exploration; the now agreed Nova Scotia Accord which will also have its own life and legislation introduced in this House sometime in the not too distant future, hopefully; very possibly a Northern Accord which would cover lands north of 60 and a British Columbia Accord possibly some day to deal with exploration off that coast as well.

This Bill was amended by the Government, I might add, to assure that our aboriginal peoples were protected. I will refer to Clause 3 which reads:

> Nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada—

It specifically says:

> —under Section 35 of the Constitution Act, 1982.

The amendment introduced by my hon. friend gives this Bill a life of its own. I do not think it is intended to do that, being framework legislation. The aboriginal people get their title from The Constitution. That is their protection. The aboriginal peoples have said that.

Mr. Waddell: What is the matter with greater certainty then?

Mr. McDermid: The amendment as introduced by the Hon. Member does not really do that. We think the government amendment which was accepted by the committee and is now being introduced as part of the report stage with which we are now dealing is perfectly well drafted. It protects the rights of the aboriginal peoples of this country by specifically referring to our Constitution Act, 1982. I think that is very important.

• (1150)

I do not believe that the second amendment introduced by the Hon. Member for Vancouver-Kingsway does any favours for the aboriginal peoples. The Hon. Member for Cape Breton-The Sydneys talked about the dire straits of the economy of the north. If this second amendment is accepted it would stop all exploration in the north until the land claims are settled. I honestly do not believe that this is what our aboriginal peoples want.

The Hon. Member for Western Arctic (Mr. Nickerson) said it far more eloquently than I can because he represents people from that area and talks to them frequently. He is their Member of Parliament and he expressed it very well when he said that they want jobs and activity in the north. They do not want that activity in the north to stop for the land claims process.

It will become apparent as we debate other clauses that the interests of the aboriginal people in the north are very well protected in this Bill.

The Hon. Member mentioned the Sechelt agreement that was signed and passed by the Government. That was a land claim agreement in which all the clauses were negotiated, which is the whole purpose of the land claims process. Some of these land claims set certain precedents and obviously they will be used in negotiations. However, I do not believe that this legislation should dictate to the parties of the land claims what they should or can negotiate.

We believe that the aboriginal peoples are very well protected by this Bill and we will not support either of these amendments introduced by the Hon. Member for Vancouver-Kingsway.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I rise in support of the amendments put forward by my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell). While Bill C-5 will have a major impact on the aboriginal peoples of the north, it does not give them adequate protection. I was interested in listening to the Hon. Parliamentary Secretary. I recall when he was the Indian Affairs critic for his Party when it was in opposition. He said that the aboriginal peoples have nothing to fear from a Conservative Government.

Mr. McDermid: That is right.

Mr. Manly: I do not think that is quite the case because this legislation is absolutely inadequate.

The Hon. Member for Western Arctic (Mr. Nickerson) said he did not want to listen to a lot of airy-fairy arguments, that he wanted to listen to people who are there. Let me refer to some of the testimony presented to the committee. I will read from the Parliamentary Library's summary of that testimony. The Dene Métis said:

> The Bill should include a general provision calling for equitable and authoritative participation of aboriginal groups in resource management institutions.

It goes on to say:

> In order to facilitate discussions respecting a "northern accord", the Bill should specifically recognize the rights of the Dene/Métis separate from the rights of the NWT.

The Tungavik Federation of Nunavut said:

> Clause 3 is inadequate when disposition of land and resource use rights under Bill C-92—

The present Bill C-5:

> —and earlier legislation is coupled with the federal position at the claims table that the rights of third parties must be protected. Clause 3 should be amended and all lands subject to the TFN comprehensive claim should be withdrawn from disposition under the Bill.

They go on to state:

> Clause 3 should make it clear that the constitutional rights of the Inuit and other aboriginal peoples are not affected by Bill C-92.

That is the present Bill C-5.

The Canadian Petroleum Association pointed out that the:

> CPA has no position on native land claims other than the belief that they should be resolved to promote certainty as to who owns the land. Operators need to know under what jurisdiction and rules the lands are held and whom to deal with.

There was a great deal of struggle to get any recognition of aboriginal claims in the Constitution. That struggle was without the help of the Conservative Party which was then in opposition. Finally, there was a minimal recognition of the rights of aboriginal peoples in our Constitution, but that struggle is not yet over because aboriginal peoples are still trying, through constitutional conferences, to define what those rights are. They are still working through the land claims process to establish what their rights are in specific areas of Canada that are under claim.

While this struggle to define their rights under law continues, the fact is that their rights are being undermined by the process of development and exploitation of their resources. We can see this taking place in a number of ways. In British Columbia, for example, we can see it very obviously in the way that certain traditional areas of aboriginal peoples are being logged. These areas include Lyell Island, Meares Island to Stein River. We can see it in the threat in British Columbia to aboriginal offshore rights when there is the prospect of offshore drilling.

We certainly see it in the Northwest Territories and Yukon where the Government is proceeding to hand over huge areas to the oil companies while the aboriginal peoples are not really being protected. Perhaps, as the Hon. Member for Western Arctic says, there is a valuable trade-off, but he will certainly admit that exploration and development will impact very severely upon their traditional economies and their traditional lifestyles.

While there may be a worth-while trade-off, certainly the people who are most involved in that should have the major say as to whether or not that trade-off will take place. They should also have a say in the terms and conditions that will be involved in any trade-off that involves a major shift from their traditional economy and traditional lifestyle to one that is based on exploration and development of other resources. That is the purpose of these two amendments. They seek to protect their right to be involved in that kind of decision-making.

I urge Hon. Members opposite to reconsider the position taken by the Parliamentary Secretary. I believe these amendments should be supported. The first general amendment is more specific than the clause in the Bill. It recognizes any aboriginal title, right, claim or interest that pertains to any aboriginal people of Canada. I believe we need that type of specific commitment. The second amendment is even more specific in that it withdraws from the application of the Act those areas that are under claim. I think this will encourage a speedy resolution of claims which is a goal that I believe all Canadians say they support. I think we should do everything we can as a House of Commons to encourage that, and I urge

Members to support these motions introduced by my colleague, the Hon. Member for Vancouver-Kingsway.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in commenting on Bill C-5 and the two amendments introduced by my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), I want to address my remarks particularly to the Parliamentary Secretary. He will know that according to Clause 3 of the Bill nothing in the Bill shall be construed as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada. As a Member of Parliament from British Columbia, I am concerned about the term "existing treaty rights" because most of the Indian bands living in British Columbia do not live under any treaty right, since the treaties that we have come to recognize in other parts of Canada simply do not exist in the Province of British Columbia, with the exception of some areas in the Peace River country.

• (1200)

There is a serious concern in British Columbia in that, while we have no existing treaty rights in the sense of agreements signed by the aboriginal people of Canada and others, this clause of the Bill says that nothing shall be construed so as to abrogate or derogate from any existing treaty rights. The critical point is that there are no recognized and understood treaty rights in British Columbia. That is part of the problem that native people face in that part of Canada, and this will offer them little security. I do hope someone from the government benches will rise in response to my point that this will cause particular concern to people in the western part of Canada.

One thing which the motions moved by my colleague from Vancouver—Kingsway attempt to do is to bring some certainty to the matter of land claims in the frontier areas. Whether one is the representative of an oil company or of an aboriginal community, certainty is absolutely critical in order to plan for the future. If you are going to lay out short-term and long-term goals for your company or your community or your people, it is imperative that there be some recognition of the ownership of those lands. That is what makes the whole matter of land claims a top priority for so many people, particularly those concerned with activities in Canada's frontier. My colleague has attempted to bring that certainty to the Bill by requesting in Motion No. 2 that all lands subject to unsettled aboriginal claims, which have been accepted for negotiation by the federal Government, be excluded from the application of this Act.

To me this is the acid test of whether or not the Government is serious about land claims settlement. If it is, if it plans to resolve this matter, then this motion should cause no problem at all. However, if the real intent is to prolong the process of land claims settlement, if the Government is not committed to a rapid resolution of this question, then of course I can see why the Government would have serious concern about the implications of Motion No. 2.

I represent a part of British Columbia where a number of Indian bands have land claims before the Government. I recognize that the provincial Government, as it is presently constituted, has indicated time and time again that it has no interest in negotiating Indian land claims settlement. In fact, it does not even recognize that there is such a thing as aboriginal claims, at least as reflected by a number of members of the provincial Cabinet. It is therefore not surprising that Indian bands in those parts of Canada affected, particularly in central British Columbia, really believe the Government is not serious about the settlement of these claims.

In conclusion, I ask the Parliamentary Secretary or one of his colleagues to respond to my concern that in British Columbia there are no treaties—

Mr. McDermid: This Bill does not apply to British Columbia.

Mr. Manly: Sure it does.

Mr. Riis: The implications of this Bill, according to the words of the Hon. Member at the outset—

Mr. Speaker: Order. I am sure that the Hon. Member will put his comments through the Chair, and the Hon. Parliamentary Secretary will respond in the same way.

Mr. Riis: Mr. Speaker, I appreciate the point. I will conclude by simply saying that at the outset of our presentation today, the Parliamentary Secretary indicated that what we are doing today has implications for Canada's offshore, and of course many of the claims involve offshore development. This is a major concern of ours. Just to be consistent, if the Parliamentary Secretary is saying that this is indicative of how the Government plans to deal with this issue, we feel it is critical that we all understand there are parts of Canada where aboriginal rights and treaty rights have not yet been clearly defined.

Some Hon. Members: Question.

Mr. Speaker: I have considered the comments of Hon. Members and I think there is a disposition in the House which would, under the circumstances, move me to have separate votes on these two motions.

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea?

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay?

An Hon. Member: Nay.

Mr. Speaker: In my opinion, the nays have it.

And more than five Members having risen:

Mr. Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 2 standing in the name of the Hon. Member for Vancouver—Kingway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea?

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay?

An Hon. Member: Nay.

Mr. Speaker: In my opinion, the nays have it.

And more than five Members having risen:

Mr. Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

For the information of Hon. Members, Motions Nos. 3, 4, 14 and 15 will be grouped for debate and voted on separately.

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 3

That Bill C-5, be amended in Clause 10 by adding immediately after line 45 at page 5 the following:

"(3) In every resource use permit or licence issued by the Minister

in areas subject to an unsettled aboriginal claim or right, there shall be inserted a condition or caveat that the area in question is subject to an aboriginal claim and may ultimately be owned by the aboriginal people in fee simple, including the sub-surface."

Motion No. 4

That Bill C-5, be amended in clause 14 by adding immediately after line 35 at page 7 the following:

"(3) In the formulation of bid criteria, the Minister shall be obliged to consult with representatives of affected aboriginal groups and local communities."

Motion No. 14

That Bill C-5, be amended in clause 117

(a) by striking out line 22 at page 65 and substituting the following therefor:

"117(1) Subject to subsections (2) and (3), for".

(b) by adding immediately after line 33 at page 65 the following:

"(3) Prior to the settlement of aboriginal claims in affected areas, the Crown share shall be retained North of 60½ in any interest granted or entered into."

Motion No. 15

That Bill C-5, be amended in Clause 121 by striking out lines 27 to 31 at page 69 and substituting the following therefor:

"(3) The Minister shall require that any benefits plan submitted pursuant to subsection (2) include provisions to ensure that aboriginal people and disadvantaged individuals or groups have priority access to training and employment."

He said: Mr. Speaker, briefly what I am trying to do in these amendments is to give the native people some say in what is going to happen once these licences are issued. The Government apparently does not agree with me. I say to the Hon. Member for Western Arctic (Mr. Nickerson) that I accept that he listens to his constituents, but we have had evidence from groups purporting to represent native people in the North who are taking different positions. I would invite him to support the positions taken by those groups before our committee.

• (1210)

Motion No. 3 says that once the Minister has issued a permit to drill, explore and so on, "there shall be inserted a condition or caveat"—a caveat is a lawyer's term, it is a big warning. A red light goes on when you see a caveat—"that the area in question is subject to an aboriginal claim and may ultimately be owned by the aboriginal people in fee simple, including the sub-surface."

That is the nub of the matter, Mr. Speaker. We have been saying that you cannot negotiate with the native people on the one hand and then give their rights away on the other by giving the oil companies these permits. We are suggesting that the Government at least be up front about this. When the Government is giving permits or leases to oil companies it should be explicit about what could happen. A court could very well rule later that the lands which were given to the oil companies under this section of the Act were not the property of the Government of Canada to give. The Government of Canada could be liable for a lot of money if it gave away something it did not have the right to give away.

I would like to draw the attention of the House to the position of the Canadian Petroleum Association. That is the voice of big oil. It told the committee that it has no position on native land claims other than the belief that they should be resolved to promote certainty as to who owns the land. It said that operators need to know under what jurisdiction and rules the lands are held and with whom to deal. This is perfectly reasonable. This is one of the few occasions on which I agree with the Canadian Petroleum Association.

Mr. McDermid: The voice of big oil. You had better be careful.

Mr. Waddell: My friend says that I had better be careful. I will lose my reputation. Through this amendment we are

telling the Government to be honest and tell companies that although they are getting a permit they had better be careful because the lands may be subject to aboriginal land claims in the future.

In Motion No. 4 we suggest that when the Minister formulates the criteria for the bids which the companies will make for the leases under this Act he be obliged to consult with the aboriginal groups in the local communities. Is this not a reasonable amendment? Is there not any room for giving here? The Government purports to want to help the native people. My colleague, the Member for Cowichan—Malahat—The Islands (Mr. Manly) pointed out that when the Parliamentary Secretary was on this side of the House and was the critic for Indian Affairs he said that a Tory government would consider native people. Is this another broken promise? The then Minister of Indian Affairs and Northern Development said at committee that local groups would be consulted. That was another Tory promise. I take the former Minister at his word, but why not write it in the Bill if you are going to do it? It seems to me that this is a grace clause. All the Government need do is consult. It need not accept what native peoples say. That puts it up front.

I am sure that the Member for Western Arctic would say that we should get northerners involved in the development of the north rather than continuing to allow southerners to tell the north what to do. He was giving me a hard time for that before. I can turn that around on the Government. I hope he will support my amendment if it comes to a vote.

Motion No. 4 reads:

In the formulation of bid criteria, the Minister shall be obliged to consult with representatives of affected aboriginal groups and local communities.

The members of the committee were prepared to accept this. Conservative Members understand the principle that local people should be consulted, whether on the Nova Scotia offshore or on the Arctic. Conservative backbenchers can adopt and relate to that principle. I invite them to vote for this motion.

Motion No. 14 is grouped for debate with Motion No. 15. The old system had a Crown share. The Crown could get 25 per cent of the action. It could back in at 25 per cent once the well was developed. In response to pressure from George Shultz and the Government of the United States the Canadian Government caved in and got rid of the Crown share. The Americans did not like it because the big American oil companies did not want to give 25 per cent of the action, even though it is our oil, our land, and our money that was being spent through grants to help them develop it. They did not like the notion of having to give a Crown share. They called it retroactive, back-in and confiscation of property. Some day the Canadian people will wake up and toss the Government out because it does not respect Canadian sovereignty and independence. This was one part of the National Energy Program which should have been kept.

Motion No. 14 says that we should retain the Crown share north of 60° and use it for the aboriginal claims settlement. If we get rid of that we have lost one of the means through which we could settle native claims. One possibility would be to give the aborigines the back-in. The Government purports to want to settle the claims, so why give away this possibility?

I think I have summarized my position on these motions, Mr. Speaker. They are all perfectly reasonable motions, some even more reasonable than others. I expect that the Government could accept one, possibly two, and hopefully all four of these motions.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to speak to the four amendments which were proposed by the Member for Vancouver—Kingsway (Mr. Waddell). Motion No. 3 reads in part as follows:

—there shall be inserted a condition or caveat that the area in question is subject to an aboriginal claim and may ultimately be owned by the aboriginal people in fee simple, including the sub-surface.

This relates to the motions which were debated earlier. This could be very important in clarifying the situation. There has been no format or procedure set forth which would indicate what the situation will be when reserves which are earmarked for development run into lands which have been designated for aboriginal claims. It would be beneficial to put forward a position of the Government.

It is quite reasonable that the Government agree with Motion No. 4 which reads:

In the formulation of bid criteria, the Minister shall be obliged to consult with representatives of affected aboriginal groups and local communities.

The Member for Vancouver—Kingsway stated correctly that the former Minister of Indian Affairs and Northern Development said that Indian groups and communities would be consulted. If they are going to be consulted, what is wrong with including that in the legislation? It is not unreasonable to expect that the people directly affected by this Act should be consulted. I think that is only common decency. If we are going to act in the best interests of the people involved, why would they not consult with them?

Motion No. 14 reads in part as follows:

Prior to the settlement of aboriginal claims in affected areas the Crown share shall be retained North of 60½ in any interest granted or entered into.

• (1220)

I know what the Hon. Member is attempting to achieve but the situation as it now stands is equally bad in all parts of Canada where frontier development was taking place. That not only relates to the Beaufort but to the offshore and the East Coast as well. What has happened with all this exploration and no development is that these communities, these areas of our country which incurred a great deal of expense in anticipation and hope that these deposits of oil and gas would mean financial success and security to at least some capacity have now been disappointed and are left without any kind of compensation.

I think the problem is that the Government has taken away an equity provision from all the areas in the frontier. It has

stated there is going to be a certain revenue sharing formula but there cannot be any revenue sharing if the Government is not determined in its position to have development take place. Until there is development there will not be any development sharing and the equity position is not there. All we have is the hope that some day something is going to happen. If the Government is to stay in power, which it will not, there would not be anything happening, certainly not until well after the turn of the century.

Motion No. 15 reads:

The Minister shall require that any benefits plan submitted pursuant to subsection (2) include provisions to ensure that aboriginal people and disadvantaged individuals or groups have priority access to training and employment.

I think it is safe to say that in the high Arctic this now applies to everyone because, as I mentioned earlier, the fragile economy which was there has been severely disrupted. We are going to have a great many native people unemployed, as well as other people. I think we will see quite a few people leaving the area, which in itself will have a detrimental effect on the economy. Those who stay will be severely handicapped, particularly the young who we as a Government encouraged away from the traditional lifestyles of hunting, fishing and other occupations. We encouraged them to get involved in the oil and gas industry. We have now left them without any hope to further their employment in the area in which they made such a promising start.

I think this amendment is not only fair, it has been requested by the Inuvik region. In a report to the Executive Council on the impacts of the oil industry slowdown on the local economy were suggested measures to improve the economic climate in the near term. It is suggested that further training take place very quickly because we have to do something with these people. It is fine to go in with economic promises and then pull out when the economic climate is not as great as it once was, but we have to look at the human element. We have affected people's lives; we have affected the economy and the lifestyle in this area, and we cannot as a Government and as Members of Parliament simply walk away and say: "Too bad the world price of oil and gas is not what it once was. Tough luck. Maybe this will come together later on". In the meantime we have shattered the dreams of these people, and in many cases we have broken up a great many families in the affected regions. I think the Government has to do something to deal with this question.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I find it somewhat amazing that the Hon. Member for Cape Breton—the Sydneys (Mr. MacLellan) would support Motion No. 15 which, to me, flies right against the Charter of Rights that his Party, and he as a Member, were so strongly pushing to entrench into Canadian history.

This is a section which takes a group of people and says they are special, but not geographically. If he said the northern people were special, including everyone, as we are contemplating doing with the Newfoundland Accord, I could understand it, but when one just takes a group of people, it flies in the face of the Charter. I do not understand it. It is against the Charter. Yet the Hon. Member, who is a supporter of the Charter, says he likes this motion.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I would like to take a few moments to comment on these four motions. I am particularly inspired by the comments of the Hon. Member for Calgary North (Mr. Gagnon). I had feared the Conservative majority might well be opposed to these resolutions, and the comments made by the Hon. Member tend to confirm that.

Let me say immediately, since that comment will be still ringing in the minds of those of us in the Chamber and others watching in other places, that the argument the Hon. Member has made misses one vital point. The fact that we target various groups in Canadian society as a means of dealing with their social inequities and the disparities they have experienced in times past, is in no way in contradiction of the Charter. What the Hon. Member's comment underscores is that the Government is opposed to these several resolutions, at least, that is what I fear.

I want to say something about each of them briefly. Since my colleague, the Hon. Member for Vancouver —Kingsway (Mr. Waddell), has made good arguments for each of them, I would like to underscore them in a more general sense and deal specifically with the points of each one. I want to do that by recognizing that the Government has served up to us in the last weeks celebrations of individualism, the importance of initiative being exercised by people wherever they may be. Surely, these resolutions are designed to ensure that just that kind of local initiative will be recognized and protected by Government. Surely, what is necessary is to ensure that the Government of Canada does not once more allow outsiders to come in, in the form of one or other of the petroleum companies, to do what they will on northern or offshore lands without any regard for the aboriginal rights which have not yet been settled.

Surely, this would be one more expression of the kind of imperialism we have seen too much of in Canadian history. It is one more assertion by the Canadian Government on behalf of swash bucklers, whether individuals or corporations, who will do what they will without any regard to local rights.

We must write into the Bill an assurance that their activities are subject to legal action. They may well find their discoveries under challenge. They will have to share, or they may find themselves actually losing these rights and losing the lands on which they have carried out exploration because they may turn out to belong, as the motion says, in fee simple, to the aboriginal peoples. Surely, a Government which has regard for the rights of aboriginal peoples, which wants to ensure they have something in the way of resources to develop their local initiative, would want to include this motion in the Bill as a protection for them.

The second motion provides for the development of a benefit plan. Surely, this is only to ensure that those companies which

come in do not carry out their activities, their exploration, their drilling and development work, without any regard for the people who live in the area. This is what we so very often find in our times. We have corporate interests at work and the individuals and the communities affected so profoundly by what the corporations do have very little in the way of legal resources to protect themselves against the corporations. If Members of the Government really support the principles which they so easily espouse on political platforms, in Speeches from the Throne, in debate here in the House of Commons and in after-dinner speeches, then surely they would want to include this measure in the Bill to ensure that benefit plans become part of the development. This would ensure that the communities would receive benefits and that local initiatives would be recognized and rewarded in the development.

• (1230)

With respect to Motions Nos. 14 and 15, surely we must have further attempts to ensure that communities, aboriginal peoples, and for that matter disadvantaged individuals or groups in other parts of Canada, will have a basis in the legislation to ensure that they will have benefits. To talk about local initiatives and to say that we must look to the people in the regions to save themselves because Ottawa does not have the resources and then refuse to include in the legislation a provision to give these people the resources and the legal rights which they need and which the Government should be providing, surely indicates the completely empty rhetoric of the Conservative Government. It is fine to talk about individualism. However, when Members say yea to these resolutions and then vote them down later when we stand in our places to indicate whether we are for or against, then surely the Canadian people will measure the rhetoric of the Government. It is at these times that the people of Canada must decide that these Conservatives do not actually believe in individualism and regional development, but that they want to give it all away to the oil companies.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I wish to reply to some of the claims made by members of the New Democratic Party. First, I cannot object to their theme with respect to opportunities for aboriginal peoples and so on in terms of their participation in land claims. However, I must point out that the Bill before us is an energy Bill. It is not a Bill dealing with aboriginal peoples. I would also like to point out that it is framework legislation. It is legislation which covers all Canada Lands for exploration.

To put into law the requirements which the NDP would have us put into law prejudges what is taking place in terms of the land claim negotiations. The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) stood in his place and made wild and exaggerated claims that the Conservative Party of Canada is not interested in aboriginal peoples. That is utter nonsense and he knows it. The Hon. Member did not participate in any of the hearings with respect to this Bill when it was before the Legislative Committee. He did not attend one meeting of the committee. He showed no interest whatsoever. All of a sudden he stands in his place today and talks about these measures. If the Hon. Members wants to talk about action then let him talk about the Sechelt agreement signed by the Government and passed into legislation. That agreement shows our interest in aboriginal peoples.

The Government is interested in aboriginal peoples. It has maintained its contact with them in a meaningful way and it will continue to do so. What Members opposite are asking us to do is prejudge what will happen with respect to the land claims. If the Hon. Member were to take the time—and I am sure he has not—to read the Sechelt agreement and what is included in it, or read the COPE agreement, then perhaps he would have some idea of what this is all about. However, with the greatest of respect to the Hon. Member, he is all wet when he claims that the Progressive Conservative Party is not interested in aboriginal peoples. That is utter nonsense.

I wish to thank Hon. Members today for remembering that I was the spokesman for Indian Affairs and Northern Development when my Party was in opposition. I said at that time, and I stand by it today, that the aboriginal peoples of Canada have nothing to fear from a Progressive Conservative Government. The proof is in the action that we have taken to date and which we will continue to take.

My friend, the Hon. Member for Calgary North (Mr. Gagnon), made a very important point. He pointed out that this is framework legislation and that the Constitution will not allow us to single out individual people in framework-type legislation. Hon. Members talked about the Atlantic Accord. The Atlantic Accord is a specific Accord for a specific area. There is a preference clause in the Accord with respect to the peoples of Newfoundland, whether they be aboriginal peoples or not.

What is proposed by Members opposite is contrary to the Charter of Rights and Freedoms. There is nothing in the legislation before us—and I want to make this very clear—to prevent the very items that the Hon. Member is trying to introduce today from being introduced in land claim settlements.

Because of the size of our country there are different situations which arise in different areas. That is a given. I think even the Hon. Member opposite will agree with that statement. So to put these specific requirements into framework legislation, which is energy legislation, is something we oppose for the reasons I have stated.

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to respond to the comments made by the Hon. Member who just resumed his seat. He cast some aspersions on the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) when he said that if he was interested he would have attended the committee hearings. In order to be fair to all Members we must recognize that under the reform of Parliament the committees of the House are smaller. It is not possible for all Members who are

interested, regardless of their Party, to be at all committee meetings. In this particular case the Hon. Member for Vancouver—Kingsway (Mr. Waddell) attended the committee meetings. He represented our caucus. He brings forward today those concerns which we are debating at this particular time in the House. The amendments we are debating are amendments which have been put forward by the Hon. Member for Vancouver—Kingsway on behalf of the New Democratic Party. I am pleased to see the Hon. Member for Thunder Bay—Nipigon getting up to express his concerns.

With respect to the substance of what the Hon. Member for Brampton—Georgetown (Mr. McDermid) just said, I think it is important that we specifically recognize within this legislation the rights and concerns of native people. Last week in the House during Question Period much of our time was used in discussing information that was made public with regard to what is happening in the Manitoba region of the Department of Indian Affairs. It has come to the attention of the public that things are not all well within Indian Affairs, especially in the Manitoba region. There is a real question out there whether or not the Department has been acting in the best interests of the native people. It is because of this very concern and because of what we heard last week that the proposed amendments are felt necessary. Native people do not feel that their best interests are always represented by governments, regardless of political stripe. Quite often those people who have a special trust relationship with native people, that is, Government, Ministers and government departments, have other concerns. One of those concerns could be to have quick energy development. That is something which will take place when there is successful exploration. Companies involved will want to act quickly. One area in which they can move quickly, if they can get the Government to move in its decision-making process, is with regard to native concerns. In other words native people may be formally consulted but the actual consultations are mere lip-service as opposed to dealing with the legitimate concerns.

The series of amendments put forward by the Hon. Member for Vancouver—Kingsway are necessary. I think native people throughout Canada would be concerned if the Government refused to allow these amendments to be incorporated into the legislation. Again, I point to the incidents of last week. I point to the audit carried out with regard to the Department of Indian Affairs in Manitoba. I think there is a legitimate concern. The best way those concerns can be met is if amendments are passed in the House of Commons. Indeed, that is what the House should be doing with regard to government legislation.

• (1240)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will not take more than a couple of minutes of your time. I wanted to make some comments with respect to that which was said by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). He is quite right in pointing out the dependence on industrial activity that has occurred in the North. It does not take long for people to become dependent on changes.

Those who live in areas that are dependent on the resource industries get used to the boom and bust situation. It sometimes worries me that whatever a Government tries to do, it ends up making the peaks higher and the troughs lower. This certainly was the case with PIP grants. There was going to be a lot of activity any way on account of high oil prices. We put on top of that the PIP grant system which made that peak even higher than it would otherwise have been; consequently the trough is now a little deeper.

The Hon. Member talked about a presentation that had been made by the Regional Department of the Territorial Government on the situation in the delta. That was a very good report. I had the opportunity to read it and to speak with the people who drafted it. They made some very good recommendations. The federal Government has also started to act in that regard. The Prime Minister (Mr. Mulroney) has appointed a special committee with a rather high-faluting title, the Action Force on Arctic Initiatives. I sometimes wish it had not been so named. Perhaps it gives people the idea that we are going to be able to do a little more than we will actually be able to do.

This committee comprised of the Minister of Indian Affairs and Northern Development (Mr. McKnight) as the Chairman, the Minister of National Health and Welfare (Mr. Epp), the Minister of Energy, Mines and Resources (Mr. Masse) and the two Members of Parliament for the Northwest Territories has already embarked on some of those things to which the Hon. Member for Cape Breton—The Sydneys has referred.

We are making some moves with respect to training. The facilities of CFS Inuvik, the military base that had to be closed down on account of obsolescence, have been made available for a training college. We are beginning to work on the training aspects of it.

I will not belabour all the other things that are happening. The Hon. Member can rest assured that his remarks have not fallen upon completely stony ground.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 3 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. I declare the motion lost.

Motion No. 3 negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 4 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 14 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. I declare the motion lost.

Motion No. 14 negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 15 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. I declare the motion lost.

Motion No. 15 negatived.

The Acting Speaker (Mr. Paproski): I would just like to bring to the attention of Hon. Members that Motions Nos. 6 and 7 will be grouped for debate and a vote on Motion No. 6 will be applied to Motion No. 7.

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 6.

That Bill C-5, be amended in Clause 50 by striking out lines 25 to 29 at page 24 and substituting the following therefor:

"Resources for the purposes of this section shall purchase the share in accordance with subsection (2) at a price equal to the amount referred to in paragraph 49(3)(a)."

Motion No. 7.

That Bill C-5, be amended in Clause 50 by striking out lines 30 to 34 at page 24 and substituting the following therefor:

"(2) Where the agent of Her Majesty referred to in subsection (1) acts to purchase the share, it shall do so within 60 days after the closing date for the submission of tenders specified in the invitation to tender."

He said: Mr. Speaker, I might add that it is a pleasure to see you in the chair as the Deputy Speaker continuing your good work.

Some Hon. Members: Oh, oh!

Mr. Waddell: Hon. Members are giving me a rough time. I am not being paternalistic or anything, Mr. Speaker. I always look to you for guidance.

These motions deal with a more complicated area of the Bill. Clause 50(1) reads:

Where a share offered for sale by public tender pursuant to subsection 49(1)—

Clause 49(1) indicates that the Government can offer a share for tender in order to bring it up to the Canadian-ownership rate that is required under a complicated procedure in this Bill. Clause 50(1) goes on:

Where a share offered for sale by public tender pursuant to subsection 49(1) is not purchased at the sale, a company or other body corporate that is an agent of Her Majesty in right of Canada and is designated by the Minister of Energy, Mines and Resources for the purposes of this section has the option to purchase the share in accordance with subsection (2) at a price equal to the amount referred to in paragraph 49(3)(a).

My amendment indicates that for the purposes of this subclause, the Minister of Energy, Mines and Resources (Mr. Masse) shall—not have an option but shall—purchase the share in accordance with subclause 2 at a price equal to the amount referred to in Paragraph 49(3)(a). It makes it obligatory for the agent of the Government, probably Petro-Canada as the government oil company, to bring the Canadian ownership up to 50 per cent if the public sector does not do it. This removes discretionary power from the Minister.

You accept, Mr. Speaker, that we do not trust the Tories on this. They pretend that they are for Canadian ownership and for Canadian companies, but we know where their real loyalty lies. We know that they cannot get down south of the border with their pals quick enough. We also know that they are prepared to sell out Canadian resources to international interests at the drop of a hat. This is why we want to make it obligatory, make it a requirement that they "shall", with no options. Of course the options will only be in effect for a couple of years, until the next election, at which point we will not have to worry about the Conservatives selling out our resources to international oil companies. We know that the Conservatives are in bed with the international oil companies. It is obvious from every energy Bill they have brought down. They dismantled the entire energy program, part of which at least tried—and I give the Liberals credit for it—to Canadianize one of the most important industries in Canada. They made some mistakes, but they tried. This Government cannot fall over itself fast enough to help its American friends in fact gobble up our resources. I think of the name of the movie "Back to the Future". They want to get back there to the good old days so that they can give away more resources to foreigners. After the next election when there is an NDP minority or majority Government, we will come back to the House and clean this up. By offering this amendment I thought I would make it somewhat easier for the Government. It is something the Government could accept.

• (1250)

I wonder what the Government uses Petro-Canada for. I cannot figure out any method in its madness. It has made Petro-Canada buy a lot of gas stations. Petro-Canada has expanded its number of gas stations under the Conservatives; that is a fact.

Mr. McDermid: We didn't make them do it.

Mr. Waddell: I hear the Parliamentary Secretary. Surely he is not telling me that that decision was taken without the approval of the Government. Petro-Canada has gone out and bought more gas stations, but what is its role as Conservatives see it? I suppose if oil prices were high they would simply give it away to their dollar a year men, the people in Brascan and the Bronfman family. They want to privatize all Canadian assets and give them at cheap prices to these people who have insider knowledge or were friends with Sinc Stevens. That is the way they are operating in terms of privatization.

The Acting Speaker (Mr. Paproski): Order, please. I would hope the Hon. Member would take note that Hon. Members should be referred to by their constituencies and not by their names in this Chamber.

Mr. Waddell: The Hon. Member from York North or whatever the company is called. What is it?

Some Hon. Members: York Centre.

Mr. Waddell: York Centre is the name of the company.

Mr. McDermid: Take yourself out of the gutter, Ian.

Mr. Waddell: Look who is talking about gutters. The way they are dealing with the Canadian assets is a shame. They are privatizing them for their friends in corporate business in Toronto. It is shameful.

My point was, will they do the same for Petro-Canada? Well, not now because oil prices are too low, but when they go up they might change their minds.

In part, Motion No. 7 reads:

> Where the agent of Her Majesty referred to in subsection (1) acts to purchase the share, it shall do so within 60 days after the closing date for the submission of tenders specified in the invitation to tender.

This amendment tidies things up. In other words, the Crown oil company or the Crown corporation must buy the shares within 60 days.

To summarize, the purpose of these two amendments is to stop the Government from privatizing any of these shares and from taking up the slack, if it is not taken up by Canadian companies.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I should like to make a few comments on the motions which I have the honour of seconding. The debate, through the interjections of the Parliamentary Secretary, focused very nicely upon another aspect of the matter. Minutes ago we were concerned about ensuring the rights of aboriginal people and local communities. Now we are concerned that our publicly owned oil company will be encouraged by legislation to take a part in ensuring the Canadianization of energy exploitation. That strikes me as being a rather important thing to do at a time when press reports suggest that the operations of Petro-Canada are being carried out without any clear mandate from the Government.

When my good friend indicates some wonderment over the acquisition of service stations by Petro-Canada in the last while, one can of course recognize that to be in the oil business substantially increases the cash flow of Petro-Canada. We must ensure that the cash flow is used for Canadian petroleum development, and in particular to ensure that the benefits from the development will be available to Canadians. Surely they are very important results.

I support enthusiastically the two motions of my colleague. I trust there will be a change of feeling or attitude on the part of the Government, and that it will support these motions.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): I will be very brief, Mr. Speaker, but I think the last few comments should not go unchallenged.

There is nothing in the Bill which prevents Petro-Canada from taking any kind of interest in any one of the exploration agreements, production agreements, or whatever. There is nothing to prevent Petro-Canada from participating. Second, the Bill has a 50 per cent Canadian ownership requirement.

NDP Members define Canadian ownership and ask who as a Canadian should own it. They say that it should not be a large Canadian company, that it should be a small Canadian company or that it should be an individual on the street. By the way, the individual on the street may own a few shares in the Canadian company which may own it. They keep changing the definition of "ownership" in their own minds and confusing the public. Once a company has more than 100 employees, the NDP considers the company to be a big bad brute. NDP Members indicate that they cannot participate, that they are a big company and therefore nasty and should not be involved in the oil industry or in some other industry. That is nonsense, and the Hon. Member knows it. Canadians are not gullible. They do not buy that kind of stuff.

I will reiterate. Under this Bill Petro-Canada has every opportunity to participate in the exploration and production ends of things. There is nothing to prevent Petro-Canada from participating whatsoever, and there is a 50 per cent Canadian ownership requirement in the Bill.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 6 standing in the name of the Hon. Member for Vancouver—Kingsway (Mr. Waddell). All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. I declare the motion lost, which means that Motion No. 7 is also lost.

Motions Nos. 6 and 7 negatived.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE CONSTITUTION

NORTHWEST TERRITORIES—CLAIM TO PROVINCIAL STATUS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, last August a Bill was passed by the Federal Parliament of India granting to the territory of Mizoram full state status. For 25 years the people of Mizoram had been fighting a constitutional battle for their rightful place in the Indian Federation. They have been successful.

For 25 years the people of the Northwest Territories have been fighting their constitutional battle for their rightful place in the Canadian Federation. Despite considerable gains, they have not yet been completely successful.

We must never forget that there are, even today, north of 60, Canadians who are denied full democratic rights. They do not yet enjoy provincial status. The sooner the Parliament of Canada follows the lead of the Parliament of India in this matter, the better it will be.

* * *

[*Translation*]

SAINT-MAURICE RIDING

NEW MEMBER'S PRIORITIES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I simply wish to thank the Government for the opportunities I had during this campaign to make a contribution and receive the support of others, and point out that my priorities will, of course, be the unemployment situation in my riding and the youth problem and training for young people, and I will do everything I can to do something about our social security programs which are also a major problem in my riding.

* * *

[*English*]

IMMIGRATION

HEAD TAX PAID BY CHINESE IMMIGRANTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in 1983 as a result of raising past injustices against Chinese

Canadians in Parliament, I received 1,100 copies of Chinese head tax receipts, 436 from elderly survivors who paid this tax. The Chinese head tax, followed by the Exclusion Act, applied only to Chinese immigrants. This was racist, discriminatory legislation which remains a disgraceful blot on Canada's history and reputation.

Chinese laborers worked to repay the $500 head tax over many years; the Government meanwhile netted $20 million in profits. Liberals acknowledged this injustice but refused to act. The Conservatives have not fulfilled their election promises to the Chinese Canadian National Council.

I call on all Members of Parliament to acknowledge past injustices against our fellow Chinese Canadians in an all-Party resolution which advocates remedial action. This issue concerns justice, not money. It is fundamental to a multicultural Canada.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT FORGET COMMISSION RECOMMENDATIONS BE MODIFIED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on the weekend, we saw in *The Globe and Mail* how some members of the Forget Commission were violently opposed to the recommendations that are to be made to the Government in the weeks and months to come.

Mr. Speaker, I think Hon. Members will agree that paying people $1,000 a day to find out whether other people who are getting $160 a week are not getting too much is totally unacceptable.

Mr. Speaker, I urge all Members of this House to help pressure the Minister of Employment and Immigration (Mr. Bouchard) to call Commissioner Forget and tell him that recommendations like these are unacceptable and to draft some better ones.

* * *

[*English*]

IMMIGRATION

FAMILY REUNIFICATION—CALL FOR STREAMLINING OF APPLICATIONS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, ever since the first settlers came to Canada over 300 years ago, the family unit has formed a building block of our culture and society. Nothing is more essential to the well-being of a nation than strong family ties. Our immigration policy reflects this conviction by making family reunification the cornerstone of Canadian immigration law. Bringing to Canada those who already have family roots in our country provides a stable environment for the immigrant and a positive boost for the community.

Unfortunately, current family class immigration has become fraught with delays, confusion, and complexity. I therefore urge the Minister of State for Immigration (Mr. Weiner) to adopt the recommendations of the Standing Committee on Labour, Employment and Immigration and streamline the family class process. This will not only ensure that mothers, fathers, sisters and brothers are more quickly reunited, but it will also help us offer a home to those immigrants who already have a family stake in our country. Let us continue to put families first in our immigration policy.

* * *

[*Translation*]

THE ELDERLY

HOUSING PAVILION IN BARRAUTE

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the people of Abitibi are proud of the new senior citizens' home in Barraute. Since 1964, proposals have been made for this project to the Government of Canada, but the proposals were always turned down, particularly when the riding was held by Liberal Member René Gingras. Thanks to our efforts since 1984 and those of the Barraute committee, the Canada Mortgage and Housing Corporation in Val-d'Or, the DDE in Noranda with a key project, and the municipalities of Barraute, Barraute Piedmont and the outlying areas, the project was finally realized.

The project is a fine example of what people and the Conservative Government can accomplish when they work together to solve problems of common concern, in this case the lack of decent housing for senior citizens who need financial assistance.

Mr. Speaker, on behalf of the Government of Canada, I wish those who will make this project their home a pleasant and worry-free future.

* * *

• (1405)

[*English*]

FINANCE

NON PAYMENT OF INCOME TAX BY UNION GAS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the need in Canada for a tax system that is fair, just, and equitable, I wish to present today our second great untaxed corporation award. Today's winner is Union Gas which has

been granted, by successive Liberal and Conservative Governments, the legal right to pay no corporate income tax on profits that in the two years 1980 and 1981 totalled $52.7 million.

Had the tax system been fair and equitable, and had Union Gas been required to pay even a 25 per cent tax rate on its profits in 1980-81, revenue accruing to the federal Government would have amounted to $13.2 million. Had Union Gas been required to pay taxes on its profits, average Canadian taxpayers may have had less personal income and sales tax to pay in 1986. Today's great untaxed corporation award winner is a reminder from New Democrat Members of Parliament to the Conservative Government of the pressing need for serious and comprehensive tax reform.

* * *

UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to rise on behalf of almost 1,000 employees at Miracle Mart, some of whom are located in the city of Hamilton, who have been laid off. As a result of the Government's regressive decision last year, they are unable to collect any unemployment insurance because they are receiving severance pay.

You will recall that we have raised this issue a number of times in the House and we were told: "Wait for the Forget Commission". After hearing press reports on the weekend, I am afraid that we do not want to wait for the Forget Commission because there will be many other Canadians who will be left out in the cold, as have these hundreds of Canadians.

In the case of Hamilton, the average number of years of service of these women and men at Miracle Mart was 19 years. They will leave their jobs without being able to collect a penny of unemployment insurance. We believe that is absolutely wrong and we will continue to fight it in the House and in the constituencies.

* * *

PROVINCIAL AFFAIRS

SASKATCHEWAN ECONOMY'S RESILIENCE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, despite historically low grain and oil prices, resulting from unfair foreign competition, the Saskatchewan economy is showing remarkable resilience.

Retail sales are up 6 per cent, housing starts are up 13 per cent, and building permits are up by 43 per cent. The prime interest rate, at 9.75 per cent, is the lowest in eight and one-half years. Five-year mortgage rates are down by three and one-quarter points since September, 1984.

In fact the Government of Saskatchewan has guaranteed home mortgages at 9.5 per cent for the next ten years. Inflation is under 4 per cent, the most stable price environment since 1971. Fourteen thousand new jobs have been created over the past two years. The unemployment rate, at 7.5 per cent, is down a full point over the past two years.

Now the new Saskatchewan Home Improvement Plan is generating jobs at a rate of 154 each day. The Conference Board of Canada forecasts a 6 per cent increase in personal income this year. It is proof positive that the Saskatchewan economy is being well managed.

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[*Translation*]

SOCIAL SECURITY

UNIVERSALITY OF SOCIAL PROGRAMS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, it seems the federal Liberals from Quebec keep changing their minds. In the summer of 1985, Quebec Liberals were telling the world they would never challenge the universality of social programs in Canada. The same Liberals, with the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) and his leader foremost in the fray, accused my Government of hypocrisy because it was trying to improve the administration of our social programs.

Mr. Speaker, on the weekend, the Quebec Liberal Party's future, its young Liberals, passed a resolution aimed at putting an end to the principle of universality of social programs. Those same young Liberals who support their leader forget that last summer he said in the House of Commons that the Liberals would never discuss changes to the administration of social programs in Canada. But who are we to believe in the Liberal Party, Mr. Speaker? The youth wing, which has always been the party's pride and joy, or the Liberal Caucus in Ottawa? In any case, Canadians will have to wait a long time before the Liberals make it clear to everyone what exactly their social policy is.

* * *

• (1410)

[*English*]

NOBEL PEACE PRIZE

TRIBUTE TO ELIE WIESEL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my privilege this afternoon to join my colleagues in applauding the selection of Elie Wiesel as the recipient of the 1986 Nobel Peace Prize. Born in Romania in 1928, Wiesel witnessed and experienced the full horror of the Nazi holocaust in

eastern Europe. Deported at the age of 16 to the concentration camps, he was the only member of his entire family to survive. Over the past 40 years he has used his memories of the holocaust as the basis for a series of publications that both mourn the suffering and tragedy, and exalt the joys of Jewish life and teaching. His works now enjoy world-wide acclaim and popularity.

Outspoken, passionate and committed, a symbol of hope and perseverance, Elie Wiesel has used books, poems, essays and lectures to convert his memories into a crusade against apathy toward suffering, and into defiance against the oblivion of millions of individuals. His vivid and personal accounts of the atrocities of the holocaust and his tireless struggle to ensure that the deaths of six million Jews are never forgotten are crucial to our shared hope that similar barbarism against the rights and dignity of man will never be repeated.

In recognition of this noble struggle, Elie Wiesel is a deserving recipient of this year's highest award for peace.

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EXPO 86

PRIDE IN JOB WELL DONE

Mr. Alan Redway (York East): Mr. Speaker, last night the curtain came down on Expo 86. After two previous world fairs had flopped in the U.S., and in spite of many dire predictions, the Vancouver world's fair, Expo 86, proved to be a fantastic success. It put an enormously favourable spotlight on British Columbia and Canada. More than that, it generated tremendous enthusiasm and overwhelming crowds. It was by far the most popular world's fair ever held. To top it all off, it even made money. Today, as we pause and look back, Canadians everywhere say: "Well done, British Columbians, our hats are off to you."

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HUMAN RIGHTS

U.S.S.R.—PLIGHT OF DANYLO SHUMUK

Mr. John Nunziata (York South—Weston): Mr. Speaker, I rise to make a plea for the release of Danylo Shumuk, unjustly imprisoned for many years in the Soviet Union. Mr. Shumuk has been subjected to hard physical labour, an inadequate diet, and the threatening atmosphere of a Soviet labour camp. He suffers simply because he was convicted of having written a manuscript of his memoirs. Now his health is deteriorating rapidly. He suffers from stomach ulcers, a heart condition, and circulatory problems. His paralyzed right arm is also a concern, especially since he may soon not be able to write. Correspondence with relatives in Canada is nearly all he has left.

In 1981 there was unanimous consent of this House to a proposal to urge the Soviet Union to release Mr. Shumuk. Let us once again make a concerted effort to reunite Mr. Shumuk with his relatives here in Canada. If he is not freed, he will not receive the health care he needs and could die far away from friends and family. We must make another appeal to the Soviets to avert a human tragedy.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the Government will soon get the Forget Commission report on unemployment insurance.

According to the articles published in *The Globe and Mail*, the report recommandations spell catastrophy for Atlantic Canada. *The Globe and Mail* indicates that the report will recommend the abolition of the unemployment insurance program for fishermen, along with several other measures under which workers in the poorer regions of the country will be hardest hit.

Seasonal workers, who most need this program, would be directly affected, not to mention the fact that most of them would get reduced benefits.

If this Government believes it has a role to play in the elimination of regional disparities, it must indicate forthwith that such recommendations will not be considered and will simply be rejected.

* * *

• (1415)

[*English*]

EXPO 86

TRIBUTE TO ALL PARTICIPANTS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, yesterday marked the closing day of a very successful world's fair, Expo 86 in Vancouver. Over 22 million people from around the world visited the now famous site between May and October. The federal Government and the British Columbia Government combined their efforts to host Expo 86. The provinces and territories and countries from around the world, coupled with many Canadian corporations, shared in the experience. Success was the result of people from every province of Canada, all the States of America and countries around the world, coming to enjoy Man in Motion.

Expo 86 truly became a people place. Two individuals who deserve special recognition are Canada's official host, Patrick

Reid, the Commissioner General, and a B.C. businessman named Jimmy Pattison, Expo 86 Chairman and President. For one summer Expo 86 transformed Vancouver, which is celebrating its one hundredth anniversary, into a cosmopolitan crossroads. To the thousands of volunteers, sponsors, and participants we say a hearty thank you for your hard work and hospitality. A job well done!

* * *

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF DAIL ÉIREANN PUBLIC ACCOUNTS COMMITTEE MEMBERS

Mr. Speaker: I wish to draw to the attention of Members the presence in our gallery of members of the Public Accounts Committee of the Dail, Ireland, led by their Chairman, Mr. Denis Foley.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

DISARMAMENT

ICELANDIC SUMMIT—COMMENT BY FORMER UNITED STATES NEGOTIATOR

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Prime Minister. Paul Warnke, the chief U.S. negotiator of the 1977 SALT talks, was on *The Journal* last night commenting on the summit in Iceland. He said:

> I think that the only chance of progress is if there is somebody who has both the wisdom and the guts to stand up and say to the President of the United States: "You're giving away a chance for genuine progress toward nuclear stability and you are pursuing pie in the sky".

Will the Prime Minister tell us whether he agrees with that statement? Does he have the wisdom and the guts to send that message to the President on behalf of the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am aware of the comments made by Mr. Warnke who operated in this area on behalf of another administration. I would be inclined to endorse the view expressed by Lord Carrington when he said that we agree that possibilities for significant progress had emerged in a number of areas. He underlined the importance of following these up energetically in the appropriate negotiating fora.

In the morning after an important meeting such as that I think that one must quite properly look at the matter constructively and see if there is a possibility of building bridges in the future. I think that possibility exists, and Canada will do all it can to be helpful in that process as the parties return to Geneva.

[*Translation*]

INQUIRY WHETHER PRIME MINISTER SHARES VIEWS OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I have a supplementary for the Prime Minister.

Mr. Warnke is not the only person to point out, in his comments and elsewhere, that the gap between Messrs. Gorbachev and Reagan still exists and has even widened as a result of the failure of the preliminary Summit.

I would like to know where the Prime Minister finds the basis for his optimism and whether he agrees with the comments made by the Secretary of State for External Affairs this morning.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member mentions a gap that has widened and a failed meeting at the Summit. I am inclined to recognize that a serious problem exists, but also that there is the potential for future progress. Meeting under ideal conditions, both parties discussed a very complex and delicate problem, leaving in place mechanisms for sustained and continuing negotiations in the future. I have every reason to expect that the Geneva talks will proceed in an effective and productive fashion, and that ultimately, Mr. Gorbachev will go to the United States, as agreed, to conclude the talks.

STRATEGIC DEFENCE INITIATIVE—DISARMAMENT POLICY—GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, we in the Opposition consider the Star Wars Program favoured by the President of the United States to be entirely incompatible with a disarmament policy.

Does the Minister agree with us now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I repeat what I have said before, on behalf of the Government, that although this Canadian Government will not agree to take part in the government-to-government development of this policy and in the research involved, I think, as NATO Secretary General Lord Carrington mentioned, that in the circumstances and considering the activities being deployed by the other side, it was a prudent gesture on the part of the United States and the Alliance to undertake research in this field.

We share that view.

• (1420)

[*English*]

UNITED STATES POSITION ON STRATEGIC DEFENCE INITIATIVE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I, too, have a question for the Prime Minister. The historic progress which he and the Secretary of State for

External Affairs talk about includes a statement which says we must build upon the consensus that was reached. But we know the stumbling block to any further progress is the willingness to negotiate the Star Wars or SDI Program. In Canada's strong support for the continuation of negotiations, will the Prime Minister be communicating directly with our allies in the United States and urging them to reconsider their position and put the Star Wars SDI Program back on the agenda for Geneva so we can eliminate that stumbling block and reach an historic agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think one can look at the events of the weekend with some optimism or some degree of pessimism. For our part, I think that is positive. I think there is reason to be modestly hopeful. I think the elements are in place for an ongoing civilized dialogue at Geneva and, hopefully, which will result in Mr. Gorbachev's coming to the United States as agreed upon. There are stumbling blocks on both sides. That is what negotiations are all about, sitting down with open minds knowing the objections on both sides and trying to effect an honourable compromise.

The important thing which came out of the meetings, I believe, was the indications of the parameters of understanding. They are there, and hopefully people of goodwill will achieve them.

REQUEST JOINT PARLIAMENTARY RESOLUTION BE DRAFTED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, no one would disagree with the Prime Minister's comments or hopes, but what we are asking about is the specific initiative the Canadian Government, indeed, the Canadian Parliament, could take on behalf of all concerned Canadians. Would the Prime Minister be prepared to join with the opposition Parties in drafting a joint parliamentary resolution which would urge continuation of negotiations but also urge that the question of SDI or Star Wars be put on the agenda and that both superpowers attempt to negotiate an agreement which will limit the testing of that program in space?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why we would pass a resolution putting the question on the agenda when it clearly is on the agenda and it was on the agenda all weekend.

Mr. Kaplan: What about Gorbachev?

Mr. Mulroney: The Hon. Member wonders about Mr. Gorbachev. Mr. Gorbachev, I think, made his point well known, as did President Reagan. The fact that agreement was not reached at this first meeting does not mean that agreements will not be reached in the future. I think we ought to look at this constructively and see the atmosphere in which events transpired, the hope for the future, and resolve to encourage President Reagan and Secretary Gorbachev to go to Geneva with a view to resolving these differences.

I do not look at it in the spirit of pessimism. I think there is modest reason to be hopeful about the future and Canada's every commitment will be to be helpful in that area.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION REPORT INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is also directed to the Prime Minister. He will recall that frequently throughout the Speech from the Throne the Government committed itself to the notion of fairness. I have figures which will appear in the soon-to-be released Forget Report which indicate that this commission plans to take $620 million out of Atlantic Canada, $930 million out of Quebec, and $430 million out of British Columbia. These are three regions of Canada which are already the worst affected by high levels of unemployment. Is this the Government's idea of fairness? And if not, will the Prime Minister give us assurances that this recommendation, coming from the Forget Commission, will not be accepted by the Government of Canada?

• (1425)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I must tell my hon. friend that he apparently has access to information that I as Prime Minister have not received. I can tell my hon. friend that our only involvement was mentioned at the time of the Budget Speech on May 23 by the Minister of Finance when he said in this regard:

> I am also announcing that the government will soon launch a major review of the unemployment insurance program. Our objective is to improve and simplify the unemployment insurance system to make it fairer and to ensure that it promotes flexible adjustment in the labour market. I want to emphasize that we are not undertaking this review with an objective of reducing federal contributions to the unemployed.

Mr. Broadbent: Mr. Speaker, it may be the case that I have figures that the Prime Minister does not have; but when he looks at the report he will find those figures.

LEVEL OF GOVERNMENT FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since it was the Prime Minister's Government that appointed this commission and since it is his Government to which the commission will make its recommendations, will the Prime Minister make it clear that when it comes to these three areas the worst hit by unemployment his Government will not administer a further smack in the face, which is what it amounts to, to the poorest regions by taking hundreds of millions of dollars out? Will he assure us that the $3 billion recommended for cuts across Canada will not be acted upon by the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot comment on a report that I have not seen. I can only tell my hon. friend that our position is the one set out by the Minister of Finance when he said that he wanted to emphasize that we are not undertaking this review with an objective of reducing federal contributions to the unemployed. We have appointed an impartial group of people to analyse the problem. I will wait for their report and make determinations when we have received it.

[*Translation*]

FORGET COMMISSION RECOMMENDATIONS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister responsible for this work.

The Forget Commission is also recommending that severance pay and pensions be included in calculating unemployment insurance.

Will the Minister state clearly that the Government cannot accept this recommendation?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Leader of the New Democratic Party has a bad habit of taking part of a report as it appears in the press, treating it as though it had been received by the Government and asking questions about it.

The Forget Report will be tabled between now and November 30. At that time, all Members in and outside the House will have a chance to comment, and we will subsequently formulate our position. That is all. There is no Forget Report dated October 14, 1986.

[*English*]

PAYMENT OF BENEFITS IN ATLANTIC REGION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is also for the Prime Minister. During a visit to St. John's, Newfoundland, with his Cabinet the Prime Minister acknowledged that the economy of Atlantic Canada is seriously ill. According to comments made by three members of the Forget Commission yesterday and today, they want to cure the problem by killing the patient. Some $727 million in UIC payments—three-quarters of $1 billion—will be cut from the region if the recommendations of the Forget Commission are accepted by the Government. Will the Prime Minister give his assurance today that the Government will not keep his recent financial commitments by cutting $3 billion in UIC payments from the Atlantic region?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend will understand, as I indicated to the Leader of the NDP, that I cannot, nor would he want me to, comment on a report that is unavailable to Members of the House and which I have not seen.

In regard to Atlantic Canada, I did indeed express the view in St. John's, and the regret of all Members of the House, that previous government policies over the past 15 years had failed dramatically to bring equality of opportunity to the people of Atlantic Canada. I am going down to Charlottetown on Thursday to put in place with the Premiers a new mechanism that we hope will bring about a greater degree of equality of opportunity for people in Atlantic Canada.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, ask the Prime Minister a civil question, you get a petty, partisan answer.

Some Hon. Members: Oh, oh!

REGIONAL DISPARITY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I would like to ask the Prime Minister this question. What area of the world will the "Minister for Regional Economic Third World Comparisons", the Hon. Member for St. John's West, ask the people of Atlantic Canada to look to if three-quarters—

• (1430)

Mr. Speaker: Order, please. Order. The Hon. Member knows full well that he should put the question to a Minister and name the Minister. Would the Hon. Member put his question again, please?

Mr. Tobin: Mr. Speaker, let me put the question to the Prime Minister. To what region of Canada will the Government recommend that Atlantic Canadians look when the Prime Minister will not stand today to say he will not allow $3 billion to be cut from UIC in that region? Does the Prime Minister plan to build a prison in every port of call in Atlantic Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know how offended my hon. friend is by partisan references so I want to be very, very careful in that regard. I expressed what I am sure is the concern of all Members of the House of Commons when I indicated that our concern is that the relative prosperity that we are in the process of achieving is not fairly shared across Canada. That is a concern of Government and a concern of all Members of the House. We are working toward achieving a greater degree of equality.

I know my hon. friend will be pleased to learn, for example, that, when we came to office, the unemployment rate in Newfoundland was at 23.8 per cent and it has been reduced by 3.2 per cent already. While that is unacceptable, it indicates some degree of progress.

DISARMAMENT

ANTI-BALLISTIC MISSILE TREATY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also directed to the Prime Minister and relates to the meeting held in Reykjavik on the weekend. How does the Government intend to support the ABM Treaty now that President Reagan has made clear his intention to test and deploy ABM systems outside the laboratory within 10 years?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would not want to try to anticipate what may or may not happen in the next 10 years but our treaty is clear and the position of the Government of Canada with regard to ABM is clear. We have conveyed that to all Parties. There has been no change in our position.

POSITION OF UNITED STATES SECRETARY OF STATE

Mr. Derek Blackburn (Brant): Mr. Speaker, it is now clear from the weekend conference that the United States intends to violate the ABM Treaty. Exactly a year ago, Secretary of State Shultz stated at the North Atlantic Assembly meeting in San Francisco that the United States would adhere to a strict or restrictive interpretation of ABM. Would the Prime Minister not agree now that George Shultz lied to us a year ago?

Mr. Speaker: Order. I wonder if the Hon. Member would like to rephrase his question.

Mr. Blackburn (Brant): I will put it in the way we would say it in our own Chamber. Would the Prime Minister not agree that the Secretary of State for the United States misled the North Atlantic Assembly so that we would pass a pro-SDI resolution at that very important meeting of parliamentarians of NATO countries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think that George Shultz needs me to defend his honour. It is well known and well accepted both here and around the world.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION'S FORTHCOMING RECOMMENDATIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Prime Minister. It is one thing to correct abuses in the unemployment insurance program but it is another thing to gut a program completely which has served unemployed Canadians well for many, many years. Would the Prime Minister make a commitment today that he will implement no cuts recommended by the Forget Commission until the Standing Committee of the House has had an opportunity to examine fully any report put forward by the Forget Commission and is able to put forward alternative proposals to support the unemployed in their time of need?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, how many times do I have to repeat to the Hon. Member that there are no cutbacks in the Forget Report because there is no Forget Report? We are going to wait until November 30, and then we will talk about the Forget Report.

[*English*]

REQUEST FOR COMMITTEE REFERRAL

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, there is a lot of consternation out there now. No matter what the Forget Commission says, can the Government not make a commitment today that that report will be sent to the Standing Committee of the House for a complete examination by all Parties in the House before any cuts are implemented? Can the Minister make that commitment today?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): A year ago, this Government set up a *bona fide* commission that would report to the Government, and whether the Hon. Member likes it or not, we are going to wait for the Commission's recommendations before taking any kind of action.

[*English*]

BENEFITS PAID TO FISHERMEN

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Hon. Minister of Employment and Immigration. Fishermen and their families from coast to coast know that the concept of annualization, if applied to them, will force them onto the welfare rolls and will push their communities into a deepening cycle of poverty. Could the Minister reassure these people that there will not be cuts to the unemployment insurance program, cuts that will either decrease their eligibility for unemployment insurance benefits or decrease the benefits they will receive?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, earlier, the Prime Minister referred to the statement in the Budget. Do I have to repeat it once more?

[*English*]

He said that he wants to emphasize that we are not undertaking this review with an objective of reducing federal contributions to the unemployed. I think that is very clear.

CALCULATION OF PENSIONS AS INCOME

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, perhaps I will get a more positive answer to this

question. Close to 60,000 pensioners who are not yet ready to retire are already suffering because of present regulations that deduct their pension income or severance pay from unemployment insurance payments. Will the Minister rescind those unjust regulations both retroactively and permanently?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would like to ask the Hon. Member what is more positive for the unemployed than for us to say that they will be fully supported by the Government? What could be more positive than to tell these people that we will be supportive of the unemployed?

Mr. Speaker: Order, order.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM UNITED KINGDOM

Mr. Speaker: I would like to draw Hon. Members' attention to the presence in the gallery today of a parliamentary delegation from the United Kingdom led by Mr. Anthony Nelson, Member of Parliament. The delegates are visiting Canada as guests of the Canadian Branch of the Commonwealth Parliamentary Association.

Some Hon. Members: Hear, hear!

* * *

CRIMINAL CODE

GUN CONTROL—AMENDMENT OF PROVISIONS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Justice. Last spring the Minister's predecessor indicated in the House that he was presently reviewing gun control legislation particularly as it refers to handguns. Could the Minister advise the House if he is now prepared to introduce amendments to the Criminal Code and, if so, when those amendments will be introduced?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, indeed there is a review taking place pursuant to commitments made by my predecessor. The principles of that review will be the enhancement of public protection as well as the removal of the burden of some requirements with respect to legitimate gun owners. I hope to have the recommendations in my hand very shortly and that undoubtedly will lead to legislation.

[*Translation*]

UNEMPLOYMENT INSURANCE

FORGET COMMISSION RECOMMENDATIONS—DEMAND THAT MINISTER INTERVENE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister or to the Minister of Employment and Immigration. Now, no more hiding their heads in the sand! Two members of the Forget Commission revealed part of the Commission's recommendations. Now, this is what I want to ask the Minister: Quite honestly, can the Minister get on the telephone, call the Commission members and tell them that recommendations of this kind are unacceptable to Canadians? They are being paid $1,000 a day: let them make recommendations that are fair to Canadians. Are you or are you not able to tell them so?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I can speak in the same tone of voice as the Hon. Member, but I shall refrain. I think he ought to know that when a Government gives a commission a mandate, the least it can do is let the commission submit its report. And one thing is certain: this side of the House, has a perfectly unanimous position on this question, which is more than can be said for the other side, considering what we saw on the weekend in Montreal with the young Liberals.

FUTURE OF EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, earlier, the Minister was asking what more he could do to ensure . . . There are 34,000 people in Canada, 34,000 early retirees whose unemployment insurance benefits have been unfairly cut off. Can the Minister rise in the House and tell these people: You are going to be entitled to your benefits, and it will be retroactive? Can you do that or do you have to wait for the other guys?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Once again, Mr. Speaker, for the benefit of my hon. friend, we are going to make certain decisions with respect to the pensioners you referred to. We said we were going to do that within . . . and so far, there is no reason why I should do so before the Forget Report is tabled. In any case, this is all part of the same process we have been telling you about for the past year.

* * *

• (1440)

[*English*]

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Agriculture. The people

of Saskatchewan, particularly farmers, continue to be very confused about the Government's so-called $1 billion farm aid program. Is the Minister prepared to announce whether any decisions have been made concerning the form of assistance and its allocation? If he is not prepared to do so today, when will he be prepared to make some announcements?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, there is only one reason the people of western Canada and indeed the grain farmers of Canada are somewhat confused, that is, the continuing effort on the other side of the House to distort and to add confusion. There is no question about that at all.

Some Hon. Members: Hear, hear!

Mr. Wise: We indicated in the House—the Prime Minister and I have responded to questions—that the Government is determined to put $1 billion into the hands of Canadian farmers.

Mr. Keeper: When?

Mr. de Jong: Mr. Speaker, I am afraid that answer will not satisfy Saskatchewan farmers. They want some answers now because they need those answers now.

ANNOUNCEMENT ATTRIBUTED TO SASKATCHEWAN PREMIER

Mr. Simon de Jong (Regina East): Mr. Speaker, on Friday the Premier of Saskatchewan announced to the people of that province that some $450 million would be going to Saskatchewan farmers. The next day Deputy Ministers from Ontario, Manitoba, and Alberta denied it. Could the Minister tell us today whether the Premier is confusing the voters and farmers of Saskatchewan, or is it that he or anyone else, including the Government, does not know what the $1 billion farm aid program is all about?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, last Thursday we met with the Deputy Ministers. This Thursday we will meet with farm leaders. At that time we will have the benefit of the advice and suggestions of the Deputy Ministers and indeed of farm leaders. I indicated last week that if it takes a week or two weeks for us to make it fair and equitable, that if we have to take a little longer to do it right, we are going to take that time.

SITUATION OF FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture as well. He talked about confusion. Obviously the confusion is between the Premier of Saskatchewan and the Minister of Agriculture across the way. On Friday the Premier of Saskatchewan announced clearly that a $457 million cash deficiency payment would be provided. At the same time the Minister's office here was saying that no decision had been reached—

Mr. Speaker: Order. Would the Hon. Member put his question, please?

Mr. Foster: Who are the farmers supposed to believe—a desperate Premier in Saskatchewan who is trying to get re-elected, or a Minister of Agriculture who is trying to provide a deficiency payment with no money?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I had some difficulty following the logic and the reasoning in the Hon. Member's question. The fact is that farmers with whom I spoke across the country are not confused. They recognize that the Government was with them from the day it was sworn in. We have been with them consistently each and every day, with some 317 initiatives delivering well over $5.6 billion. Indeed, over and above that, there will be a new program of $1 billion—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the same Minister. Is it the Government's plan to negotiate cynically through the Saskatchewan election by leading people to believe that there will be a cash deficiency payment and, after the election is over, to announce that it is only a loan guarantee, loans which have to be repaid by farmers who are already over their heads in debt? Is that the plan of the Minister?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the only thing I can say to the Hon. Member is: Just watch us.

Some Hon. Members: Hear, hear!

Mr. Wise: Just watch us.

Some Hon. Members: We are!

Mr. Wise: I invite the Hon. Member to check the record. When we make commitments, we deliver on those commitments, and we are going to deliver on this one.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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SOCIAL AFFAIRS

LOW INCOME FAMILIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister of National Health and Welfare indicated that he does not care about poverty and will leave it to the private sector to create jobs. Does the Minister of Finance agree with

this philosophy, since in British Columbia average family incomes went down from $30,000 to $26,000 over five years and family poverty increased by 85 per cent under this kind of philosophy? Does he advocate private sector jobs at $3.65 per hour minimum wages as a means of alleviating poverty?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I point out to the Hon. Member that Statistics Canada has recently released some figures indicating that, for the first time since 1980, there was a decline in the number of Canadians living in households with incomes below the low income threshold, and that the number of Canadians living in low income households fell by 298,000. It is still too high, but it is good progress. It is the first time since 1980 that it was reversed.

Ms. Mitchell: Those statistics must have been taken from Toronto, because in British Columbia Statistics Canada indicates that incomes went down from $30,000 to $26,000 over—

Mr. Speaker: Order. I would ask the Hon. Member to put her question.

REQUEST FOR COMMUNITY JOB-CREATION PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is directed to the Minister of Employment and Immigration. As an anti-poverty measure, will the Minister introduce aggressive community job-creation programs in low income communities—child care, women's programs, and programs for our youth and the elderly—to extend services and help promote self-help?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, our jobs strategy includes a whole series of initiatives, including one which will become increasingly important in coming weeks, namely the community development program. We shall be announcing in the near future a number of communities which will benefit under this program, especially in British Columbia, but also in other provinces. This will enable us to act directly with these communities to alleviate the unemployment problem in these regions.

* * *

[*English*]

INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND—LAND CLAIM

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Deputy Prime Minister who is also a distinguished Member from Alberta. As the Minister knows, ever since last February the Minister of Indian Affairs has had in his hands the report of the Hon. E. Davie Fulton on the aboriginal claim of the Lubicon Lake Indian people. Could the Minister explain to the House why the Government is offering the Lubicon people less than one half the quantity of land which the Hon. E. Davie Fulton said was a reasonable basis for a just settlement for these people in northern Alberta?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sure the Hon. Member knows that this is a very complex issue. The Minister is seized with the issue at the present time. I should simply like to inform him that he will probably be in the House tomorrow. I ask him to defer his question until the Minister is here in that he is much more fully briefed on the matter than I am.

FULTON COMMISSION RECOMMENDATIONS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I agree with the Deputy Prime Minister that it is a complex question, but he knows that this is becoming a matter of considerable international embarrassment to Canada. Will he assure the House that the Government will move quickly to make a fair and just settlement with the Lubicon people and that the recommendations of no less a person than the Hon. E. Davie Fulton will be taken into full and complete consideration?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, without totally accepting the premise of the question, I would simply say to the Hon. Member that I will take that as a representation, inform the Hon. Minister, and hope that he will respond fully, to the satisfaction of the Hon. Member, when he returns to the House.

* * *

• (1450)

[*Translation*]

CANADA POST CORPORATION

REQUEST FOR HOME MAIL DELIVERY AT LAUNAY IN ABITIBI

Mr. Guy St. Julien (Abitibi): Mr. Speaker, I have a question for the Minister responsible for Canada Post.

Since September 30, 1986, the customers of the Launay rural route in Abitibi must collect their mail at the Launay-Station post office, several miles from their home. The Canada Post Corporation has said that this decision is due to its will to provide profitable postal services.

Mr. Speaker, my question is this: Has the Canada Post Corporation considered the hardships such a decision will cause to the senior citizens and the handicapped of this outlying region as they will have to travel several miles during the long Abitibi winter?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I simply want to remind the Hon. Member that the Canada Post Corporation must manage its funds as efficiently as possible and that it must constantly review its delivery services to achieve a balance between the services provided at best cost. This means that certain corporate decisions such as the one mentioned by the Hon. Member have to be made.

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UNEMPLOYMENT INSURANCE

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Both the Prime Minister and Minister have just assured us that the Government had no intention of reducing federal contributions to the unemployed when the Forget Commission was set up.

Is the Government maintaining this intention towards the unemployed, and does this mean that the Government will not impose any cutbacks in unemployment insurance benefits for people suffering from unemployment in this country?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Its premise being entirely wrong, Mr. Speaker, how could I answer this question adequately.

The Prime Minister has stated and I have repeated later on that the statement by the Minister of Finance would take into account the whole of the unemployed. This seems to me to be quite clear. That obviously includes those you have referred to.

But, again, we are referring to the statement made by the Minister of Finance.

INQUIRY WHETHER MAJOR CUTBACKS WILL BE MADE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister aware that the Forget Report is recommending a $930 million cutback in unemployment insurance benefits for the province of Quebec alone?

Is the Minister telling us now that the Government may compensate through a number of jobs creating schemes, while effectively making major cutbacks in unemployment insurance benefits, as proposed by the Forget Commission?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I ask the Hon. Member to wait until the Forget Commission has tabled its report.

[*English*]

MULTICULTURALISM

FUNDING OF TORONTO ORGANIZATIONS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister. It concerns the deplorable report which was presented to him from his Toronto Conservative caucus. In reviewing the funding for multicultural organizations, the report recommends that:

> There should be nothing arbitrary about funding cuts or increases: Liberal funding patterns should be disposed of, and a politically intelligent PC pattern take their place.

This is an insult to the very integrity as well as the allegation—

Mr. Speaker: Order. The Hon. Member no doubt has views as to what it is, but the Hon. Member's obligation is to put a question.

Some Hon. Members: Hear, hear!

Mr. Marchi: Mr. Speaker, quite simply would the Prime Minister explain what a politically intelligent PC pattern of funding means? Which groups will be cut off financially because they fail to advance the cause of the Conservative Party of Canada?

Hon. David Crombie (Secretary of State): Mr. Speaker, perhaps I could answer the question. With respect to politically intelligent policies, I would ask the Hon. Member to wait until I come forward with them.

Some Hon. Members: Oh, oh!

Mr. Crombie: Second, concerning the other part of the Member's question, that is an insult to the people he chooses to defend.

Mr. Marchi: Mr. Speaker, the Prime Minister has regrettably failed to rise in his place.

Some Hon. Members: Order.

Mr. Speaker: Order. Hon. Members know that Ministers have a discretion, including the Prime Minister, whether to answer a question or whether another Minister will do so. Will the Hon. Member put his question?

GOVERNMENT POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the Prime Minister. Rather than taking it as a joke, will he do the courageous and logical thing—

Mr. Blaikie: Cut him off.

Mr. Marchi: —to dissociate himself and reject publicly this sleazy report so that Canadians can be assured that the policies of multiculturalism and, indeed, immigration are

above the political manoeuvres of the Conservative Party of Canada?

Hon. David Crombie (Secretary of State): Mr. Speaker, the responsibility for recommending policies affecting multiculturalism are mine. I can assure the Hon. Member that I will carry out those responsibilities as I have always done.

Second, Mr. Speaker, I would suggest that the Hon. Member ought not to use this forum for the kind of slander he just offered.

* * *

NATIONAL RESEARCH COUNCIL

FUNDING OF SPACE RESEARCH

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of State for Science and Technology concerning the National Research Council funds to be used to finance Canadian participation in research for the United States SDI project. Can the Minister confirm that the study done by the Canadian Institute of Advanced Studies which recommended participation in the project assumed that new research money would be spent and not money taken from existing NRC programs?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member's premise is wrong. The Government is not actively involved with any aspect of the SDI project in the United States.

The Canadian space program is a civilian program which included the participation of 13 European countries, Japan and the United States.

USE OF COUNCIL'S FUNDS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, can the Minister confirm that the NRC funds for space research will not be used by NRC personnel but will simply be passed on to large aerospace companies, such as Spar Aerospace, that will get the contracts and the employment? How, without this money, can the Minister say there will be no job cuts at the NRC?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the space program sees an increasing role for the National Research Council. The NRC presently does about 38 per cent of space related activities, namely, the Space Science Program, the Astronauts Program and the Space User Development Program. The Government envisages the role of the NRC to increase significantly over the years of the announcement that we made in May of a more comprehensive space program.

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Minister of Agriculture. He will know that the grain producers are pleased with the billion dollar promise—

Ms. Copps: Question.

Mr. Wilson (Swift Current—Maple Creek): —but want to have some hand in the system of delivery. Is the Minister prepared to listen not only to the provinces involved but also to the farm community in determining a pay-out which is fair and equitable to all concerned?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's continuing interest in the problems of Canadian farmers. As he will know by discussions that he, I and others have had, and also from responses to questions in the House, we are actively consulting with the provinces. We will be consulting specifically with farm leaders. We are receiving advice throughout the whole farm community, from all regions of the country—

Mr. Speaker: Order.

* * *

NATIONAL RESEARCH COUNCIL

SIZE OF BUDGET—EFFECT ON PROGRAMS

Mr. David Berger (Laurier): Mr. Speaker, my question is also for the Minister of Science and Technology. The budget of the National Research Council has been cut since November, 1984, by $130 million or close to 30 per cent. Will the Minister advise the House which programs the NRC has been forced to slash at its board meeting today as a result of the latest decisions of the Government, to comply with its most recent cuts?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the information which the Hon. Member wishes to introduce in debate here is again not based on fact. There has not been a 30 per cent reduction in NRC funding. It is true that the executive board of the NRC is meeting today and will make an announcement as to the rationalization program that is going on within the NRC consistent with the priority the Government has announced in the Throne Speech.

Mr. Axworthy: That is new, rationalization.

GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, the Minister said it is not based on fact. I invite him to take a look at the Government's own estimates. Why has the Government asked

the National Research Council to take on new activities while imposing new cuts and giving no new moneys for the additional activities? Which programs will be cut as a result of this decision? Which universities and which businesses are being left high and dry by the actions of the Government?

• (1500)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, if the Hon. Member is correct that the NRC will be assigned new responsibilities in connection with the space program, that will result in an increase in the NRC's budget of $226 million over a five-year period and $800 million over a 15-year period.

* * *

CUSTOMS TARIFF

EFFECT OF TARIFF ON BOOK PUBLISHING INDUSTRY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I hope that my question will be answered by the Prime Minister, in the absence of the Minister of Finance. Now that the report of the Canadian Book Publishers' Council documenting the very negative effect of the book tariff is available, is the Prime Minister prepared to announce that the tariff will be removed?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am sure the Hon. Member would also want to mention the commitment of the Government to the Canadian book publishing industry which can be shown by the fact that earlier this year some $13 million was committed to the book publishing industry. Over a five-year period that would total some $65 million. That is a major increase.

The Hon. Member will also know that the book tariff was imposed in June of this year by the Minister of Finance and the Government in retaliation for certain unwarranted actions that were taken by the United States. Those measures will be considered in due course by the Minister of Finance.

* * *

HOUSE OF COMMONS

WELCOME TO NEW PAGES

Mr. Speaker: I know that Hon. Members would want me to note that we are into the Second Session of this Parliament. I wish to draw the attention of the House to the presence of the Pages who have been appointed to assist us in the months to come.

I think all Members would agree that our Page program has been a great success and that the young people appointed have consistently shown themselves to be worthy representatives of our Canadian youth of whom we have reason to be proud.

[*Translation*]

I am convinced that our new recruits will benefit as much as their predecessors from their stay with us and I hope that this experience will be for them a source of satisfaction and enrichment. I am sure all Hon. Members will want to joint with me to wish them every success.

Some Hon. Members: Hear, hear!

* * *

[*English*]

POINT OF ORDER

REQUEST FOR TABLING OF ORDER IN COUNCIL—APPOINTMENTS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise on a point of order. Standing Order 103 reads as follows:

A Minister of the Crown shall lay upon the Table a certified copy of an Order in Council, stating that a certain individual has been appointed to a certain non-judicial post, not later than five sitting days after the Order in Council is published in the *Canada Gazette*.

On September 20 the Government published in the *Canada Gazette* the appointments of one Norman Spector to Federal-Provincial Relations and one Bruce Howe to the Minister of State for Science and Technology. To my knowledge the Government has not yet tabled those appointments as it is required to do under Standing Order 103, which are then referred to a committee.

I want to point this out to the House in order to give the Government a chance to remedy its way.

Mr. Mazankowski: Mr. Speaker, I will look into the matter and report back to the Hon. Member.

* * *

PRIVILEGE

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Sergio Marchi (York West): Mr. Speaker, I rise on a question of privilege that originated from my question in the House earlier this afternoon. The response from the Hon. Minister of State for Multiculturalism (Mr. Crombie) was that: "He", referring to myself: "should ought not to use this forum for the kind of slander he has just offered".

Beauchesne, at page 105, states:

Since 1958, it has been ruled unparliamentary to use the following expressions:

It goes on to note at page 110 that the word "slanderous" and slanderous accusations were deemed unparliamentary by the then Speaker on August 8, 1960, at page 7777 of *Hansard*.

Therefore, I ask the Minister of State for Multiculturalism, through you, Mr. Speaker, to withdraw that allegation because

it is unfitting that he should label me for repeating a direct quote which originates from a leaked document from his colleagues. It certainly does not start this session of Parliament with the civility about which his leader has preached.

Hon. David Crombie (Secretary of State): Mr. Speaker, I clearly meant to use the word in a non-legal way. I was not aware that it was unparliamentary. Now that it has been brought to my attention, I have much respect for this institution and therefore withdraw the word.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

CANADA PETROLEUM RESOURCES ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-5, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, as reported (with amendments) from a Legislative Committee.

Mr. Russell MacLellan (Cape Breton—The Sydneys) moved:

Motion No. 7A:

That Bill C-5, be amended by deleting Clause 53.

He said: Mr. Speaker, we in this Party recommend that Clause 53 be removed altogether because it is completely contrary to what the Government says it is trying to do with respect to the Canadianization of the oil and gas industry in this country.

It says that Clauses 45 through 52 do not apply in respect of any production licence that may be issued in relation to a commercial discovery area to which the drilling of the first well that indicated the discovery commenced before March 5, 1982. The fact is that most of the oil and gas finds in the frontier were actually a result of drilling that commenced prior to March 5, 1982. This means that for any drilling that took place before March 5, 1982 and from which oil and gas has been discovered as a result of that drilling, the Government and the country is not obliged to require 50 per cent Canadian participation in the production. At the same time, the Government has been bragging that it increased the Canadianization of the oil and gas industry from 42 per cent to 47 per cent in the first year that it was in office.

Now we are seeing exactly what the Government is doing. It has used the purchase of Gulf Canada by Olympia and York, and the sale of Gulf Canada's downstream assets to Petro-Canada in central and western Canada as a smokescreen for its real intention, which is to make it clear that it does not care who owns the oil and gas reserves in this country. The Government wants to turn the clock as far back as the 1960s and 1950s when the oil patch was dominated by foreign ownership. That is why we want Clause 53 deleted from the Bill. We believe that it is our duty to future Canadians to ensure that our resources stay in Canadian hands.

Clause 53 gives the Government an escape hatch because, while it appears to be protecting Canadian ownership, Clause 53 denounces those clauses which protect Canadians. The Government is saying that it simply wants to get these reserves off its hands. It does not matter whether the owner is Canadian.

Clause 53 is a clandestine attempt to imply that the Government is interested in Canadianization, saying that 50 per cent of all production must be through Canadian ownership. Yet at the end of the clause on Canadianization it says that it does not apply to any commercial discovery area on which the drilling of the first well that indicated the discovery commenced before March 5, 1982.

• (1510)

Let us look at that. What does it mean? From information gained from core samples and the determination of the terrain under the ocean you can determine whether there are reserves of oil and gas. That is why oil companies drill in certain areas as opposed to others. The core samples indicate whether there is oil and gas in a given area. You do not have to actually strike large pockets of oil and gas to get that indication. You can have the indication in many ways.

We are opening up a tremendous loophole so the oil and gas companies can back away from putting 50 per cent of the ownership of the discovery in Canadian hands. Even if this Government is dedicated to Canadianization, which I am convinced it is not, there is going to be a battle from the time of the initial discovery until the resource is exhausted because the companies concerned are not going to release the portion of the discovery that the Government would like us to believe they are going to have to release to Canadianization. The Government is not interested in Canadianization because this clause removes any thrust towards Canadianization that the Act may have.

Not only do we not have ownership of our oil and gas reserves, we are once again discouraging Canadian companies from participating in their own energy industry. We are telling Canadian companies that they are small, they do not have the big bucks and they cannot participate. We want the major companies to do it because it is not as complicated. We just let them go ahead, take whatever they want, they can leave the country with as much profit as they want, without Canadian participation and without federal government regulation to make sure that the Canadian public benefits from its own oil and gas industry.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I listened to the Hon. Member with a great deal of interest. Obviously the Liberals have changed their energy policy yet again. Even

their infamous National Energy Program did not grandfather the resource to before March, 1982. Yet now the Liberals are calling for retroactivity in the energy industry. I thought they learned their lesson. They alienated the west and the energy industry by retroactivity, and now my friend from Cape Breton—The Sydneys (Mr. MacLellan) has instituted a new Liberal energy policy. I want that marked down in the books today. There is a new Liberal energy policy. They want retroactivity to go beyond 1982. We are opposed to that.

I should not go any further than that, but I might point out to the Hon. Member that before 1982 all oil companies under the Canada Oil and Gas Land regulations were subject to Canadian ownership regulations. Who brought those in? They have been in existence since 1960 and were brought in by the Right Hon. John George Diefenbaker. The Conservative Government of that time was talking about Canadian ownership. That Government brought in those regulations and they are still in effect for pre-1982 discoveries. Even the Liberal Government respected that when it brought in the NEP. That was one of the few things it did respect in the energy sector. I am surprised, and I am sure those people out west will be very, very surprised, to see the Liberals talking not only about back-ins and confiscation, but now wanting to go back before 1982 and do some more confiscating. Well, we say nay to such nonsense.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the Hon. Member mentioned John George Diefenbaker. The poor man would be spinning in his grave if he knew what the Conservatives have done to Canadianization. He was a great spokesman for Canada and Canadianization. He had to make some difficult decisions in order to stand up for Canada. Yet look at the modern Conservative Party. They just folded the National Energy Program and in this Bill they are getting rid of the back-in provisions. They are in fact caving in to pressure from Uncle Sam. I am surprised that the statute of John George Diefenbaker in front of this building is not spinning while I say this. I think the Parliamentary Secretary is on shaky ground when he evokes the memory of the former Hon. Member for Prince Albert.

He was also on shaky ground earlier when he said to the Hon. Member for Kamloops—Shuswap (Mr. Riis) that this Act does not apply to British Columbia. I did not quite understand that because frontier lands are defined as land belonging to Her Majesty in right of Canada, and refers to Yukon, the Northwest Territories, and those submarine areas not within a province and adjacent to the coast of Canada.

Mr. McDermid: Not within a province.

Mr. Waddell: Is that the policy of the Government, that British Columbia gets everything out there?

Mr. McDermid: Not within a province.

Mr. Waddell: I would like to get that on the record. Does that mean—

The Acting Speaker (Mr. Paproski): Order, please. Is the Hon. Member addressing the Chair? If he wishes an answer, I wish he would go through the Chair; he might then get an answer.

Mr. Waddell: Mr. Speaker, I am going through the Chair. I hope at some point later in the debate the Hon. Member will clarify his remarks. I find that to be an absolutely extraordinary statement.

In any case, I want to support my friend from Cape Breton—The Sydneys on this particular provision.

Mr. McDermid: Read it again.

Mr. Waddell: I want to re-emphasize the fact that this is not an energy policy. This is a regime for future drilling if it ever comes about. Not only that, it is a regime to once again sell out. It is like turning the clock back to an old regime in which we gave Canadian resources to foreigners. I call it back to the future. We allowed ourselves to be exploited in the worst possible sense of the term. In my view we did not even deserve to be thought of as much of a country because we did not have the guts to control and develop our own resources. In his remarks my friend from Cape Breton was hinting at this line of argument as well. I will have more to say on other amendments.

• (1520)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I also listened carefully to the interventions of the Parliamentary Secretary on Clause 53 in Part V of the Bill with regard to Canadian ownership. In his intervention he did not take into account that four years have gone by since 1982 and that the situation which has emerged warrants the intervention of my colleague requesting that Clause 53, which is virtually the main pillar of Part V, be struck out.

Mr. Scott (Hamilton—Wentworth): Nonsense.

Mr. Caccia: The Parliamentary Secretary says "nonsense". The fact that we want to ensure 50 per cent ownership of Canadian oil and gas can be described more charitably than as "nonsense". This is of public and national interest. In the light of what developed in the last four years I would like to draw to his attention the fact that this clause has merit, regardless of what was debated in 1982. We now have a different set of circumstances and are, more than ever, anxious to establish Canadian ownership of our oil and gas resources.

Without Clause 53, Part V loses its muscle and thrust. This is the engine of the entire Canadian ownership theme. My colleague's motion requests that Clause 53 be deleted in order to give some muscle and impact to the section of the Bill entitled Canadian Ownership.

The Hon. Parliamentary Secretary can look to the past to find some strength for his counterargument. Today the Government of Canada must develop its policy for 1986. Our major concern and preoccupation must be to ensure the largest

possible degree of Canadian ownership of our oil and gas resources in the north. The effect of not removing Clause 53 will be to virtually emasculate Part V of the Bill.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 7A standing in the name of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Therefore, we will go on. Motions Nos. 9, 10, and 11 will be grouped for debate and voted upon separately.

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 9

That Bill C-5, be amended in Clause 76 by striking out lines 3 to 20 at page 35 and substituting the following therefor:

"76.(1) There shall be established in the accounts of Canada an account under the responsibility of the Minister of the Environment, to be known as the Environmental Studies Research Fund."

Motion No. 10

That Bill C-5, be amended in Clause 78 by striking out lines 39 to 43 at page 36 and substituting the following therefor:

"(3) Members of the Board are to be selected for appointment by the Minister of the Environment from the public service of Canada or of any province or from among persons nominated by interest owners or the aboriginal people or local people resident in or abutting frontier lands."

Motion No. 11

That Bill C-5, be amended by deleting Clause 82.

[*Translation*]

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to welcome my colleague, the new Member for Saint-Maurice (Mr. Grondin). The former Member for Saint-Maurice was at a time Minister of Energy, Mines and Resources, and perhaps some day he himself will be too.

Mr. Speaker, I also look forward to seeing new NDP Members for Quebec after the next election.

[*English*]

I knew that would wake them up, Mr. Speaker. That woke them up.

[*Translation*]

—namely, the Minister of Energy, Mines and Resources (Mr. Masse).

[*English*]

Motions Nos. 9, 10, and 11 include some environmental matters. We would not have all these amendments today if the Ministry of Energy, and specifically the Parliamentary Secretary to that Ministry, were more flexible. I believe that the Ministry could have accommodated some of the requests for a better system. This is a terrible system. Clause 76 sets up two funds, one being a research fund and a subaccount under the administrative responsibility of the Minister of Energy, Mines and Resources. It also sets up an account and sub account under the administration of the Minister of Indian Affairs and Northern Development (Mr. McKnight).

There is a turf fight in the civil service between the Departments of Indian Affairs and Northern Development and Energy, Mines and Resources to control things in the north. This is an environmental matter. Why not give it to the Ministry of the Environment? Why do we not exercise some common sense here? This lacks common sense. My amendment would set up one fund.

[*Translation*]

I hope the Minister of Energy, Mines and Resources (Mr. Masse) can listen to what is being said concerning that sentence in the legislation.

[*English*]

My amendment would set up one fund under the administration of the Minister of the Environment (Mr. McMillan). When the Minister appoints people he would be required to consider people from the area affected. The Conservative Members on the legislative committee wanted that but the Parliamentary Secretary and the Government would not go for it. That could have been done. It is not a big thing, but it is symbolically important that the Minister will appoint advisers from the south. Again, the north will be colonized and treated in the same way as we used to treat Quebec. The Minister of Energy should consider that.

I will read from the letter from the Tungavik Federation of Nunavut on this matter. It reads as follows:

We are also concerned with the proposed membership of the Environmental Studies Management Board which is given authority to determine environmental and social research priorities. Membership on this board is to be restricted to people from "the public service of Canada or of any province or from among persons nominated by interest owners," or, if the Minister chooses, one member

of the public. This does not recognize the contribution aboriginal peoples could make to the Board.

• (1530)

Notice, Mr. Speaker, that company owners and interest owners can get in there but not the aboriginal peoples who only happen to live in the area, at least in the north. The letter continues:

It is particularly insensitive to exclude aboriginal peoples from the board, for hydrocarbon exploration is occurring in their homelands over which they assert aboriginal title. Current administrative arrangements for the Environmental Studies Revolving Fund treat Inuit as the objects of reasearch when instead, we should be involved in determining research needs and priorities, and setting research goals.

The Eskimo or Inuit people are always the object of the research. They are never part of determining research needs and priorities and setting research goals. This can only be done if Inuit are members of the management board.

Can you believe it, Mr. Speaker? How do we explain to the Soviets and Norwegians that our Inuit are just asking to be part of a board which determines studies about their areas and we say, no way? We want it in the Act. I continue quoting:

Consequently we urge that Section 78(3) should be amended to read as follows:

"Members of the Board are to be selected for appointment by the Minister of the Environment from the Public Service of Canada or any coastal province or from among persons nominated by interest owners or the aboriginal peoples of Canada resident in or abutting frontier lands."

Bill C-5 perpetuates a conflict of interest, because the Minister responsible for promoting and regulating northern development is also responsible for research to protect the natural and social environments north of 60. The Environmental Studies Revolving Fund and Management Board should be co-ordinated by the Department of Environment rather than the federal agency most directly involved in regulating industry.

There are conflicts all over the north. I hope that one of the former Ministers of the Environment will rise and speak on this issue. Indian Affairs and Northern Development are sometimes in conflict. It is sometimes an impossible position in which to put a Minister. In this case, it is the Department of Energy, Mines and Resources which is giving out the licenses and, let us face it, it is really concerned with the oil and gas industry. That is its number one producer of energy. That Department is always going to be concerned with that industry.

The simple amendments try to get northerners, easterners and westerners involved in studies. The bureaucrats in Ottawa resist this. They want it to be decided by their people. We say the Department of the Environment—since it has to do with the environment and the other Departments have conflicts—should be involved. In my time in the north I found they want to keep the Department of the Environment out of the north because it is too cozy with DIAND which reluctantly had to share with the Department of Energy, Mines and Resources. That is reflected in Clause 76. It is a typical Ottawa bureaucratic saw-off; two funds, two sub-accounts. The Department of Indian Affairs and the Department of Energy, Mines and Resoures have carved it up and are determined not to let the Department of the Environment or any local person be involved in determining studies which affect the locals. I know it is difficult because the Bill is so big, but if the back-benchers could actually read it, I think they would agree with our position on it.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to add my support to these motions. I think the aboriginal peoples, in fact the peoples abutting all of the frontier lands, should have some input with respect to the activity going on on the frontier in oil and gas.

The Government will say that there is input, there are ways of stating their feelings, how they feel that this matter should be going. However, we had testimony from witnesses when considering what was then Bill C-92, which is now Bill C-5, at committee. We were told by the groups who live in the areas where the activity in oil and gas is taking place that they were not consulted, that they expressed their opinions and gave advice only to have it completely ignored. They said they were not really called upon in an advisory capacity and what was done might have been in the interests of the oil and gas indistry, at least in the short term, but it certainly was not in the interests of the people, or the area in which the oil and gas was being examined. This is particularly harmful in the fragile environment of our Canadian north. I think every avenue must be taken to guard the environment and to listen to the people who have lived in these areas for generations. I think the Department of the Environment is the Department which is best able to do that.

To say we do not want another government Department there, that it is only going to muddy the waters, is wrong. We can be told that the Department of the Environment is there in an advisory capacity and in other ways, but that does not satisfy me that the Department is there in the front lines and is inputting as it should. Once an environmental accident occurs, we may never be able to repair the damage, particularly in the Canadian north.

We were dealing with Motion No. 11 which relates to the deletion of Clause 82. I am, as I was before when we were in committee, concerned about what it is really going to do. I am not concerned to the point that I am adamant about deleting the clause but I do feel that if the Government is going to maintain that clause and it is going to remain in the Bill, if the Bill should be passed, then we should have some regulations and further explanations and safeguards as to the administrator of this fund because it is a very important fund. It will be quite significant. I would like to think that the Government is concerned about protecting the interests.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I agree with my hon. colleagues. I suppose there is nowhere more than in the north that we are aware of the need for industry to coexist with its environment. I do not think there is any question about it and we support that. The Environmental Studies Research Fund is a continuing fund. It has been in existence for some time and has worked very well with the Ministry of the

Environment. It has had a very major impact. In fact members of that Department have sat on the committee as well as those from the Department of Energy, Mines and Resources and the Department of Indian Affairs and Northern Development.

We are maintaining what has gone on before as well as, we believe, improving it. We must remember that the objective research is into the social and physical environments and it is oil and gas specific. Inasmuch as the oil and gas industry are funded, we feel that the Ministers of EMR and DIAND should retain responsibility in close consultation with the Department of the Environment, and they have been. It has proceeded extremely well.

For my hon. friend, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), to say we did not listen to suggestions regarding representation on the committee and we did not do anything about it, is very unfair. The Hon. Member knows full well that after representation was made and after a discussion took place in committee the Government brought forward an amendment. It is found on page 37 of the Bill. That clause states, in part, that notwithstanding subsections (2) and (4), each Minister may appoint from the public one member to the board. That is a provision which the Grits did not have in their Bill. The Hon. Member must also admit that it was not included in the original Bill. Only after representation was made by the aboriginal peoples, by the Hon. Member and by others, did the Government bring forward this amendment.

• (1540)

I think the Hon. Member would like to be fair in his representations. This is something which may not have gone as far as he would have liked, or as far as others would have liked. However, an amendment to allow members of the public to sit on this environmental studies board was proposed.

Again, it is a divided area because of the responsibility of the two ministries. I will not enter into debate with respect to the pros and cons of that. That is a fact of life at the present time. Therefore, there are two accounts. If it is an environmental study which pertains exclusively to the north, north of 60° under the responsibility of the Department of Indian Affairs and Northern Development, then the money will be drawn from its fund. If in fact it concerns lands which are controlled under the purview of the Department of Energy, Mines and Resources, then the money is drawn from that fund. If in fact it is a study which pertains to the over-all energy situation which would affect frontier lands under the jurisdiction of both ministries, then there will be an appropriate draw from both funds.

I do not want to get into a debate on whether the Department of Indian Affairs and Northern Development or whether the Department of Energy, Mines and Resources should be responsible for all frontier lands. That is why this is set up in this manner. This is why we feel we have assured representation from the general public.

I get a kick out of the Hon. Member when he talks about people in the north and the fact that we are always appointing people from the south to represent them. Earlier in the House today he admitted that he, along with his Liberal friend Ian Scott, the present Attorney General of Ontario, were the solicitors of record on the Berger Commission which was doing all the work in the north.

Mr. Waddell: That is something we learned.

Mr. McDermid: They obviously thought that legal expertise was better from the south than it was from the north. The Hon. Member accepted that and probably made his family fortune in doing that work.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to make a couple of observations in this very interesting debate. First, I would like to congratulate the Parliamentary Secretary for his thoughtful analysis. He is quite right when he says that there is a new proposed clause in the Bill whereby one member would be appointed to the board at the discretion of each Minister and that one person could be drawn from among the local people, as recommended by the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Inevitably, the following question comes to mind. Why restrict the number in such a way? Why not leave it to the Minister to make appointments according to any number that may be suitable according to the skill and talent available at any given time? The idea put forward by the Hon. Member for Vancouver—Kingsway and by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) that we should open up the doors to permit the consideration of local people certainly commands a great deal of attention. They also suggest that this approach should not be limited to one person alone.

The other point put forward quite eloquently and touched upon by the Parliamentary Secretary was with respect to the merits of having one fund rather than dividing it along jurisdictional lines, which at times are very fuzzy and difficult to sort out in a logical manner. Whatever touches upon the environment and upon social considerations is so comprehensive that it cannot really be allocated to two specific Departments alone. The idea that the fund be one fund has a great deal of merit. I support the interventions made by both the Hon. Member for Cape Breton—The Sydneys and by the Hon. Member for Vancouver—Kingsway that this merger be brought about. When one looks at the impact of the oil and gas industry on the north—and as the Parliamentary Secretary reminded us we are talking specifically about the oil and gas industry—one realizes that there are fairly far-reaching environmental as well as social consequences.

While we debate this Bill we can read about the consequences of the withdrawal of the oil and gas industry from places such as Tuktoyaktuk and other locations in the north. When there is such an economic impact affecting a fragile region of the country, its appearance as well as its disappearance bring about some profound and, at times, disastrous consequences. In the present situation the withdrawal of the oil

rigs and the multinational companies operating in the north is causing enormous economic hardships. Economies of the north that were not accustomed to this type of injection of funds and sudden increases in incomes all of a sudden find themselves left with very little. Rather than leaving the carrying out of research on the environment and social matters in the north to the discretion of two separate Departments I think greater protection of the people of the north could be achieved if this matter were to be given to one Minister and one Department. In this case I must recognize that evidently the Department of the Environment and the Minister of the Environment of the day would have the leading role to play in preventing negative environmental consequences in the first place. At the same time this would avoid social stress and damage in the wake of the withdrawal of this industry as is happening right now. This withdrawal is leaving behind a number of families which are now wondering what their economic future might be in light of the present trend of withdrawal.

Therefore I welcome the inclusion of Part VII. In itself it is basically a good idea. It could be improved upon. I urge the Parliamentary Secretary to make representations to his Minister along the lines of those made by my colleagues this afternoon.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have listened with interest to the comments made by the three opposition spokesmen. However, they seem to be forgetting a couple of points. First and foremost, the Department of Indian Affairs and Northern Development only has impact on part of the frontier lands. It has no impact on offshore Nova Scotia or Newfoundland. I refer to offshore developments on Sable Island and in Hibernia. There should obviously be some distinction between the mandates of the Department of Indian Affairs and the Department of Energy, Mines and Resources. Second, I should point out that the studies go beyond what is normally strictly environmental. They deal with people and the impact of development on those people. That is why it does not belong in the Department of the Environment but with these two Ministers.

• (1550)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 9 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 10 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 11 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. I declare the motion lost.

Motion No. 11 (Mr. Waddell) negatived.

The Acting Speaker (Mr. Paproski): The next motions, Motions Nos. 12 and 13, will be debated and voted on separately.

Mr. Paul Gagnon (Calgary North) moved:

Motion No. 12.

That Bill C-5, be amended in Clause 85 by striking out lines 24 and 25 at page 43 and substituting the following therefor:

"summary of its".

He said: Mr. Speaker, Clause 85 currently reads that any time an interest is being disposed of, a copy of the arrangement should be sent to the Minister. That means that any time a company wants to farm in land or farm out land, the entire agreement must be sent to Ottawa.

What do we mean by farming in and farming out? Normally, oil companies obtain mineral rights and they lower their risk by taking a smaller percentage in a number of tracts rather than a big percentage in one tract. The chances of finding commerical hydrocarbons, be it oil or gas, are much better if the oil company has an interest in 10 tracts than if it has an interest in just one. Consequently, as part of the normal process, leases are traded, interests are traded and farm ins and farm outs are given. This means that a work commitment is undertaken by one party so it acquires an interest.

As it now stands in the frontier areas, because of the depressed price of oil, there are not many contracts, so this causes no problem. However, let us look at the future. In the first half of 1986, world-wide production of oil has increased by 4.1 per cent or 2.1 million barrels. That is one-third more than Canada produces. Most of this added production came out of OPEC. When OPEC decides that it will raise the price again, we will have to meet our supply problems by going to the frontier lands. We will have to go to the Beaufort, the Hibernia and the Venture. Activity will pick up.

Currently, maybe only one contract per week is negotiated. By the end of the decade, that might be up to one per day. By the mid-1990s, it might be 10 per day. Pretty soon, the way the Bill currently reads, 10 contracts, each in excess of 100 pages, will land on a desk in Ottawa every day and someone will have to look at them and understand them. Pretty soon there will be a big Department trying to understand these complex relationships. Pretty soon there will be a warehouse to store all these things.

What I am proposing is very simple. Let the oil companies send a summary of the contract to Ottawa. We will know what is going on. A one-page summary can indicate that Company A will acquire an interest in Company B's acreage if it does such and such. This means less bureaucracy and less of a storage problem. I would point out that in other jurisdictions like Alberta, a summary is not even required, let alone the full contract. That is the thrust of this motion.

Mr. McDermid: Mr. Speaker, I rise on a point of order. Are we debating Motions Nos. 12 and 13 together?

The Acting Speaker (Mr. Paproski): No, separately.

Mr. McDermid: We are debating them separately?

The Acting Speaker (Mr. Paproski): Yes, we are debating them separately. The proposal was that Motions Nos. 12 and 13 be debated and voted on separately.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Government has taken a look at the amendment introduced by my friend, the Hon. Member for Calgary North (Mr. Gagnon). He has a very good point. The myriad of agreements that do take place in the energy industry could be mountainous and, no doubt, voluminous. However, having said that, I feel very strongly that there should be a provision in the Bill to permit the Minister, if he has questions about the summary which cannot be answered within it and he requires further information, to obtain the information he requires.

Although not directly accepting the amendment as proposed, the Government would be interested in accepting an amendment to the amendment which would do as I have suggested. It would require industry to send in summaries of agreements but would give the Minister permission to obtain further information if so required. We would be prepared to entertain that amendment to the amendment.

• (1600)

Mr. Waddell: I would like to speak to that.

The Acting Speaker (Mr. Paproski): The Chair will recognize the Hon. Member for Calgary South (Mrs. Sparrow).

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I should like to move the following amendment to the amendment, and I am sure that the Hon. Member for Western Arctic (Mr. Nickerson) would second it. It reads:

That the amendment proposed by the Hon. Member for Calgary North be amended by striking out line 26 at page 43 of Clause 85 of Bill C-5 and substituting the following:

"terms and conditions or, on the request of the Minister, a copy of the agreement or arrangement".

Therefore Clause 85, starting at line 26 on page 43 would read:

arrangement to the Minister, together with a summary of its terms and conditions or, on the request of the Minister, a copy of the agreement or arrangement.

This reverses the onus. Only a summary would be required by an interest holder when a transfer, assignment, or another disposition takes place, unless the Minister physically requested a copy of the agreement or arrangement. I think the Hon. Member for Calgary North would agree that this would reduce the paperwork, and I think it would receive his support.

The Acting Speaker (Mr. Paproski): At this point I will recognize the Hon. Member for Vancouver—Kingsway (Mr. Waddell) and look at the amendment to see if it is in order.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I should like to speak to it while you are doing that. It is a perfect example of how the Conservatives approached this Bill. Every point the industries asked for, the industries got; every point the native people asked for, the native people were turned down. Every time environmentalists ask for something, they are turned down. We can look at the record. This is a perfect example. Now there is a bit too much paperwork for the companies. For the native people, it is their land and their lives, and look what the Conservatives do. They are disgusting. They deserve to be tossed out. We will oppose this amendment and vote against it.

The Acting Speaker (Mr. Paproski): Since this is an amendment to the Bill, in order to get around all the paperwork, I would appreciate it if the House would allow the Hon. Member for Calgary North (Mr. Gagnon) to withdraw the amendment the Hon. Member for Calgary North (Mr. Gagnon) and substitute the amendment of the Hon. Member for Calgary South. Is that agreeable?

Mr. Gagnon: Agreeable.

The Acting Speaker (Mr. Paproski): So agreed.

Motion No. 12 (Mr. Gagnon) withdrawn.

Mrs. Sparrow: On a point of clarification, Mr. Speaker—

The Acting Speaker (Mr. Paproski): Order, please. I will put the amendment by the Hon. Member for Calgary North first.

Mr. Paul Gagnon (Calgary North) moved:

That Bill C-5, be amended in Clause 85 by striking out line 26 at page 43 and substituting the following therefor:

"terms and conditions or, on the request of the Minister, a copy of the agreement or arrangement".

The Acting Speaker (Mr. Paproski): Therefore, is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 13

That Bill C-5, be amended in Clause 112 by striking out lines 1 to 5 at page 63.

He said: Mr. Speaker, I should not have become emotional about the last matter, but it really is striking. I just cannot believe how the Government could be so insensitive to the people who live in the north. It is astounding.

My Motion No. 13 attempts to amend subclause 112(3) at page 63 of the Bill. Presently the subclause reads:

All rights of Petro-Canada to acquire further interests or shares in interests as a result of the operation of Section 33, 120 or 121 of the *Canada Oil and Gas Land Regulations* are abrogated as of March 5, 1982.

One of the most important points of the Bill is that it abolishes the Crown share, the 25 per cent back-in provision which gave the Government of Canada, the people of Canada, the right to acquire an interest in petroleum finds that proved commercially viable, in recognition of the burden assumed by Canadian taxpayers in the promotion of exploration and development of Canadian frontier resources. This burden remains because the Conservatives are to eliminate PIP grants and bring in a tax credit policy.

In committee we found that from 1980 to 1987 something like $7.1 billion was advanced in terms of PIP grants. I know money was also taxed from the industry, but the fact is that $7.1 billion was advanced for frontier exploration. The former Minister of Energy, the Hon. Marc Lalonde, appeared before a previous energy committee. I should like to paraphrase what he said at the time. He said that another $4 billion or $5 billion was in fact advanced to the energy industry by tax advantages, the famous super depletion allowances, and so on, in the period between 1960 and 1980. We are looking at somewhere in the neighbourhood of $10 billion to $12 billion which went to the energy industry to drill in the frontiers of Canada.

Of course the irony is that, just as that policy was proving to be a little successful, in the sense of a good well in the Beaufort Sea, in the offshore of Newfoundland, in the Grand Bank, and in the Venture field in Nova Scotia, the whole thing is now collapsing with the low price of world oil. It was a tremendous investment.

The large multinational oil companies represented by the Canadian Petroleum Association and by the Government of the United States, the two lobby groups representing them, harped, lobbied, threatened, and cajoled the Government to Canada to remove this 25 per cent back-in. The matter went to the highest levels. The President of the United States at the Shamrock Summit in Quebec City pressed the Prime Minister of Canada (Mr. Mulroney). We had the Government of the United States and the Canadian Petroleum Association, especially the Canadian Petroleum Association, writing the

Conservatives' energy policy when the Conservative Party was in opposition. If one looks at the briefs of the Canadian Petroleum Association to the Senate Committee on Energy and, to some extent, to the House of Commons Committee on Energy, that can be seen. Literally, word for word the Conservative policy is taken out of the briefs of the Canadian Petroleum Association in 1983 to the Senate Committee on Energy. These same words reappear in the Conservative Prince Albert declaration. The main point was to get rid of this horrible confiscatory, retroactive back-in provision. This horrible back-in meant that for all this money the Canadian people spent, Petro-Canada, the Canadian Government's oil company, would get 25 per cent of the action. Compare that situation to the situation in Norway where the regime is much stricter. But according to the multinational oil companies this was terrible. They felt it was stealing, despite the fact that we advanced a great part of the money through direct grants or tax advantages to those companies, many of which do not pay any income tax, and despite the fact that the resources belong to Canada, thank you. They belong to the Canadian people not to Shell, Mobil or Exxon. Some day, Mr. Speaker, the Canadian people will wake up.

• (1610)

I remember the recent history of Quebec. I see the Minister of Energy, Mines and Resources (Mr. Masse) in the House. The Quebec people woke up in the early 1960s. They realized they were being exploited by the English and that they had to do something. They had to become *maître chez nous*, and take some control over their society. They modernized their society, and as a result there were lots of changes in Quebec. We got some incredible politicians, the Trudeaus, the Lalondes and maybe the Masses. Who knows? We will see. It is ironic I think—

[*Translation*]

It is ironic that we should have a Minister from Quebec, and that his first energy bill in this House should be a proposal that would grant the big American oil companies everything they are asking for.

[*English*]

I wish I could speak a little better French but it seems to me ironic that we are caving in to the demands of the Americans and the large oil companies. I think that when the history of Canada is written after we are all gone it will show that the National Energy Program was a great thrust in trying to take control of our own resources. This clause is one of the greatest sell-outs and it will go down in history that this little obscure clause in this big Bill states that:

> All rights of Petro-Canada to acquire further interests, or shares in interests as a result of the operation of Section 33, 120 or 121 of the Canada Oil and Gas Land Regulations are abrogated as of March 5, 1982.

In other words the back-in is gone, Petro-Canada has been excluded, and the Government has caved in to the interests of the Canadian Petroleum Association and to our great friend but also the great elephant that can sometimes cause us some trouble, namely, the United States of America. I think this is tragic, Mr. Speaker, and that is why I proposed this amendment.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, that was a typical speech from a socialist. I understand where it has come from and where the mind-set is. I might point out to the Hon. Member that this clause has been around since 1982. It is nothing new. It is just a reaffirmation of the old Bills. For the Hon. Member to try to paint a picture that this is something new, different and marvellous is wrong. It is just a clause that has been in the Bill since 1982 and we are just reaffirming what was there.

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I listened with utter amazement to my good friend, the Hon. Member for Vancouver Kingsway (Mr. Waddell), who said that the previous motion came from the oil industry. It was not recommended by the Canadian Petroleum Association. It was not recommended by the Independent Petroleum Association of Canada. The hon. gentleman was present at the committee hearings when those organizations made their presentations.

Let me point out that I moved the motion to deter the growth of bureaucracy. It is obvious from the comments of the Member for Vancouver Kingsway that he likes bureaucracy, that he likes a big, bloated, expensive bureaucracy. The people of Canada do not want that. They do not want to pay for any more follies of the socialists.

Some Hon. Members: Hear, hear!

Mr. Gagnon: To come back to the current situation. If you look at the fiscal year which ended March 31, 1986, the PGRT revenue was $1.5 billion greater than the PIP expenditures. In other words, the oil industry paid $1.5 billion more than it got back in PIP grants. Yet the Member stood up and said "Oh, it is a big giveaway". Maybe he should say it is a big rip-off of the oil industry and the people of western Canada.

Let me quote from Doig's Digest for June 1986. Concerning the PIP program, Mr. Doig said:

> In the last five years, finding costs of frontier reserves have increased four-fold—PIP grants account for $6 billion—$240 per Canadian—or 70 per cent of the expenditures. The normal checks and balances fell by the wayside . . . But the pre and post NEP costs are out of line. Two-thirds of the frontier reserves found in this period have been found in the first 15 years while two-thirds of the expenditures have been made in the last five years.

What does that mean, Mr. Speaker? It means that the socialists went through all that money. They grabbed it from the western Canadian economy and wasted it. It was an atrocious situation.

What the Member wants to do is to make it retroactive to steal from someone. It is like having a world series game and in the third inning, instead of having nine players, we would have 12. Is that the way to play the game? I say no. That is not fair. This provision has to go and that is what we are doing.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 13 standing in the name of the Hon. Member for Vancouver Kingsway (Mr. Waddell). All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

The House will now proceed to taking up the deferred divisions at the report stage of the Bill now before the House.

Call in the Members.

• (1650)

And the division bells having rung:

Mr. Speaker: The first vote will be on Motion No. 1. Mr. Waddell moved:

Motion No. 1

That Bill C-5, be amended in Clause 3 by striking out lines 4 to 8 at page 4 and substituting the following therefor:

"3. For greater certainty, nothing in this Act abrogates or derogates from any aboriginal title, right, claim or interest that pertains to the, or any of the, aboriginal people of Canada."

The House divided on Motion No. 1 (Mr. Waddell), which was negatived on the following division:

(Division No. 4)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Paproski
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—122

Mr. Speaker: I declare the motion lost.

Mr. Riis: Mr. Speaker, considering that there are seven more votes to go, I wonder if I would not find support from all Hon. Members to consider the vote on Motion 1 to be the same as for Motions Nos. 2, 4, 9, 10 and 13?

Some Hon. Members: Agreed.

Mr. Shields: Mr. Speaker, I was not here for the first vote. I would like to be included on the government side for the votes on those motions.

Mr. Speaker: The vote is in the negative.

Mr. Forrestall: Mr. Speaker, I was not here for the first vote. May I be included in the balance of the votes as you deem it to be recorded?

Mr. Speaker: The vote is in the negative. I will therefore declare that Motions Nos. 2, 4, 9, 10 and 13 will be lost on the same division. Mr. Waddell moved:

Motion No. 2

That Bill C-5, be amended in Clause 3 by adding immediately after line 8 at page 4 the following:

"All lands subject to unsettled aboriginal claims, which have been accepted for negotiation by the federal government, are excluded from the application of this Act."

The House divided on Motion No. 2 (Mr. Waddell), which was negatived on the following division.

(*Division No. 5*)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Paproski
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—124

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 4

That Bill C-5, be amended in Clause 14 by adding immediately after line 35 at page 7 the following:

" (3) In the formulation of bid criteria, the Minister shall be obliged to consult with representatives of affected aboriginal groups and local communities."

The House divided on Motion No. 4 (Mr. Waddell), which was negatived on the following division:

(*Division No. 6*)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff

Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Paproski
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—124

Mr. Speaker: The next vote will be on Motion No. 7A. Mr. MacLellan moved:

Motion No. 7A

That Bill C-5, be amended by deleting Clause 53.

The House divided on Motion No. 7A (Mr. MacLellan), which was negatived on the following division:

(*Division No. 7*)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—123

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 9

That Bill C-5, be amended in Clause 76 by striking out lines 3 to 20 at page 35 and substituting the following therefor:

"76(1) There shall be established in the accounts of Canada an account under the responsibility of the Minister of the Environment, to be known as the Environmental Studies Research Fund."

The House divided on Motion No. 9 (Mr. Waddell), which was negatived on the following division:

Canada Petroleum Resources Act

(Division No. 8)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Paproski
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—124

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 10

That Bill C-5, be amended in Clause 78 by striking out lines 39 to 43 at page 36 and substituting the following therefor:

"(3) Members of the Board are to be selected for appointment by the Minister of the Environment from the public service of Canada or of any province or from among persons nominated by interest owners or the aboriginal people or local people resident in or abutting frontier lands."

The House divided on Motion No. 10 (Mr. Waddell), which was negatived on the following division:

(Division No. 9)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour

Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Paproski
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—124

● (1700)

Mr. Speaker: I declare the motion lost.

The next vote is as follows. Mr. Gagnon moved:

That Bill C-5, be amended in Clause 85 by striking out line 26 at page 43 and substituting the following therefor:

"terms and conditions or, on the request of the Minister, a copy of the agreement or arrangement".

The House divided on the motion (Mr. Gagnon), which was agreed to on the following division:

(*Division No. 10*)

YEAS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault (Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—123

NAYS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—44

Mr. Ian Waddell (Vancouver—Kingsway) moved:

Motion No. 13

That Bill C-5, be amended in Clause 112 by striking out lines 1 to 5 at page 63.

The House divided on Motion No. 13 (Mr. Waddell), which was negatived on the following division:

(*Division No. 11*)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Tobin
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe—
Bagot)
Champagne
(Champlain)
Charest
Clark
(Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Duguay
Duplessis
Edwards
Fennell
Ferland
Forrestall
Fretz
Gagnon
Girard
Greenaway
Guilbault
(Drummond)
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kempling
Kilgour
Landry
Layton
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Paproski
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stewart
Taylor
Towers
Tupper
Valcourt
Vankoughnet
Vézina
Vincent
Weiner
White
Winegard
Wise
Witer—124

• (1710)

Mr. Speaker: I declare the motion negatived.

Hon. Marcel Masse (Minister of Energy, Mines and Resources) moved that Bill C-5, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, as amended, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Masse moved that the Bill be read the third time and do pass.

He said: Mr. Speaker, it is a pleasure to have this opportunity to introduce the third reading of Bill C-5, the Canada Petroleum Resources Act.

[*English*]

Mr. Speaker: Order. Order, please. I know all Hon. Members will want to hear the Minister.

[*Translation*]

Mr. Masse: The spirit of this legislation marks a clear break with the philosophy of the National Energy Program introduced by the previous Government. Its fair and straightforward regulations covering the exploration and development of petroleum resources in Canada's frontier lands have come to replace a discriminatory and arbitrary system.

[*English*]

Mr. Speaker: Order, please. Order. Would Hon. Members take their seats or vacate the Chamber and carry on discussions elsewhere? The Minister has the floor.

[*Translation*]

Mr. Masse: Mr. Speaker, this legislation will be well received by the industry, the coastal provinces and the territories because it will put into place a system that not only recognizes the rights of owners and promoters where resources are concerned but also frees the development of frontier lands from cumbersome and useless administrative impediments.

For a little over two years, the Canadian Government has been proceeding with broad consultations with the industry and with the territorial and provincial governments. These consultations have brought concrete results. We now have two systems for joint management with the provinces, one involving Newfoundland and the other Nova Scotia. Furthermore, the Western Accord, the signing of the Agreement on Natural Gas Markets and Prices and the abolition of the Petroleum and Gas Revenue Tax have been a clear indication to the industry that we are counting on its entrepreneurial spirit to explore and develop our oil and gas resources.

It is common knowledge that both the costs and risks involved in the exploration of oil and gas resources in Canada's North and our offshore regions are far greater than in our other regions.

These considerations are reflected in the Bill before the House today, which establishes fair and straightforward regulations to promote the development of petroleum resources in our frontier lands.

The Canada Oil and Gas Act will be replaced by a new legislation stressing both the rights and the obligations of Canadians, the real owners of these resources, as well as those of the industry which develops them.

Under the new law, the discretionary power of the Minister will be reduced. For instance, until now he could select who would be granted exploration rights. Henceforth the granting of exploration rights will be subject to a system of calls for

competitive bids and only one criterion will apply: the best bid will be accepted.

Mr. Speaker, you will see as well that the Bill provides for the State to play a much less important role in oil and gas projects. We have repealed the back-in provisions which gave the Government the right to expropriate commercial oil reserves.

Petro-Canada will no longer be given preferential treatment. However the new legislation maintains the right of Canadians to become owners of 50 per cent of projects in remote regions.

Mr. Speaker, I repeat that the development of resources on our frontier lands is a costly and risky project. By changing the structure of the royalty payment system, Bill C-5 encourages the industry to meet this challenge.

With respect to the resources, our royalty system will guarantee a fair distribution of revenues among owners and developers. It will enable the industry to yield decent profits on its frontier land investments before Governments, the owners of the resources, get their share of royalties. The profit-based system, which eliminates the discriminatory practices of past years, has received the general support of the industry. It will contribute to create the incentives required for a renewal of activities.

Now that we have reached third reading of Bill C-5, I would like the House to recognize the significant contribution of the Legislative Committee to this Bill. Its thorough examination has resulted in useful and constructive amendments to the Bill.

One of these amendments provides that the Minister of Energy, Mines and Resources and the Minister of Indian and Northern Affairs (Mr. McKnight) will each appoint from the public one member to the Environmental Studies Management Board. The board, which is made up of representatives of the Government and the industry, manages the Environmental Studies Research Fund, the purpose of which is to finance technical research on the sociological and physical environment in frontier areas.

Other amendments extend the rights of property owners to do exploration and development work in areas of significant discoveries, and increase the rights of production permit holders to continue their exploring on producing lands.

The entire process has hinged on consultation. We have been sensitive to the concerns raised by all parties, especially representatives of the native people.

Other representations were made concerning the information which corporations eager to develop resources in frontier lands must provide the Government. In this regard, we have no intention to impose a heavy administrative burden on our entrepreneurs; what we want is for the state to have the information it needs to assume its responsibilities under this legislation.

On behalf of the House, Mr. Speaker, I should like to thank the Committee for its contribution in the study of this Bill.

During the session, the House will also deal with the Atlantic Accord Implementation Act, and we will introduce shortly a Bill dealing with the implementation of the Canada-Nova Scotia Accord which has just been signed. These legislations will make up the next two stages of our policy to ensure the joint administration of our gaz and oil resources in frontier regions together with regional Governments, which have asked, rightfully so, to have their say about oil and gaz activities in their regions.

Mr. Speaker, the Canada Petroleum Resources Act will serve as the corner stone for the development of oil resources in our frontier regions. The proposed legislation deserves the unanimous support of the House.

• (1720)

[*English*]

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, this Bill has been on the Order Paper for a considerable period of time. It seems that the Government has not deemed it fair or fit to make changes or do something to stimulate the energy sector offshore in eastern Canada and in the Beaufort Sea area. It is very sad that the Government has sat and watched the price of oil and gas plummet and has stuck with its pathetic effort in Bill C-5 without any regard for what is happening to the industry.

We covered a great deal in report stage. We referred to the situation in the Beaufort Sea. Activity in the energy sector in the northern part of the country has pretty well come to a halt. The unemployment which this will create will be devastating to the high Arctic and to other areas in the Northwest Territories and Yukon. There will be a great deal of unemployment. The fragile economy of the area will be dealt an irreparable blow. The young people who were encouraged by the previous Government and by this Government to partake in the energy sector will now be unemployed, young people who do not have experience in the traditional occupations carried out in the high Arctic.

There has been a tremendous loss of activity in Atlantic Canada. This time last year there were many rigs operating offshore in eastern Canada, whereas there are now only two. These two rigs which are operating off the coast of Newfoundland may be halting their activities very soon.

As far as Nova Scotia is concerned, there is one Mobil Oil rig operating off its coast. We expect an announcement very shortly concerning Mobil's future. I am afraid that it will join the other oil companies and cease operations off the coast of Nova Scotia. It is tragic. Less than a year ago 11 rigs were operating off the coast of Nova Scotia and now there is only one. Thousands of people have lost their jobs. Offshore service industries have ceased to function.

While there is a downturn in the activities of these industries, they have also found that the Government has kicked them from the blind side by reducing incentives from the National Research Council which would allow them to

diversify, to open up markets in other areas, and would provide them with some financial assistance to market their products from the East Coast.

Thanks to the Government's policy, this Bill is really an exercise in futility. Relatively speaking, there is no activity in the offshore. The rigs are being stacked up in Halifax Harbour or taken to other locations. Exploration in the Beaufort has come to a crashing halt.

When the Government cancelled the Petroleum Incentives Program it said that exploration would not suffer and that energy was an engine of economic growth which would create 100,000 to 300,000 jobs. Now the Minister of Energy, Mines and Resources (Mr. Masse) says the energy sector is not a job-creation sector. That is for sure, because 40,000 people have already lost their jobs and there is a danger of another 70,000 people throughout the country losing their jobs. It does not have to be like that. Low world oil prices have caused major problems for the industry, but this Government's short-sightedness has wreaked havoc in the energy sector.

The General Manager of Shell Canada, Lorne Kingwall, told businessmen in Halifax earlier this month just what was needed to get the offshore going again. He said:

> What we need is not just a better price for one day, but a long-term view that gives us confidence we could support a relatively expensive project, which the offshore is.

What did the Government decide to do in response to this? Absolutely nothing. All those rigs are now saying farewell to Nova Scotia and to Newfoundland as they pull out of the Beaufort Sea. The Government says that that is too bad, that the private sector knows what is best and should dictate activities in the offshore and in other frontier areas, and that we should let our energy reserves sit and wait for a better price. Who cares about the energy future? This Government certainly does not.

The country is moving toward an increased reliance upon imported crude oil. Because many smaller Canadian companies are not getting the help they need from the Government during these tough economic times, foreign takeovers, mergers, and bankruptcies are shaping our energy sector and will be shaping it even more so in the future. Once again we will have an energy industry which is mostly owned and controlled by foreigners. This is happening despite the lofty words of the former Minister of Energy last spring when she said:

> If we do not conserve our oil and gas resources . . . and if we do not find and develop new supplies . . . we'll end up back where we were in the 1970s. OPEC will dictate price and supply to us.

That is exactly right. However, what is the Government doing about it? It is leaving us open to the fluctuations and manipulations of OPEC once again. It is failing to provide enough incentive to keep exploration activities going in the frontier and the offshore. It is completely abandoning the goal of Canadianization and leaving our smaller Canadian companies in a very vulnerable position—one where Canadians will no longer own or control our resources. Lawrence Murphy, a partner in the planning resource group of Toronto predicts, since the integrated multinational corporations have stronger balance sheets and are in a better position to wait out the slump in oil prices:

• (1730)

> —that the outcome of this situation will be increased concentration of the petroleum industry . . . in this country—and most likely, a rise in the proportion of the industry that is owned and controlled by non-residents.

It seems to me, Mr. Speaker, that we are right back where we were at the beginning. We have turned the clocks back and we are putting ourselves into the same position we were in years and years ago before we realized the importance of our energy sector, not only to the country but to Canadians individually. We are moving back despite what the former Minister of Energy said last spring.

The Government was elected to bring Canada forward not to set us back as it has been doing. It is time the Government looked beyond the end of its nose, or at least beyond the next election and did something to help the energy sector. The problem cannot be ignored any longer. Canadians of today and tomorrow deserve better treatment. The Government will realize this by the time the next election comes around—of course by that time it will be too late for the Government—but let us hope that it is not too late for the energy sector.

The Parliamentary Secretary was very nonplussed and hyperactive this afternoon complaining that the deletion of Clause 53 would put us in a position of dictating to the energy sector, of taking away, of pulling the rug out from under it economically in a participation sense. Canadianization is right now approximately 50 per cent in the offshore and the Beaufort. There is not a great deal of difference. We are concerned in this Party that we do not lose what we already have principally in the offshore and the frontier. We are concerned that this participation that we have not be rolled back in the interests of soothing the large multinational oil companies. There is nothing wrong with multinational oil companies participating in the activity in the frontier, nothing at all. Basically they have been good corporate citizens. They are in the business of making the maximum profit they can. That is not the interests necessarily of furthering exploration and development in the frontier at this time, not without a sign from the Government that something needs to be done not only to create activity economically but to do something to protect and develop our security of supply in Canada.

There is an opportunity now to do something not only to maintain the economic structures on the East Coast of Canada and in the north but to develop an energy program which the Government does not at this time have. It is a case of drift. Every speech the Conservatives make refer back to the Atlantic Accord, the Western Accord and now there is the Canada-Nova Scotia agreement which gave a $200 million slush fund to Nova Scotia. The Province of Nova Scotia is using it any which way it darn well wants. Mind you, Mr. Speaker, it gave $25 million to Nova Scotia resources. It is just a bad joke on the poeple of Nova Scotia. It is certainly not an

indication that the federal Government wants the activity in the oil and gas sector to continue and strengthen. This is a very sad commentary at a time of high unemployment and of financial difficulty in many areas of Canada. We are concerned about the deficit and where this country is going economically under this Government. What is happening? We are concerned about the downturn in our natural resources and sales. What are we doing about it? We are sabotaging perhaps the natural resources sector that can be most beneficial not only now but in the future. We will lose very valuable time. We will jettison completely the Government's own stated policy of security of supply. I think that is very unfortunate for the country economically and for Canadians individually.

I regret that the Bill is going through. I oppose it. I oppose the idea, the theory, the lack of consideration and the lack of feeling behind the Bill which the Government has shown or not shown as the case may be. I think it is unfortunate. I think a great deal more could be done at this important time to generate activity on the frontier. We are losing an opportunity both for Canadianization of our industry and development of security of supply that we may not get in a great many years.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to speak on third reading of this Bill. I will try to keep my comments fairly short because I spoke on second reading, and I refer Members to that speech. I tried in that speech to deal with the history and the analysis of the 25 per cent Crown back-in with which this Bill ends. I tried to deal with the back-in from the point of view that it was not confiscatory but based on logic and that the Government was making a mistake getting rid of it. The arguments presented were flawed. The Government has been lobbied by the large oil companies, and it bought their story hook, line and sinker. I want to say a few words—

[*Translation*]

—the Minister of Energy, Mines and Resources (Mr. Masse), the new Minister, the Quebec Minister. I have already come to realize that he is quite clever and, I think, very honest.

[*English*]

He made a couple of points. I want to deal with them. First, he said that the Bill brought in fair and clear regulations to replace discriminatory and arbitrary ones. Yes and no, Mr. Speaker. The Bill itself within the context of what it is trying to do does try to be fair and clear. I agree with the oil industry in that it is entitled to a fair and clear regime from the Government under which it operates.

In return for my agreeing with that principle, I hope some day that the Government will agree publicly with the principle that I espouse. Never forget that resources belong to the Canadian people. They are our resources and not the resources of the oil companies. They are our resources collectively, generally. That is the point from where we have to start. The Government spent through the National Energy Program over $7 billion in petroleum incentive grants in its new regime. I was here, as were many other Members, when Bill C-48, the Canada Oil and Gas Act, was passed. We had 18 months of debate on that Bill. A mistake was made, and I wish the Conservatives would acknowledge that the NDP did oppose the notion of the PIP grants. We thought the program would be wasteful, and it was incredibly wasteful. You cannot blame companies when loads of money was being dished out. They took it. Second, it shifted the exploration from the western sedimentary basin of Alberta, Saskatchewan and parts of British Columbia to the frontier, to the north, the Beaufort Sea and the offshore. That hurt the western economy.

There was an argument, and I can understand the argument, for some of that because the federal Government is responsible for guaranteeing Canada's energy security. You have to have an energy policy in Canada. It was to find out what was in the frontier. It was also motivated by the fact that former Prime Minister Trudeau considered that he, being the head of the Government of Canada, had power and jurisdiction. Premier Lougheed, the Prime Minister's rival, only had jurisdiction over the Province of Alberta. Mr. Trudeau changed the game so that most of the money went to the frontier that he controlled rather than the areas that Premier Lougheed controlled. I simply want to point out that the New Democratic Party opposed that aspect of the National Energy Program, and it was Premier Lougheed and Prime Minister Trudeau who raised the glass of champagne and made the deal. However, it seems rather ironic that it is all blamed on the New Democratic Party.

• (1740)

The Minister stated that this Bill involved a consultative process with the industry. While that is true, I suggest that there was no full consultative process with the native groups. This was evident in the hearings.

The Minister congratulated members of the legislative committee, including the Member for Calgary North (Mr. Gagnon), who took part vigorously in those hearings. However, I must say that I had to filibuster in the committee in order to have it actually call witnesses and spend some time on the Bill. The Government is not entirely blameless because it wanted to rush the legislation through. It was only as a result of a couple of people, including the chairman of the committee, that we were finally able to hear some witnesses.

If the Government had listened to the native witnesses it would have realized that there is a flaw in the Bill. The Bill attempts to deal with the oil companies and give them permits which will take effect in the 1990s when we will undoubtedly need frontier oil again. At the same time, however, it is forgetting that it is also negotiating with the native people on land claims. In fact, the Government is ignoring land claims as if in wilful blindness.

Earlier today I read into the record a letter that I received from the Tungavik Federation of Nunavut, representing 17,000 Inuit people of central and eastern Arctic. They state in the letter:

This Bill prejudices our land claim negotiations.

They go on to state:

—we protest in the strongest possible terms the enactment of any federal statute which facilitates the alienation of our land and resources from under our feet.

It is nonsense for the Government to say that energy is not significant and is separate from land claims. Energy is very important to the north. Our Constitution provides that the Government negotiate land claims with the native people. However, at the same time, the Government is giving away various interest and rights in the subsoil to the oil companies. I believe that this conflict reflects a flaw in the Bill.

The Minister said that he wants to rely on the entrepreneurial spirit of the companies to develop the resources. We all want to see the entrepreneurial spirit of Canadian business used. However, the Government is playing in a very big league with Exxon, Mobil and Shell, which makes it very difficult for small Canadian companies to move into the frontiers. That is why we need Petro-Canada. It has enough clout to compete with those big companies in the offshore. Even larger Canadian companies like Husky and Bow Valley will find it difficult to move into the frontier without some government incentive. That is why they have closed their exploration operations and nothing is happening on the East Coast.

Indeed, some of the smaller Canadian companies are in danger of being swallowed up by the large foreign companies. The progress we have made toward Canadianization could easily be reversed in the next few years. I believe that the federal Government and some of the spokespeople for the industry have put themselves into an ideological straitjacket. While the New Democrats have often been accused of being ideologues, the federal Government and some in the industry are ideologues in the sense that they believe in a free market in world oil that is primarily controlled by OPEC. When the world price begins to fall through the floor, they are not in favour of a stabilization program. Yet, if the price of oil begins to rise to $50 or $60 a barrel, is it reasonable to believe that the Government of Canada will not put a ceiling on the price of oil? That is what it will do, just like the Liberals did with the National Energy Program. Why are they denying themselves the protection of a floor price, or stabilization price, when the price of oil goes through the floor?

The Government said that it accepted an amendment to the Bill. The amendment was that the Minister of Energy, Mines and Resources (Mr. Masse) or the Minister of Indian Affairs and Northern Development (Mr. McKnight) could choose a member of the public to be on an environmental advisory panel, rather than having only civil servants. Big deal!

It is significant to note that an amendment proposed by a Conservative Member from Calgary to make paper work easier for the oil companies was accepted by the Government. We proposed an amendment that would have department environmentalists involved in the north. That amendment was rejected. We proposed an amendment that would give native people a better say and would develop some programs for the advancement and training of native people. That was rejected, in spite of the fact that they live there. It is a clear example of the priorities of the Government. It is a Government by and for the big oil companies whom they represent. Indeed, the big oil companies wrote the policy of the Government.

Mr. Reimer: Rubbish!

Mr. Waddell: Look at the words "engine of economic growth; 300,000 jobs". Those words come from the 1983 presentation of the Canadian Petroleum Association. This Bill will also represent a time in our history when the Government chose to cave in to American pressure and get rid of the back-in provisions which would give Petro-Canada 25 per cent of production, even though the Canadian Government, through the taxpayers, has put in over $7.3 billion in grants in the last seven years. We have been pushed around by the Americans, and the Government has caved in. While it is necessary to have a good relationship with the Americans since they are our friends and neighbours, we must stand up and be independent. I suggest that the Conservatives will pay a price in the next election because the Prime Minister (Mr. Mulroney) is too close to his buddy down south.

In conclusion, let me expand on something said by the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), the Liberal energy critic. Canada does not have an energy policy. The Government is adrift, with no energy policy, and is in fact relying on buying offshore oil and letting our industry go.

The Conservatives are forgetting about their old policy that energy was an engine of economic growth which created many jobs. As the Hon. Member pointed out, 40,000 jobs have been lost in Alberta and, after the deregulation of natural gas, there will be up to 70,000 jobs lost.

I am not suggesting that it is possible to wave a magic wand and develop an energy program to put those people back to work, but I suggest that the Minister of Energy, Mines and Resources should very carefully consider developing a new energy policy that is based upon the notion of maintaining our industry at a level where it can be more easily revved up in the future. I think most Members of the House would agree with the general parameters of such a policy. What will happen is that the price of energy will shoot up again and we will not be in a position to start up again in the Venture field, Hibernia, the Beaufort or the tar sands and we will put our energy security into doubt.

• (1750)

I suggest that the Government bring in a new energy policy. We in the NDP will assist in any way we can. I see the Hon. Member laughing. I would remind him that the Opposition in Alberta is the NDP.

Mr. Nunziata: Not by much.

Mr. Waddell: I would think we want to work together on this. We are going to have some disagreements but if the Member thinks about it, we need a new energy policy and we need a way of dealing with the tar sands and the price of oil

from the tar sands. We have to find some way of keeping the Beaufort going at a minimal level. We have to talk about a stabilization program in Alberta for the small oil companies so that they are not swallowed up. We could go further and talk about banking some oil and gas.

Technically, the Bill is well written for what it tries to do. However, it is flawed in the sense that it does not deal with the native problem. The Government is trying to put aside that problem in that it is trying to negotiate land claims on the one side and it is giving away all these interests on the other. If there is a court decision or settlement, this could return to haunt the Government. The Bill is also flawed in the sense that it is going to mean the end of private Canadian oil companies in the offshore. We are going to see only the bigger international or American companies there. While they may be straightforward and honest people, their interests are not necessarily the interests of the Canadian public. This Bill unnecessarily cuts the government oil company, Petro-Canada, out of an advantage in the frontier which is really needed. That, too, will return to haunt us and at some point it is going to have to be changed.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in the few minutes left to us I would like to debate on third reading, if I might.

We have been involved with this Bill, originally C-92 and now C-5 in this new session, for some time.

The Acting Speaker (Mr. Paproski): Order, please. There is a question and comment period. I noticed the Hon. Member for Ottawa—Vanier (Mr. Gauthier) was rising to ask a question. Does he wish to ask a question? He does. Then I will recognize the Hon. Member for Ottawa—Vanier for a question or comment.

Mr. Waddell: On a point of order, Mr. Speaker. The Hon Member is of course entitled to ask me a question. From our point of view, we would be disposed to wrap up the Bill tonight if that is possible and if it is fair to the Parliamentary Secretary whom I would like to hear speak.

Mr. Gauthier: Speaking on the same point of order, Mr. Speaker, it was my understanding, following certain consultations, that we would proceed to third reading of this Bill tonight. I was just asking a question because I could see there was time left before six o'clock. If the Hon. Parliamentary Secretary insists on speaking for the next five minutes, I do not see any difficulty so long as he sits down before six o'clock so we can pass the Bill.

Mr. McDermid: I find that interesting coming from my Liberal friend across the way. I was just about to say, when I was so rudely interrupted, that a great deal of work—

Mr. Gauthier: On a point of order.

Mr. Nunziata: Point of order.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for York South—Weston (Mr. Nunziata) has a question or comment, therefore I must recognize him.

Mr. Nunziata: I seek clarification. As I understand it, this is the time to ask questions or make comments on the speech by the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Is that correct?

The Acting Speaker (Mr. Paproski): Yes, that is correct. The Hon. Member for York South—Weston has the floor for questions or comments.

Mr. Nunziata: Mr. Speaker, in putting my question to the Hon. Member for Vancouver—Kingsway I would like to apologize to the Hon. Member for Brampton—Georgetown (Mr. McDermid) for exercising my right as a Member of Parliament to put the question. If he thinks that this is rudely interrupting, I would like to apologize.

I have had the opportunity over the last number of weeks to travel to different parts of Canada and I have been somewhat concerned about the different prices of gasoline we see in different parts of the country. Over the weekend I was in Halifax and the price of leaded gasoline is around 45 cents or 46 cents a litre. Upon my return to Toronto I found that the price of gasoline—

Mr. McDermid: On a point of order, Mr. Speaker. We are debating third reading of a frontier exploration Bill and I have difficulty in understanding how the price of gasoline at the pump has anything to do with Bill C-5.

Mr. Nunziata: If the Hon. Member knows his stuff, as I am sure he does, he will know that in order to sell gas at the pump you have to find it somewhere.

Mr. Riis: That is pretty complicated.

Mr. Nunziata: It seems to me that this Bill speaks to the finding of gas and oil in Canada. I therefore submit that questions relating to the price of gasoline are essential and relevant to the debate.

The Hon. Member for Vancouver—Kingsway has become an expert in the field of energy prices in Canada second only to my friend and colleague, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), my Party's critic. I question whether it is fair that a motorist or businessman in Halifax pays 10 cents or 11 cents more per litre of gasoline than his or her equivalent in Toronto. I would like to ask the Hon. Member if this Bill will in any way eliminate the inequities which exist in the price of gasoline in Canada?

Mr. Waddell: Mr. Speaker, the answer is no, the Bill will not change the inequities. The Hon. Member should understand that the Conservatives deregulated the price of gasoline

in order to have competition, but there is no real competition in the wholesale and retail price of gasoline. Four companies, including Petro-Canada, control the market and have been keeping the price up because they are surviving and making a little money. The poor oil companies in Alberta, the little Canadian oil companies who do not have retail markets like this, are suffering and will be gobbled up by these big fellows who are making all that money in Halifax.

I am glad the Hon. Member brought this up because, as I said in my speech, this is a country in search of a new energy policy. However, we are simply not getting it. This document addresses itself to what the Hon. Member for Cape Breton—The Sydneys, who is very familiar with this subject, has called a bit of a fantasy. There is nothing happening in the frontier, but this is the kind of Bill we are getting and the Government is ignoring the real problem.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is as follows: Mr. Masse, seconded by Mr. Mazankowski, moves that Bill C-5, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, be now read the third time and do pass.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

• (1800)

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Friday, October 10, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening ofthe Session; and of the amendment of Mr. Cassidy (p. 227).

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred division on the amendment. Mr. Cassidy (Ottawa Centre), seconded by Mr. Riis (Kamloops—Shuswap) moved:

That the following be added to the address:

"This House regrets that the Government has failed to provide leadership on major issues of social justice affecting average Canadians including the need for action to provide greater protection for battered women, a commitment to legislate pro-rated benefits for part-time workers, the majority of whom are women, a refusal to establish and work towards lower unemployment targets for Canadians, and the failure to pursue a serious tax reform that would eliminate the unfairness, the complexity and the unaccountability of the present system".

Call in the Members.

The House divided on the motion (Mr. Cassidy), which was negatived on the following division:

(*Division No. 12*)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Copps
de Jong
Dingwall
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Heap
Henderson
Kaplan
Keeper
Killens
Langdon
Lapierre
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Nunziata
Orlikow
Parry
Penner
Pépin
Riis
Robichaud
Rossi
Tardif (Richmond—Wolfe)
Waddell—45

NAYS

Members

Andre
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe—Bagot)
Champagne (Champlain)
Charest
Clark (Brandon—Souris)
Clinch
Comeau
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Domm
Duguay
Duplessis
Edwards
Ellis
Fennell
Ferland
Fretz
Gagnon
Gérin
Girard
Greenaway
Grisé
Guilbault (Drummond)
Halliday
Hamelin
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kelleher
Kempling
Kilgour
Landry
La Salle
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCrossan
McDermid
McKinnon
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oberle
O'Neil

Oostrom	Scott (Hamilton—Wentworth)	Warner
Pennock	Shields	Weiner
Pietz	Siddon	White
Plourde	Sparrow	Wilson (Swift Current—Maple Creek)
Porter	Stevens	Wilson (Etobicoke Centre)
Price	Stewart	Winegard
Ravis	Taylor	Wise
Redway	Towers	Witer—134
Reid	Tremblay (Lotbinière)	
Reimer	Tupper	
Ricard	Valcourt	
St-Julien	Vankoughnet	
Schellenberg (Nanaimo—Alberni)	Vézina	
Schellenberger (Wetaskiwin)	Vincent	

• (1820)

Mr. Speaker: I declare the amendment lost.

It being 6.25 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, October 15, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

COMMUNICATIONS

REQUEST THAT GOVERNMENT NOT INTERVENE TO REVERSE CRTC DECISION ORDERING REIMBURSEMENT TO BELL CANADA SUBSCRIBERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, Canadians were glad to hear about the CRTC ruling granting a refund to Bell Canada subscribers. According to the ruling, subscribers will be entitled to a credit amounting to about two months' service charges and long distance rates will be rolled back by roughly 20 per cent. The CRTC also ordered Bell Canada to provide telephone service to customers with hearing impairment in Quebec and Ontario.

This hard-earned victory is due to the 300-odd interest groups from all walks of life which appeared as witnesses during last summer's public hearings.

On behalf of Canadian consumers, I urge the Government not to intervene to reverse the CRTC decision.

* * *

[*English*]

NOBEL CHEMISTRY PRIZE

AWARD WON BY PROFESSOR JOHN POLANYI, UNIVERSITY OF TORONTO

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am delighted to rise in the House this afternoon and share with you and through you with Members of the House of Commons and, in fact, all Canadians, the news that John Polanyi, Professor of Chemistry at the University of Toronto, has been awarded a Nobel Prize in chemistry jointly with two Americans.

Some Hon. Members: Hear, hear!

Mr. Tupper: Professor Polanyi was born in Berlin, educated at the University of Manchester, and came to Canada as a National Research Council post-doctoral fellow in the mid-1950s and worked there with Dr. Stacie. In 1957 he joined the University of Toronto and since then he has progressed rapidly in the scientific community to be recognized as an international leader. Much of his work since he joined the University of Toronto has been financed through NSERC and at present he is the largest grant holder of that institution, a landmark for Canadian science.

* * *

• (1405)

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION REQUIRING BELL CANADA TO MAKE REFUNDS TO SUBSCRIBERS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, consumer power and complicated hearings have paid off. Yesterday the CRTC announced a decision requiring Bell Canada to refund $200 million to telephone subscribers in Ontario and Quebec as a result of excessive revenues Bell had obtained. In addition, Bell has been directed to reduce rates for long distance calling by 20 per cent effective January 1.

This is welcome news indeed and marks the first time the CRTC has been as tough as this in any decision. I applaud the CRTC as well in its direction to Bell to provide a message relay service for the hearing impaired that will operate 24 hours a day. People with hearing handicaps have been lobbying for this for 10 years.

A monopoly such as Bell has an obligation to provide services at a reasonable cost. It is the job of the CRTC to see that returns are reasonable and that consumers are well served. The decision of the CRTC yesterday shows that the system can work.

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

TWENTY-FIFTH ANNIVERSARY OF SAINTE-ODILE PARISH—PARTICIPATION OF VOLUNTEERS

Mr. Marcel R. Tremblay (Quebec East): Last October 10, 11 and 12, Mr. Speaker, the parish of Sainte-Odile in my constituency of Quebec East celebrated its 25th anniversary. I should like to tell Members of the House how proud I was about the results of the dedicated work done by a group of

volunteers whose selflessness and co-operation ensured the outstanding success of these festivities to highlight the 25 rewarding years of Sainte-Odile parish.

Once again, Mr. Speaker, I was able to see for myself that volunteer work is a virtue in itself and that men and women who are active in this field create around them an atmosphere of vitality and an unmistakable sense of gratitude. The unqualified success of the Sainte-Odile parish 25th anniversary celebrations attests to the rewarding fall-out of volunteer work. Again I commend Sainte-Odile parishioners for their active participation and dynamism. Our community is richer thanks to these people.

Bravo and congratulations for remarkable work and noteworthy activities, Mr. Speaker!

* * *

NATIONAL DEFENCE

REQUEST FOR CLARIFICATION OF CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, Montrealers and as a matter of fact all Canadians are rightly concerned about disclosures made in *La Presse* this morning to the effect that the Government has manipulated bids for the contract concerning the maintenance of the Canadian Armed Forces CF-18 fighters.

This morning the Survival Committee for Canadair stated that two months after the call for tenders in January 1986, the Department of National Defence was ready to accept an unsolicited proposal made by Bristol Aerospace including a 13 per cent price reduction from its first bid. Why has the Minister of National Defence (Mr. Beatty) accepted a second proposal from the Bristol group? To what extent were those dealings legal? How can such a bid be reduced by 13 per cent within a period of a mere two months, Mr. Speaker? The Government has to shed some light on that mysterious way of administering tenders for the contract with respect to the maintenance of the CF-18. Otherwise this Government will seriously jeopardize its credibility.

* * *

[*English*]

TOURISM

INVITATION TO ATTEND FESTIVAL OF LIGHTS AT NIAGARA FALLS

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, there is no faster growing industry in Canada than that of tourism. It is predicted that by the turn of the century tourism will be the largest industry in Canada. Therefore I think it is prudent for all levels of government to do everything possible to promote tourism.

When promoting this industry, everyone should keep in mind that, year in and year out, the single largest tourist attraction in this hemisphere is Niagara Falls. Visiting the Niagara Peninsula are approximately 14 million people per year and they are not there just to see the Falls. The Shaw Festival, the Welland Canal, Fort George and the Niagara scenic parks are just a few of the attractions that keep people coming to Niagara. Now that Expo has just closed, it is time for everyone to come on home to Niagara Falls. They will be just in time for the Festival of Lights.

* * *

• (1410)

FINANCE

NONPAYMENT OF INCOME TAX BY TRANSCANADA PIPELINES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in view of the need for a fair, just, and equitable tax system for all Canadians, I wish to announce today's winner of the great untaxed corporation award. It is TransCanada PipeLines, which was, through successive Liberal and Conservative tax measures, granted the right to pay no taxes in both 1980 and 1981 on profits totalling $256.6 million.

Had the tax system been fair and equitable, and had TransCanada PipeLines been required to pay even a 25 per cent tax rate on its profits, average Canadians would have paid $64.2 million less in tax because of this one company alone.

This award is a reminder to the Government that there is a serious and immediate need for comprehensive tax reform.

* * *

[*Translation*]

TEXTILES AND CLOTHING

NEW IMPORT POLICY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, recently the Minister of Regional Industrial Expansion announced the Government's new policy on textile and clothing imports. This means the multifibre agreement under the GATT is renewed, and this Conservative Government intends to renegotiate and extend bilateral restrictive arrangements with more than 25 countries exporting low-cost clothing. Thanks to this new step, there will be a more moderate rate of growth of imports consistent with the domestic market. Those are two vital industries, employing as they do more than 20 per cent of Quebec's manufacturing manpower.

Further, the new policy includes a customs duty return program aimed at increasing the competitivity of our shirt

manufacturers, and the strengthening of border checks by laboratory analysis of the fibre contents of imported goods, as well as the review of the regulations dealing with the indication of the country of origin.

Those measures will ensure that a viable level of textile and clothing production is maintained in Canada and in my constituency, where the industry employs more than 5,000 workers.

* * *

[*English*]

AGRICULTURE

FARM DEBT REVIEW BOARDS—DELAY IN HEARING APPLICATIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, the farm debt crisis is getting worse every day with thousands of farmers across Canada facing the loss of their farms. In Ontario over 900 farmers are two to three years behind on their FCC loan payments.

Last June, in two sittings of the House, we passed the legislation creating Farm Debt Review Boards. Still, the Farm Debt Review Boards are not functioning in Ontario. Only three of the ten member board have been appointed so far. Over 100 farmers have applied for help from the board, yet not a single case has been heard.

Last Friday the Ontario Federation of Agriculture sent an urgent telegram to the Prime Minister (Mr. Mulroney) urging action by the Government, and cautioning the Government that farmers' patience is running out and they are becoming increasingly angry.

I call on the Government to take action and get these boards operating immediately. The Government must change its ways and give the farm debt crisis the urgent priority it deserves.

* * *

SOCIAL AFFAIRS

EARLY PAYMENT OF CHILD TAX CREDIT

Mr. Jim Jepson (London East): Mr. Speaker, about 725,000 Canadian families, or 1.3 million children, will benefit from an early payment of the child tax credit this November, 1986. This credit introduced by this Government will provide timely assistance to Canadian families, and will reduce the need for tax refund discounting.

The prepayment, which is $300 per child, is an amount equal to approximately two-thirds of the full credit. The remaining amount, if any, will be paid after the 1986 tax return is filed in early 1987. The prepayment will automatically be made available to eligible claimants who had a family income of less than $15,000 in 1985. Other recipients will receive their credit in the spring, as has been the case in the past. Furthermore, no applications for the prepayment will be required. This measure complements the $70 increase in the tax credit this year, and the measures to control the money that may be taken by tax rebate discounters.

By providing, for the first time, an early payment of the child tax credit, the Government is clearly demonstrating its concern for the needs of middle and low-income families in Canada.

* * *

NOBEL CHEMISTRY PRIZE

AWARD WON BY PROFESSOR JOHN POLANYI, UNIVERSITY OF TORONTO

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to congratulate, on behalf of all Canadians, Dr. John C. Polanyi of the University of Toronto, who today has been awarded the Nobel Prize for chemistry for his work on the dynamics of chemical elementary processes.

Dr. Polanyi is the second Nobel Prize winner in chemistry in Canada, and follows the prize awarded to Dr. Gerhard Herzberg of Ottawa. Both men have had associations with the federal National Research Council, Dr. Polanyi as a post-doctoral fellow and Dr. Herzberg in a life-long career there.

In congratulating these men on their achievements, we must also reflect on the Black Wednesday that struck the NRC today in the budget cuts which eliminated 200 jobs, wiped out programs, and cut back the Herzberg Institute of Astrophysics.

Can we not better honour the persons who have brought recognition to Canada by strengthening our commitment to basic research instead of thoughtlessly disbanding the hard work of many talented scientists?

* * *

[*Translation*]

AIRPORTS

IMPORTANCE OF INSTALLATIONS AT VAL-D'OR

Mr. Guy St. Julien (Abitibi): Mr. Speaker, of all airports in the Abitibi-Témiscamingue, James Bay and Northern Quebec areas, the regional airport in Val-d'Or is the most important in terms of services and traffic volume. Its importance is long-standing. It is located within the transcontinental flight corridor and the international air corridor through the North Pole.

Mr. Speaker, over these last ten years, the Val-d'Or Chamber of Commerce, the City of Val-d'Or, the *Corporation*

de développement industriel et commercial de Val-d'Or and the *MRC de la Vallée de l'or* have all made representations, both individually and jointly.

Through the efforts of this Conservative Government since 1984, that $9.5 billion project will be completed in 1987. The competent assistance of Reynald Imbeault and Daniel Bleau from Transport Canada has been a great help. The project is an excellent example of what the people of Abitibi and their MP can accomplish when working together at solving problems of common interest and seeing through a project of such significance in Abitibi-Témiscamingue.

* * *

• (1415)

[*English*]

FINANCIAL INSTITUTIONS

NEED FOR FEDERAL REGULATORY REFORM

Miss Aideen Nicholson (Trinity): Mr. Speaker, the recent takeover of the Continental Bank by foreign-owned Lloyds Bank was another signal to Canadians that the Government has not yet made good on its promise to enact comprehensive regulatory reform for the financial services industry.

The Speech from the Throne in 1984 contained a promise to follow through on the reform process begun under the previous Liberal Government. However, since then trust companies have failed, banks have closed their doors, and major financial institutions have come under the control of a non-financial institution. Studies and reports have proliferated. Provincial Governments are pursuing their own reform agendas, but our federal regulatory environment is virtually unchanged and the Speech from the Throne merely reiterated a two year old promise.

The Government is fast running out of time and options. Unless it replaces promises with action now, it will continue to be overtaken by events.

* * *

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Walter Van De Walle, for the electoral district of Pembina.

NEW MEMBER INTRODUCED

Walter Van De Walle, Member for the electoral district of Pembina, introduced by the Right Hon. Brian Mulroney and the Hon. Don Mazankowski.

Mr. Speaker: I think there would be a disposition in the House to extend the Oral Question Period. Accordingly, we will now commence the Oral Question Period.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—CONTENTS OF FORTHCOMING REPORT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Yesterday in Question Period both the Prime Minister and the Minister of Employment and Immigration denied Government knowledge of the contents of the Forget Commission report. The Prime Minister said:

—our only involvement was mentioned at the time of the Budget Speech on May 23—

• (1420)

After 24 hours' consideration is the Prime Minister prepared to inform the House today that, contrary to yesterday's statement both his office and senior members of his Cabinet have been briefed on the contents of the Forget Commission Report, including those recommendations that were made public yesterday?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I repeat what I said yesterday: aside from the information apparently released in some minority reports that were reproduced in the press, there has never been any disclosure of information whatsoever at that level. And I am not sure I know what the Hon. Member is referring to.

[*English*]

GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am afraid the Minister's desire to say nothing is a luxury the country cannot afford. The Minister and the Prime Minister know that the Forget Commission has been very careful to keep the Minister and the Cabinet informed of its recommendations. Why has the Government, by its silence, lent its support to a program that will reduce UIC by $3 billion; would cut fishermen's benefits entirely, Mr. Speaker; would cancel federal short term job-creation projects, and would seek to increase the welfare burden already been borne by provincial Governments? Why is the Government by its silence allowing that program to go forward?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Yesterday, I said I thought it was a shame to make such allegations and exploit people's insecurity. There never was an information or briefing session at the Prime Minister's Office or anywhere else regarding the Forget Report. This is a complete fabrication, and it is one more example of a situation being exploited to make Canadian workers insecure.

[*English*]

GOVERNMENT RESPONSE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister digs himself in much deeper than he can possibly imagine. Let me ask the Minister directly will he not acknowlege that even as we speak in this House senior officials of his Department at his instruction are today preparing a detailed government response to a report that both he and the Prime Minister claimed this date they have not seen?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I cannot ask for a paper on a report I have yet to receive. I do not have a single document in my possession. I repeat before this House: I do not have a single document referring to the Forget Report in my possession.

MINISTER'S ROLE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday, he and the Prime Minister said that they had not been informed of the recommendations in the Forget Commission's report. Could the Minister confirm to the House today that a meeting was held with Mr. Forget in the middle of August, and second, that he has ordered two officials of his department to prepare the reply to the report, and third, that last August in St. John's, Newfoundland, the Minister informed Cabinet Members at a meeting of the Priorities and Planning Committee of Cabinet?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I did meet Mr. Forget. As a new Minister, I have met many other people as well, and I fail to see why I should not meet Mr. Forget, when I meet other people for the Department. But as far as putting up with the Hon. Member's fantastic fabrications, that is something else again!

RESPONSE TO FORGET REPORT RECOMMENDATIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, first of all, will the Minister deny that Mr. Forget informed him of his intentions, and second, will the Minister confirm that Messrs. Wyman and Carin have been ordered by the Minister to prepare the reply to the Forget Report's recommendations, yes or no?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I repeat what I said yesterday and again today: I do not have a copy of the Forget Report. I cannot ask people to reply to or deal with a document I do not have. I cannot ask people to comment on a text that isn't there. Again, I repeat before this House: I do not possess a copy or any contents of the Forget Report. I cannot ask my officials to comment on the report because I don't have it.

[*English*]

PAYMENTS IN ATLANTIC CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister on the same subject matter. The Minister has just referred to anxieties of people and suggested that the Opposition has raised problems of anxiety for people in Canada. My question is directly related to that. A news report which appeared yesterday suggested some $3 billion was going to be cut from payments going to unemployment insurance recipients. I checked that and obtained precise figures from the report, not from the newspaper, which suggested, for example, that $620 million would be cut in Atlantic Canada alone. Will the Prime Minister allay the anxiety of Atlantic Canadians and say that $620 million will not be cut from payments to UIC recipients in Atlantic Canada?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we gave an answer yesterday and we are going to repeat exactly the same thing today.

The Hon. Member referred to certain reports; once more, the Minister of Finance said the following in his speech:

• (1425)

[*English*]

I want to emphasize that we are not undertaking the review with an objective of reducing federal contributions to the unemployed.

Wherever they are coming from, the Atlantic provinces, the central provinces or the western provinces, we will not reduce the contributions to the unemployed.

[*Translation*]

UNEMPLOYMENT INSURANCE BENEFITS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to put a question to the Minister.

Yesterday, he used the term "contributions". My question is this: Can the Minister assure the House that the Government has no intention of reducing the contributions to those who now receive unemployment insurance benefits?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Leader of the New Democratic Party is going into the details of reports which no one has and of recommendations which I have not seen myself. I cannot comment on something which is not there. It will be

there on November 30 and we shall make our comments at that time.

[*English*]

Mr. Broadbent: It is the Minister who is leaving feelings of anxiety.

LEVEL OF PAY-OUTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will direct my supplementary to the Prime Minister who will be visiting Prince Edward Island and New Brunswick in the next couple of days. Will he relieve the anxiety of Canadians in those provinces at least by assuring them that there will be no reduction in the level of unemployment insurance pay-outs? Will he give them that assurance without qualification? That would remove the anxiety of people in that part of Canada.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that appears to be essentially the same question which has been asked before. Not having received a copy of the report, not being privy to the information quoted with such certainty by my hon. friend, I can only point to the firm statement made by the Minister of Finance in April when he said: "I want to emphasize that we are not undertaking this review with an objective of reducing federal contributions to the unemployed." I think that is pretty clear. In light of that, my hon. friend, being a reasonable man, would want us to wait for the Royal Commission report before beginning any debate or dialogue on alleged portions thereof.

ALLEGED BRIEFING OF CABINET COMMITTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Prime Minister and I would like to give him the chance to tell the truth to this House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Sit down!

Mr. Speaker: Order, please. I am sure that all Hon. Members know that Hon. Members of this House are expected to tell the truth. Comments which lead to the suggestion that that is not so do not help us at all. I ask the Hon. Member to put her question.

Ms. Copps: The Prime Minister did not respond to the question by the Hon. Member for Humber—Port au Port—St. Barbe. The Prime Minister said yesterday that "Our only involvement was mentioned at the time of the Budget Speech". Does the Prime Minister deny that there was a briefing of the Priorities and Planning Committee of Cabinet on this very issue, the sum and substance of the Forget Report, when he chaired that meeting in Newfoundland?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I shall repeat once again what I said earlier. I can neither receive nor give any briefing on something which I do not have. I said yesterday and I am repeating today that I have received no copy of the Forget report as there will be no such report until November 30. You may have copies of minority reports, but I do not.

Mr. Speaker, I cannot give any briefing on something which does not exist.

• (1430)

[*English*]

FORMULATION OF RESPONSE TO REPORT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to direct my supplementary question to the Minister of Employment and Immigration. Does the Minister deny that Mr. Ken Wyman, the Assistant Deputy Minister in his Department, has been appointed to chair a committee which is presently formulating the response to the Forget Commission, which response is as a result of briefings in which the Minister, other Ministers of the Cabinet and officials in his Department were involved?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, this is pure speculation.

[*English*]

PAY-OUTS IN ATLANTIC CANADA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is a follow-up on the question asked of the Prime Minister by my Leader. The Prime Minister is going to Atlantic Canada this week. Will he confirm to the people of that region that the level of pay-outs to Atlantic Canada will not be reduced by the Government as a result of the Forget Commission?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Will there be any reductions following the Forget report? First, we are going to wait and see what recommendations the Forget Commission makes in its report under its terms of reference. This commission was asked to assess our unemployment insurance system. Our Government had enough courage to face this problem. The Members on the other side had always refused to undertake any study or to create any commission to look at unemployment insurance. This Government has done so. We shall wait for the recommendations, and we shall then see what should be done. However, we must first receive those recommendations.

[*English*]

REQUEST FOR GOVERNMENT GUARANTEE

Mr. Rod Murphy (Churchill): Mr. Speaker, regardless of what the final recommendations are, is the Government willing to make a commitment to Atlantic Canada—

Some Hon. Members: Oh, oh!

Mr. Murphy: Regardless of what the final recommendations are, is the Government willing to guarantee the people of Atlantic Canada, where there are high unemployment rates, that there will be no reduction in the level of payments to that section of Canada?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): I may not have as much experience in this House as the Hon. Member, but I do know one thing, and that is that, normally, before commenting on any commission report, we have to wait for the report to be tabled. Then is the time to make the appropriate comments.

* * *

[*English*]

INDIAN AFFAIRS

DEPARTMENTAL ADMINISTRATION IN MANITOBA REGION—ROAD PROJECT COSTS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I direct my question to the Right Hon. Prime Minister. Revelations continue to come forward about the mess in the Department of Indian Affairs and Northern Development in the Manitoba region. What swift and decisive action is going to be taken with this Department, responsible for a road project on an Indian reserve in Manitoba, which should have cost no more than $300,000 and ended up costing considerably more than $1 million?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sure the Hon. Member is aware that last week the Minister of Indian Affairs and Northern Development announced that there was an RCMP investigation into various allegations which had been circulating with respect to the operations of the Manitoba regional office. Further to that, I am advised that discussions have taken place with the President of the Treasury Board with a view to undertaking a complete and comprehensive review of all financial operations of the Department's regional office in Manitoba.

GOVERNMENT POSITION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I want to know why the Government is moving so slowly in dealing with gross inefficiencies in this Department when the Prime Minister himself knows, as do I, that many Indian communities in the country live in abject poverty.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member, who is a fair-minded individual, would want to reconsider that comment. Indeed, the Minister of Indian Affairs and Northern Development moved very quickly in terms of initiating an RCMP investigation. He is moving very quickly with regard to the comprehensive review of the financial operations which he is now undertaking.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION—COMMITTEE'S REVIEW

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, on June 26, 1985, the then Minister of Regional Industrial Expansion received a letter from Texas lawyers indicating that the Government of Canada could be sued for millions of dollars for suspect deals made by de Havilland. Internal departmental memos show this same knowledge. Why was this information, which was so important to its deliberations, kept secret from the Regional Development Committee reviewing the de Havilland sale in 1986?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, no information was kept secret regarding this transaction. I wish simply to remind my hon. friend that we made sure, when we disposed of the de Havilland Corporation, first, to keep the technology in Canada, second, to assure job security for Canadians, and third, to maintain an aerospace industry in Canada. That is what really matters to Canadians.

[*English*]

PROVISION OF INFORMATION TO COMMITTEE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Government made certain that it kept contingent liabilities of over $140 million—

Mr. Speaker: Order, please. Order, please! The Hon. Member has indicated that he wishes to ask a supplementary question. I ask the Hon. Member to put the question.

Mr. Langdon: Thank you, Mr. Speaker. With this six months' prior notice to the Department of the information which I have indicated, why did the Department not bring that information forward to the inquiry by the Regional Development Committee? Does the Minister not feel at this stage that he has to give—

Mr. Speaker: Order!

Mr. Langdon: —this House an apology for that dereliction?

Mr. Speaker: Order, order! It seems to the Chair that that is almost exactly the same question as the one the Member already asked. I invite the Hon. Member to reconsider and put a question which is not just a repeat of the first question.

Mr. Langdon: Mr. Speaker, I appreciate your admonition, but if the Minister refuses to answer—

Some Hon. Members: Order!

Mr. Speaker: Order. The Hon. Member for York Centre.

Some Hon. Members: Hear, hear!

CORPORATION'S UNDISCLOSED LIABILITIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the same Minister and is about the undisclosed liabilities which have landed on the backs of the taxpayers of Canada rather than being the responsibility of Boeing, the purchaser. Does the Minister know of any other debts? What is the total of such liabilities that may now be owing by the taxpayers of Canada on contracts made by de Havilland before the takeover?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I should be embarrassed to raise this question if I were the Hon. Member opposite. De Havilland had cost Canadian taxpayers over $1.2 billion, on top of some $1.6 million in future commitments. We have made sure to reduce the liabilities of the Government of Canada, again for the sake of maintaining job security and an aerospace industry in Canada. That is what a Government that takes its destiny into its own hands is all about.

[*English*]

AMOUNT OF LIABILITIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, this policy of stonewalling must be considered unacceptable. Why can the Minister not answer a straightforward question about undisclosed liabilities? Does he know about them now, and what are they?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Again, Mr. Speaker, no information concerning this issue was withheld in any manner whatsoever. It was fully provided by the Minister in January, 1986, when he appeared before the Committee of the House which was looking into this transaction.

* * *

[*English*]

NATIONAL RESEARCH COUNCIL

SIZE OF GOVERNMENT FUNDING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. When the Conservatives were on the opposition side of this House they promised the people of Canada that if they formed the Government they would move rapidly to allocate 2.5 per cent of Gross National Product to scientific research and development. Today we learned from the head of the NRC that in the last two years its staff complement has been cut by 400 and that he was announcing today a further cut of 200 in the next couple of years. Why has the Government reneged on the promise it made before the election?

• (1440)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member fails to recognize that while the National Research Council is perhaps the most important instrument in research and development which the Government has, it is not the only instrument. The Government is spending hundreds of millions of dollars in industrial assistance grants, through agreements with the provinces, and through tax expenditures. We are well on the road to achieving the targets that we set.

PERCENTAGE OF GROSS NATIONAL PRODUCT ALLOCATED FOR SCIENTIFIC RESEARCH

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister knows that Dr. Polanyi who received the Nobel prize today has criticized the former Government and, I am sure, will criticize this Government for its failure. Presently we are at 1.3 per cent of GNP. The head of the NRC said today that we have to wait until the deficit has been substantially reduced before the Government moves to attain the goals it promised. If so, what percentage of GNP for scientific research will we see before the Government moves?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, perhaps it is a new phenomenon that a Government would not rely entirely on spending targets but would identify targets that would serve the country well in terms of the research that needs to be done and the priorities which must be pursued. Perhaps I could take this opportunity on behalf of all of us here to congratulate Dr. Polanyi and point out to the House that Dr. Polanyi is indeed a recipient of some of the Government's—

Mr. Speaker: The Hon. Member for Laurier.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

NATIONAL RESEARCH COUNCIL—ABOLITION OF 200 POSITIONS IN APRIL—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the same Minister. We learned this morning that the National Research Council will have to cut 200 positions by next April. Again, this Government which does not give a damn about consequences is eroding our national competence in the field of research and development. My question is this: What is the rationale behind the Government's decision to slash programs that are essential for job creation, as well as the health and survival of the Canadian industry?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I thought perhaps the Hon. Member was rising because he wanted to apologize for the misinformation he has spread in the House over the last couple of months—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I would ask the Minister to answer the question as best he can.

Mr. Oberle: As the Hon. Member's prediction that the IRAP grant would be cut by $60 million proved to be absolutely false this morning, so will he have to come to grips with the reality that there will be no lay-offs at the NRC. The 200 persons who will be affected by the reorganization will find placement in new assignments and new priorities that the NRC has identified, together with the Government.

Mr. Berger: The NRC has had to cut 200 positions to save face for that Minister.

GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, if the Government's purpose is to support the development of technology and jobs, why has it cut the budget of the NRC by 30 per cent in the past two years? Why has it frozen the funding for the granting councils and why has it cut practically every other manner in which the Government supports research and development?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member gets very emotional. It is true that the NRC, like the Government and other government agencies, is rationalizing its operations in light of new priorities. The net result of the reorganization in the NRC over the next few years will be an increase not only in person-years but a significant increase in the budget allocations as well.

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ENVIRONMENTAL AFFAIRS

USE OF LOW SULPHUR COAL

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of the Environment. Bearing in mind the Government's interest in environmental protection, improvement for the western economy, and the enhancement of Canada's balance of payments, what action is the Minister undertaking to encourage the use of low sulphur coal in the industrial heartland of Canada?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am in receipt of a major federal-provincial task force report released on August 20, 1986, which said in effect that it did not make sense for the Government of Canada and the country as a whole to be encouraging the importation of high sulphur content coal from the United States when low sulphur content coal is available from western Canada with all the attendant environmental and economic advantages in displacing the American coal. Unfortunately, I cannot just press a button and redress the imbalance, but to the extent that the federal Government can do anything about the problem, we are acting on it.

* * *

AGRICULTURE

ASSISTANCE FOR PRAIRIE FARMERS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of Agriculture. Given the continuing uncertainty about the Government's announcement of aid to Prairie farmers, will the Minister give a guarantee to Prairie farmers that they will know how much they will get from the Government, in what form they will be receiving it, and when they will be receiving it, before the Saskatchewan election next Monday?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we have been giving Canadian grain farmers guarantees since the Throne Speech. We have every intention of making good on that guarantee. The fact is that a billion dollars will be placed in the hands of Canadian farmers.

REQUEST THAT DETAILS BE PROVIDED TO SASKATCHEWAN PEOPLE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, given that this program arises out of the needs of Conservatives in Saskatchewan in the first place, will the Minister guarantee that the people of Saskatchewan will know the details I have asked for before next Monday, so they can make a judgment about whether Premier Devine was levelling with them?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, whether or not this program was prompted because we have one or two provincial election campaigns going on in the country, is simply beside the point. Had it been an essential factor, we probably would have acted unilaterally and probably would have been in a position to do so. However, the fact is that we did not act unilaterally. We consulted the provinces. Give me an opportunity to speak with the farm leaders tomorrow and we will be in a far better position to apply the program correctly, fairly, and equitably across the country.

Oral Questions

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION ORDERING REFUND TO BELL CANADA SUBSCRIBERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, after a six-month open and democratic review of Bell Canada's profits, including 302 public interventions from interested parties, the CRTC ruled yesterday that Bell Canada subscribers are entitled to a refund for telephone overcharges. My question is directed to the Minister of Communications. Will she assure telephone users that she will not deprive them of this overdue refund by overturning the CRTC decision, and that she will not take with one hand what the CRTC in all fairness has justly given with the other?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I thank the Hon. Member for her question. I believe that the CRTC decision will be welcomed by all subscribers of Bell Canada services. I may say that the Commission found that because of the improved economic climate in this country since the Government took office—

Some Hon. Members: Hear, hear!

Miss MacDonald: —because of lower interest rates, because of productivity gains, and because of increased employment—

Mr. Speaker: Order.

Some Hon. Members: More, more!

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

BELL CANADA PROFITS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am very pleased that the Minister acknowledges that Bell Canada is a profitable, well managed corporation. It is a public monopoly subject to CRTC regulation. I hope she will agree that profits of that nature—

Mr. Speaker: Order. I would ask that the Hon. Member put her question.

Mrs. Finestone: Will she agree that profits of that nature should be returned to subscribers and should not fatten the pockets of the shareholders of Bell Canada Enterprises?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I was very interested to read the report of the Commission. It said that $206 million in excess revenues had come into Bell Canada and recommended that $20 be reimbursed to each residential customer and $60 to each small business. Certainly this is very good news today as far as people who use Bell Canada services are concerned.

• (1450)

Mr. Speaker: I know that the Hon. Member wants Ministers to answer in a full way. However, I would ask Ministers to refrain from quoting or referring in extensive detail to the reports that form the subject matter of questions. Perhaps the Hon. Minister could shorten the answer.

Miss MacDonald: Mr. Speaker, I was very pleased to hear the Consumers Association of Canada—

Some Hon. Members: Hear, hear!

Some Hon. Members: Yes or no!

Mr. Speaker: The Hon. Member for London East.

* * *

BANKRUPTCIES

SUPPLIERS' RIGHT TO REPOSSESS GOODS

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Many suppliers are the real victims in too many bankruptcies. With respect to the Government's upcoming legislation on bankruptcy, can the Minister assure the House that suppliers will enjoy the same benefits that suppliers in Quebec now enjoy, namely, that they will be able to repossess goods they ship to a debtor 30 days before the appointment of a receiver?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member is quite correct. This is a problem area under active examination by the Government prior to our making recommendations to Parliament for amendments to the Act. We are looking at the Quebec experience. We are hearing representations from the small business sector for which the Hon. Member is speaking in this instance. Hopefully, we will be able to bring forward recommendations for changes in the Bankruptcy Act in the near future.

* * *

DISARMAMENT

UNITED STATES STRATEGIC DEFENSE INITIATIVE— GOVERNMENT POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Prime Minister. On January 23, 1986, the Secretary of State for External Affairs said in the House:

> Our stance toward SDI research is rooted in the need to conform strictly with the provisions of the ABM treaty.

Will the Government reconsider its support for Star Wars now that President Reagan has turned down an arms control deal precisely because it required strict compliance for 10 years with Article V of the ABM treaty?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no change in the position of the Government as set out by the Secretary of State for External Affairs. What he has said and what we have said since then is consistent with the position that he established. If I may say so, it is consistent with views held by previous Governments.

RESEARCH UNDERTAKEN BY UNITED STATES

Mr. Derek Blackburn (Brant): Mr. Speaker, in view of that answer will the Prime Minister tell President Reagan that Canada will not support Star Wars research outside the laboratory because it violates Article V of the ABM treaty which states, and I quote, "Each Party undertakes not to develop, test, or deploy ABM systems or components—"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because of research being carried out by the Soviet Union in similar areas, we have indicated that research into this area is prudent. However, such research must be consistent with the provisions of the ABM treaty.

Mr. Blackburn (Brant): Will you tell the President that?

Mr. Mulroney: The President of the United States was so advised by the Government of Canada as recently as last week.

Mr. Caccia: How?

Mr. Mulroney: He is aware of our position and our ongoing interest and concern in this area.

* * *

AGRICULTURE

ASSISTANCE FOR SASKATCHEWAN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last Friday the Premier of Saskatchewan told Saskatchewan farmers that they would receive some $457 million as a cash deficiency payment from the Government of Canada. Will the Minister stand in his place today and confirm that commitment by the Premier of Saskatchewan? Or is this loan guarantee just a carrot held out to the farmers of Saskatchewan until after the election after which they will be told the thruth?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, just let me say that this is not a loan guarantee—

Mr. Speaker: Order, please. I would ask Hon. Members when they put their questions not to impugn the integrity or the truthfulness of other Members in the Chamber. I am sure that the Hon. Member did not mean to do that. I ask Hon. Members to realize that when some words are used it is incumbent upon the Chair to rise. I ask the Hon. Minister to answer the question.

Mr. Wise: Mr. Speaker, I thought that my answer would certainly clarify the Hon. Member's concern that this is the largest single aid package ever delivered to Canadian farmers in the history of this country.

Some Hon. Members: Hear, hear!

REQUEST FOR ANNOUNCEMENT BEFORE PROVINCIAL ELECTION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a supplementary question. Will the Minister of Agriculture tell us, yes or no, whether there will be $457 million for Saskatchewan? Will it be a deficiency payment? Finally, will it be announced before the election in Saskatchewan? Yes or no to the above. It is quite simple.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it may be very simple from the viewpoint of the Hon. Member who leads me to believe that he does not have a complete understanding of the nature of Canada. There is no question about that.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wise: If we were selecting simplistic solutions, then perhaps I could answer the question with a yes or a no.

* * *

[*Translation*]

AGRICULTURE

CREATION OF NATIONAL MARKETING BOARD FOR INCUBATED EGGS—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): For the past four years, Mr. Speaker, the Canadian Association of Hatching Egg Producers has been seeking its official recognition as a national marketing board for hatching eggs from the Minister of Agriculture to whom I am directing my question. That dossier had been submitted to the Cabinet's sub-committee on International Trade. In view of the need for egg producers to have this problem settled urgently, does the Minister intend to provide good and positive news on this issue in the near future?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, my colleague obviously knows that it is not proper for me to indicate at what stage a piece of legislation or a question is before Cabinet. However, let me indicate to the Hon. Member that it has been the position of this Party since 1976, is the position of this Party today, and will remain its position, that the producers themselves will determine what system of marketing best suits their own needs.

Oral Questions

CO-OPERATIVES

TASK FORCE REPORT—GOVERNMENT RESPONSE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister responsible for co-operatives. A year ago today in the middle of another Co-operative Development Week I asked the Minister when the Government planned to respond to the report of the National Task Force on Co-operative Development. I repeat the question today. When does the Government plan to release its response to *A Co-operative Development Strategy for Canada*?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Government is in the final stages of preparing that response. I thank the Hon. Member for his question. It gives me a chance to pay tribute to all those people who belong to co-operatives since this is Co-operative Week. Co-operatives are a very significant sector of the economy. They have had a good year. I thank the Hon. Member for giving me a chance to put my remarks on the record today.

Some Hon. Members: Hear, hear!

ENCOURAGEMENT FOR CO-OPERATIVES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, given the promise in the Speech from the Throne for measures to assist co-operatives, does the Government plan to create an agency that could foster co-operatives in the same way that the Canada Mortgage and Housing Corporation has encouraged and financed co-operative housing?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member will know that for me to answer his question would be to prejudge what in fact the Government will finally do.

I can assure the Hon. Member that we will be working with the co-operatives to see that they have as many opportunities as possible to be a part of government programs. Additionally, when programs are being developed we will ensure that co-operatives have as much chance as other sectors of the economy to have input into policies as they are developed. That will be our aim and, hopefully, it is what we will achieve when we announce how we will deal with the task force report.

* * *

REGIONAL ECONOMIC DEVELOPMENT

ENVIRONMENTAL IMPACT OF PROPOSED FIXED CROSSING BETWEEN PRINCE EDWARD ISLAND AND NEW BRUNSWICK

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister of the Environment. The Minister has stated on several occasions that the federal Government supports a fixed crossing between Prince Edward Island and New Brunswick provided, of course, that it is economically feasible and environmentally sound. The Minister is aware that there are three proposals by private companies for such a crossing. Will the Minister tell the House today if the Government intends to carry out an environmental impact study on those three proposals? If so, will the study will be carried out by a reputable and independent private company?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I should correct one small part of the premise of the Hon. Member's question. The federal Government has not taken a position on the principle of a fixed crossing. However, it has received three unsolicited private sector proposals for the building of such a fixed crossing, all of them contemplating private sector financing. We will soon have to come to grips with those unsolicited proposals in connection with which, I can assure the Hon. Member, and through him Islanders themselves, every relevant environmental impact assessment will be conducted. Islanders themselves will be consulted on all aspects of the matter.

• (1500)

EFFECT ON NORTHUMBERLAND FERRY SERVICE

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary question is directed to the Minister of Transport. The Minister will be aware that there was some concern on the part of residents from eastern Prince Edward Island that, if there is a fixed crossing to the province, it will affect the Northumberland ferry service. I wonder if the Minister could allay those concerns and indicate that, if there is a crossing from PEI to New Brunswick, the Government will continue to provide support to the Northumberland ferry system between Wood Island, PEI, and Caribou, Nova Scotia.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman's question is entirely speculative and hypothetical because there has been no decision to adopt any one of the three proposals that have been made, unsolicited, as the Minister of the Environment said. Those who use the Northumberland ferry system have nothing to worry about. If any decision is ever made that might have any reference to that service, I can assure the hon. gentleman that those people would be the first to be consulted.

* * *

DISARMAMENT

CRUISE MISSILE TESTING

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Prime Minister. Since the United States has announced that it will be deploying more air-launched Cruise missiles in 1986 than is permitted under the SALT II treaty, will the Government of Canada tell the United States that, in compliance with the SALT II treaty, Canada can no longer test the Cruise missile, the very means the United States will use to violate SALT II?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have often called upon the parties to observe requirements of SALT II. Imperfect though it may be, it represents an important area of general agreement and all countries would hope that both sides would respect it.

CANADIAN POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, given that the United States has announced that it will violate the treaty and will use the very instrument it has asked us to test, will the Government, in accordance with what the Prime Minister has just now said, point out to the United States that we cannot and will not test the Cruise missile so long as the United States intends to violate SALT II?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously I do not share my hon. friend's interpretation of what may or may not transpire. That is not our reading of the intent.

* * *

ENVIRONMENTAL AFFAIRS

USE OF LOW SULPHUR COAL

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of the Environment. When may we expect a decision on the use of Canadian low sulphur coal in Canada?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Minister of State for Mines, the Minister of Transport and myself are trying to formulate a decision or response to the task force report which was released on August 20, 1986. I hope that we will be able to make some sort of preliminary decision on the whole question of displacing American high sulphur content coal with low sulphur content coal from western Canada before very long, perhaps before the end of the year.

* * *

ENERGY

GAS EXPORTS TO UNITED STATES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a single question to direct to the Prime Minister in the absence of the Minister of Energy. Perhaps he might be aware that some American companies—

An Hon. Member: There he is.

Mr. Waddell: Sorry, he moved. I will direct my question to the Minister of Energy, Mines and Resources.

Is the Minister aware that some American companies have refused to take volumes of gas they are supposed to have taken through the pre-build of the Alaska Highway Pipeline and is he prepared to take up with the American Government the seriousness of this situation considering that the American Government, in order that the previous Canadian Government would approve the pre-build, almost guaranteed that those gas volumes would be taken by American companies?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am aware of the issues raised by the Hon. Member; we are monitoring the situation and, in due course, should any action be required, we will certainly act.

* * *

[*English*]

PATENT ACT

EFFECT OF AMENDMENTS ON DRUG PRICES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In answer to a previous question I asked the Minister, he indicated that he did not believe Canadian consumers would be charged any more money for the cost of drugs as a result of amendments to the Patent Act. Could the Minister then advise the House whether or not—

An Hon. Member: He's not here.

Mr. Young: He was here a minute ago. I must have scared him off.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

* * *

[*Translation*]

INSURANCE

INCREASE IN PREMIUMS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): According to Statistics Canada, Mr. Speaker, the profits in the insurance industry have increased 142 per cent over the past six months because of the increase in liability insurance premiums.

My question is directed to the Minister of Consumer and Corporate Affairs. Is he going to assume his responsibility and make public immediately the findings of the investigation requested last January by the Official Opposition?

Tabling of Documents

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will take notice of the question and report it to the Minister.

INSURANCE COMPANIES' PROFITS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, then I direct my supplementary question to the Deputy Prime Minister. Does the Deputy Prime Minister agree that last fall's liability insurance crisis was little more than a $1-billion sham generating windfall profits and that it was therefore a conspiracy?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course I do not agree with the premise of the Hon. Member's question. However, I will take both questions as a representation and will have the Minister report back to the Hon. Member.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

GOVERNMENT'S RESPONSE TO NINTH REPORT OF STANDING COMMITTEE ON LABOUR, EMPLOYMENT AND IMMIGRATION

Mr. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, under Standing Order 67(2), I have the honour to present, in both official languages, copies of the Government response to the Ninth Report of the Standing Committee on Labour, Emloyment and Immigration on family reunification.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

TABLING OF ANNUAL REPORT

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, under the provisions of Standing Order 67(2), I wish to table in both official languages the annual report of the Canadian Broadcasting Corporation.

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INCOME TAX ACT

TABLING OF TECHNICAL NOTES

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to lay upon the Table in both official languages the technical notes pertaining to Bill C-11, an Act to amend the Income Tax Act which initiates pre-payment of the child tax credit. These notes are intended to assist Members of Parliament, taxpayers and their professional advisers.

* * *

LABOUR, EMPLOYMENT AND IMMIGRATION

NINTH REPORT OF STANDING COMMITTEE—FAMILY REUNIFICATION

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I was pleased to present to the House and to the Canadian public the Government's response to the Ninth Report of the Standing Committee on Labour, Employment and Immigration on family reunification.

At the suggestion of the Government, the Standing Committee on Labour, Employment and Immigration examined ways to speed up processing of family class applications. I would like to commend the excellent work done by the committee and particularly the collective effort that has been shown by Members of Parliament from all three Parties under the distinguished leadership of the Hon. Member for Calgary West (Mr. Hawkes). The members participated in well over 100 committee meetings. Three full weeks were taken up in visiting immigration centres in Canada and posts abroad, as well as holding meetings with both immigration officers and potential and recent immigrants. The members received a clear feeling and understanding of those areas where the quality of service had not been acceptable.

I would like to reflect particularly on the quality of the report. The committee has provided me with a series of recommendations on how to provide service that is quicker, more courteous, fairer and, especially, more humane. I believe that a new era has begun for sponsors and for their relatives. Emphasis has been placed on improved training for immigration officers and an attempt is being made to provide services in the language of a client's choice. The Government understands the frustrations that have been felt by those who have participated in our immigration process. With our response, we are prepared to do something about those frustrations. Recommendations 5 to 10, which involve the creation of new categories of assisted family members, are perhaps the most exciting and far-reaching recommendations.

• (1510)

Unfortunately, because the House of Commons rules require a response within 120 days, there has not been sufficient time to consult with the provinces and the private sector organizations, which is necessary before developing the details of a major change of this kind. Those discussions have begun, and hopefully they can be brought to a successful conclusion. Most of the other recommendations have either been previously implemented, or are in the process of being implemented.

[*Translation*]

Through its response, the Government will be providing improved service in Canada for sponsors of immigrants belonging to the family group. From now on, it will be easier to complete a sponsorship application form because the people concerned will be encouraged to complete those forms themselves. The waiting period for an interview for sponsorship purposes will be greatly reduced. Moreover, a better service will be made available to immigrants abroad following a more efficient control of records as well as improved medical procedures.

If the time allows it, early in the New Year, I hope the Committee will be anxious to review the progress made as a result of our response.

Finally, Mr. Speaker, I would like to say that I am pleased to have the opportunity so early in my term of office to table in this House a paper indicating not only the commitment of this Governement to improve the quality of life but also the result of a fruitful dialogue between members of all parties in this House.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, as the critic for my Party on immigration matters, and as a member of the Standing Committee, I am pleased to respond to the Minister. Let me say at the outset that I commend the Minister for at least having the detailed analysis on a recommendation by recommendation basis. That is certainly something that lacked such detail under his predecessor. However, I do not think that the ambitious remarks noted by the Minister will be translated into the affirmative responses to the recommendations of the Standing Committee on Employment and Immigration.

It should be well noted that the stimulus for the committee report came from that most frustrating aspect of immigration practices and regulations in this country, as articulated by Members from all sides of the House, namely that Canadians were unsuccessfully able to sponsor their relatives, or if they were, there were great delays in the system, in some cases as long as two, three, and even four years. We have individual cases that go undocumented and unresponded to by our immigration officials abroad for up to periods of one year. Therefore, the question before the committee was how do we enable the system to facilitate the requests generated from Canadians here in Canada for the successful application of their relatives and loved ones throughout the world?

On the basis of the three corner-stones of the recommendations, the Minister has failed to adopt those recommendations as outlined by the committee.

First, the recommendations of the committee said basically that if we are to speed up the system in relation to family assistance applications there has to be a reallocation and a redesign of the classifications into priorities. The first priority is spouses and dependants; the second is parents with dependants, siblings and non-dependent children, as well as people who wish to adopt children who have been left homeless and without parents. Therefore, we gave a priority listing that would ensure that the immigration officials processed applications on a priority by priority basis relating to those classifications. I regret that the Minister has not chosen to embrace that recommendation.

As well, we suggested that points should be increased to those immigrants who have family members in Canada. We said basically in our report that if we are to take seriously the fact that an immigrant, or potential immigrant, has family in Canada, then we should elevate that consideration to the same points level as education, or having a job. Let us admit that having family members in Canada counts culturally, socially, and financially, and that such a person coming to Canada can expect support financially, culturally, and socially. Therefore, the Canadian state would not have to provide those services. The Minister, once again, did not accept our recommendation of giving additional points to those people.

The second recommendation was to shift resources throughout the world in relation to demand, and how that is being triggered in this country. That is to say, there are more demands being placed on the system in India and Hong Kong today than there are in Great Britain, yet there are more resources in the more traditional parts of the world. The Minister and the Government know that you control the flow of immigrants and the number of applications by the number of resources provided.

Mr. Speaker: I would ask the Hon. Member to close off his remarks as quickly as possible.

Mr. Marchi: My last remark under the third corner-stone is, since the family class is the most important aspect of the immigration program, as articulated by the report, we do not think it should be undermined by any other segment of the program. Unfortunately, that is happening. A good example is the entrepreneurial program, where immigration officials abroad in Hong Kong and the Philippines, which I visited, are shifting personnel away from family class processing to meet the entrepreneur—

Mr. Speaker: I very much regret that the Hon. Member's time has expired. The Hon. Member has made his points. I am sure the three corner-stones were noted by all Members in the House.

Mr. Dan Heap (Spadina): Mr. Speaker, I wish to commend the Minister on his timely report, his timely response to the committee's report—

Some Hon. Members: Oh, oh!

Mr. Heap: And if the Liberals would shut up, I have a few more points to make.

Although it is a timely report, and although he covers a good deal of ground in a very encouraging way, there are four serious gaps in his report. Some of them have alrerady been touched upon. I want to point out that in his failure to give any

support to the idea of improving family reunification immigration, as suggested in recommendations 5 to 10, the Minister suggests that the new point system will allow for perhaps half of what might be asked for by the relatives. He does not say that exactly, but that is what he implies. The facts are the opposite, and the Minister should know that between 1982 and 1985 both family class and assisted class immigration declined. In 1986, if we project from the first half of the year, it will have declined more disastrously than in the years before. The new point system is a failure from the point of view of family reunification.

Secondly, Minister suggests that there might be some meetings between the Health and Welfare officials and Immigration officials, and the committee. In fact, that is only an extension of the stonewalling that Health and Welfare did for six months, from January to June. While we were studying the report that Parliament asked us to study, Health and Welfare refused, even at the request of the Chairman, to allow us access to the manual which provides the rules under which Health and Welfare have increasingly over the last few years rejected family members and assisted relatives. In fact, the Government itself in the spring in its report *towards equality*, page 28, tells the public that that manual is available on request. That is false. The manual was not available to the committee during that six months of study. The promise of consultation carries no conviction whatever on the part of those of us who have experience.

On the matter of the posts abroad, it is patently obvious that what the Minister says in reply to Recommendation 48 is not in accordance with the facts. The resources are not distributed according to the volume of applications, successful or unsuccessful. The refusal of the bureaucrats to budge from the positions they have adopted in the past several generations is the main hindrance to family reunification at present.

• (1520)

Finally, on the matter of the entrepreneurs, it is a fact, as was pointed out and reported by my colleague months ago to the committee, to the benefit of the Minister and his predecessor, that staff has been transferred. Notwithstanding all the remarks the Minister makes about priorities being observed according to statute, staff has been transferred away from family reunification. It is a fact that entrepreneurial applications take several times as much staff time as family applications do normally. He can pick one example here and one example there to match them off, but he knows that he is twisting the story by hair-splitting and by doing that. In fact entrepreneurs by definition, having hundreds of thousands of dollars and being business people, are accustomed to paying for the service they get, such as for a visa, while families, being mostly poor, cannot. The Minister has obscured that fact—

Mr. Speaker: I regret that the Hon. Member's time has expired.

[*Translation*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF FOURTH REPORT OF THE ASSOCIATION OF FRENCH LANGUAGE PARLIAMENTARIANS

Mr. Nic Leblanc (Longueuil): Mr. Speaker, under Standing Order 101, I have the honour to introduce the Fourth Report of the International Association of French-speaking Parliamentarians in both officials languages.

* * *

PETITIONS

PROPOSED CLOSURE OF POSTAL STATION—NORWOOD GROVE

Mr. Léo Duguay (St. Boniface): Mr. Speaker, I have the honour to present to the House a petition signed by some 5 000 residents of my constituency who oppose Canada Post's decision to close down the Norwood Grove Station.

[*English*]

My constituents wish to express concern that the actions of Canada Post will substantially lower the quality and efficiency of postal service in the Norwood area.

CLOSING OF CN SHOPS IN MONCTON AND SALE TO CGE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition signed by 120 residents of the Province of New Brunswick who are concerned about the closing of the CN Rail shops in Moncton and their sale to General Electric.

They call upon the House to postpone the decision to close the shops until the workers have had an opportunity to appear before the House of Commons Standing Committee on Transport.

* * *

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Neil Young (Beaches) moved for leave to introduce Bill C-224, an Act to protect and enhance the quality of drinking water in Canada.

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

Some Hon. Members: Agreed.

Mr. Young: Mr. Speaker, this Bill would provide opportunities for public involvement in the making of regulations to set maximum permissible levels for contaminants and other

substances in drinking water. These regulations would apply to both public and private water systems.

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

* * *

HOUSE OF COMMONS

STANDING AND STANDING JOINT COMMITTEES—MEMBERSHIP

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions with the other House Leaders concerning a special order of the House to set up the memberships of the various Standing and Standing Joint Committees. If Your Honour would seek unanimous consent of the House, I think the following motion would be agreeable:

That, notwithstanding any Standing or Special Order of the House, the Standing Committees and Standing Joint Committees shall be composed of the following Members:

The list of Members is rather long. There is a detailed list of the membership of each committee. I have given the other two House Leaders copies of the membership. If it is agreeable, I would ask that the motion be printed in *Votes and Proceedings* as if it had been read.

As well it would be necessary to put the following motion:

And that a message be sent to the Senate requesting that House to unite with this House in the formation of the aforementioned Standing Joint Committees and that the Members to serve on each of the said Committees on the part of this House will be as contained in this Order;

And within 10 sitting days following the adoption of this Order the Clerk of the House shall convene a meeting of each Standing Committee whose memberships are contained in this Order.

Mr. Speaker: Does the Hon. Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) have the unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the suggestion to the effect that the list be considered as having been read. Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: For list referred to above see today's Votes and Proceedings.*]

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

DISARMAMENT

U.S. STRATEGIC DEFENCE INITIATIVE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a point of order to ask you to seek unanimous consent of the House so that I might move the following motion:

That this House endorses the Government's support of the Anti-Ballistic Missile Treaty, emphasizes the relevance of Article V of that Treaty to the failure of the superpowers to reach an agreement at Reykjavik, and urges the Government to appeal directly to President Reagan to abandon his plan to test and develop SDI technology in space since such action would be in complete violation of Article V.

Mr. Speaker: The House has heard the terms of the proposition of the Hon. Member for Oshawa (Mr. Broadbent). Is it the pleasure of the House to give unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I rise on a point of order in relation to the motion of the Hon. Member for Oshawa (Mr. Broadbent). The Government did not see fit to approve the motion. I wonder whether the Government House Leader would consider having a discussion among all three Parties to see if there is acceptable wording for a joint resolution of the House relating to the matter of the arms control discussions to be held in Geneva and the question of SDI testing.

If we sat down and worked out something, I am sure the full impact of a resolution from the House would have major influence upon the outcome of the discussions in that it would represent the Canadian point of view from all sides and all spectrums of the country.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Secretary of State for External Affairs (Mr. Clark) is not in Ottawa at the present time. I think he will be returning today or tomorrow, and I think I can say that he will be responding to the larger issue in the course of the next few days. That may enlighten the Hon. Member and the proposer of the motion.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Speaker: I wish to inform the House that because of the ministerial statement, the sitting will be extended by 13 minutes this day.

• (1530)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-11, an Act to amend the Income Tax Act, be read the second time and referred to a Legislative Committee.

He said: Mr. Speaker, it is a pleasure to rise in the House today and move the second reading of this Bill. It is an honour for me to be able to speak to this Bill, which is the first piece of legislation resulting from the February budget to come before this House for consideration. The House knows that other legislation will be with us very shortly, but the subject matter of this Bill is especially urgent and important, and it is very appropriate that it should come first.

Very briefly, the provisions of this Bill will enable us to proceed with an interim payment of a portion of the child tax credit to eligible Canadians with incomes below $15,000. I know that this Bill's provisions will be widely supported. I hope that its undoubted beneficial effects for more than 700,000 Canadian families with low incomes will ensure rapid passage.

As you are aware, Mr. Speaker, when this measure was announced by the Minister of Finance (Mr. Wilson) in February, he stated his desire that this payment should be made by the end of November, before Christmas. For that to happen it is important that this legislation not be unduly delayed. It is in the interests of those Canadians who will be receiving the interim payments as well to proceed expeditiously.

The purpose of this measure is clear I think to all Members of the House. As the Minister of Finance pointed out in February, those who now receive the whole child tax credit need help most urgently as they move into the winter season, rather than in March or April when they would normally receive the proceeds of the credit. Too often when this payment is needed it comes too late. This most important Bill guarantees this prepayment and gets it to those most in need at a time when they most need it, which is before Christmas when expenses are high.

I want to make a second point as well. As a Government, we are concerned about the degree to which the poor suffer when they resort to the services of tax discounters. The provisions of Bill C-11 should significantly reduce the number of people forced to use the services of discounters because the needs of their children will not wait until the spring. I remember, Mr. Speaker, serving on the parliamentary committee that looked into tax discounting. Bill C-11 goes a long way to meeting the concerns raised in that committee, and it complements recent legislation which restricts the amount which can be charged by tax discounters. With this piece of legislation we are ensuring that families receive the full value of the benefit to which they are entitled, and the Government will be certain that the benefit is going to those for whom it is designed.

The heart of this legislation is in Clause 4 which adds a new Section 164.1 to the Income Tax Act. What does this clause do? This clause provides for prepayment of a portion of the child tax credit to families who qualified for it in taxation years beginning in 1986. For this year the amount has been set at $300 per eligible child. For example, a low income family with three children will receive $900 for the eligible children and a low income family with four children will receive $1,200, within months, directly from the Government of Canada under this Bill.

The basis for the prepayment that will be used is the tax return filed for the previous taxation year, and it is therefore possible that circumstances may have changed. Application is not necessary. The basis for prepayment is the tax return filed for the previous year. Clause 4 also sets out the arrangements by which, if the advance is more than the actual entitlement, which could happen occasionally, the excess will be recovered.

As a result of passage of this legislation, almost three-quarters of a million families with incomes below $15,000 will receive significant help. They are for the most part those who will be entitled to the full tax credit. They will receive the rest of the money to which they are entitled when they file their tax returns in the usual way.

What is particularly significant, and which I think all Members of the House will recognize, is that this payment is automatic. The payment does not require red tape and applications. No application will be necessary for those who are entitled, although all those who do receive it will have to file tax returns for the 1986 taxation year.

There is one important further change in this legislation. Until now, if a child eligible for the tax credit dies in a year, the tax filer has not been entitled to the credit for that year. I remember this item being discussed in some detail in the Standing Committee on National Health and Welfare, and important testimony was heard in that regard. This provision is being changed so that a family will be entitled to receive the credit. In short, if a child eligible for the tax credit dies in a year, the family will be entitled to receive the credit.

I said at the outset of my remarks that I was happy to have this chance to speak about this most welcome Bill. In the recent Speech from the Throne the Government reaffirmed its concerns for those most in need. This measure is aimed pre-eminently at people most in need. It will get funds to them quickly when they need them the most.

In the Throne Speech, the Government also pointed out that our changing society means that existing programs are always needing to be reviewed to ensure that they continue to be appropriate. This legislation is designed to improve the delivery of benefits to those entitled to them without increasing expenditures. In these times of difficult fiscal challenges for the Government of Canada, it is important that we find ways to deliver benefits to those entitled without increasing expenditures, and this Bill makes clear that this is a principle on which we intend to act. It is a creative principle, a principle long overdue, and I am very proud it is part of Bill C-11.

I want to commend this measure to you, Mr. Speaker, and to all Members of this House. By bringing this measure forward early in the session, what the Government is doing is demonstrating in the clearest possible way its urgent concern for those in need.

This measure is like previous measures presented by the Government which have also been aimed to meet the needs of those in our society who are the most in need. I think, for example, of the assistance to pensioners and to veterans which we provided very early in our mandate; and I think of the enrichment of this very tax credit, the child tax credit itself, which we carried out last year.

• (1540)

All this is by way of introduction to the discussion on this Bill. I trust all Members will respond to our initiative and grant this legislation speedy passage. It aims to do what must be done to get funds to those needy families with children when they most need it, and to do so as quickly as possible.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it should not take the House too long to adopt the Bill under consideration today, since it is strictly an administrative measure.

After hearing the Minister's speech, however, I wonder if the Opposition, instead of co-operating and expediting the adoption of this Bill, does not have a duty to make all the speeches it can to cut this Bill down to its true size.

Mr. Speaker, I was somewhat surprised that the Minister of State for Finance (Mr. Hockin), who today is presenting and defending a Bill in the House for the very first time, made use of the few minutes at his disposal to make certain claims that are not factual.

When the Minister of State for Finance says this is a Bill aimed at helping the needy, the impression is given that this is an entirely new measure and that for the first time in Canada's history, low-income families will be receiving a child tax credit. He added, however—fortunately he had the wisdom to do so—that this measure involved no additional expenditures for the Government. If there is no annual expense for the Government, why the long speech and the attempts to make people think this was a new measure? Basically, the facts are quite simple: Bill C-11 is an administrative measure enabling payments that would otherwise have been made in March to be made in November. However, when the month of March comes around for these needy families, they will not receive the payments they would have received without this Bill, since they will have received them now.

So practically nothing has changed, except that people who are entitled to the child tax credit may be able to spend the money on their Christmas presents. Considering the date on which the payments will be made and the financial situation of these families—the cheque will be made at the end of November—I wonder to what extent this will prevent the situation we had with tax discounters, since income tax returns are filed around the end of January or February, and I get the impression that by that time, the $300 will have been long gone.

Mr. Speaker, this is nothing more than a housekeeping measure which does not entail additional public expenditures, and as such it does not improve the child tax credit legislation enacted by the previous Liberal Government.

However what must be emphasized is that this Bill faithfully mirrors the Conservative approach—half-baked measures, ambiguous situations, unexplainable differences in the various levels. As we know—indeed the Minister of Finance himself made it quite clear when he opted for partial family allowances de-indexation, when he decided to lower the maximum income level at which a family becomes eligible for the child tax credit, in other words measures which fly in the face of the legislation endorsed by the House a number of years ago under a Liberal administration— the maximum amount is $23,500, the level at which the child tax credit begins to decrease.

Assuming that the Government wants to help low-income families, I wonder why the amount was set at $15,000. Why did they not lay their cards on the table and, in keeping with the provisions of the existing statute, use this administrative measure to give the child tax credit to any family eigible for the full amount? No, Sir, they would rather split hairs and set it at $15,000. Considering the number of children it may have, I wonder if a family with a $16,000 annual income might not need more than another one whose annual earnings total $15,000.

This is therefore a half measure. It seems to me that the Government should have gone all the way if it truly wanted to help needy families by sending them a few months earlier the amount that they would have received anyway. Why was it not possible to go as high as the cutoff point of $23,500? Mr. Speaker, I want to warn the Minister immediately that we shall be proposing an amendment in Committee of the Whole to provide for that possibility because a family with four children and an income of $23,500 is certainly as needy as a family with one child and an income of $15,000. I do not see why, if we are changing the Act, we could not provide the full benefit for all families entitled to the full amount of the child tax credit which means families with an income of $23,500, not $15,000.

My second point is why try to divide entitlements when matters could have been so simple? We know that the child tax credit can reach $454. If the Government wants to be generous, as the Minister states, why not give the full amount, why only $300? Why not pay the full amount immediately, which would avoid the need for a second cheque in the many cases where the recipients pay no taxes? Administratively, the Government could have saved some money.

My third point is something which I find rather surprising. Under this Bill, the recipients of this advance payment, since that is what it is, would not have to complete any application form. It is the Minister of Finance (Mr. Wilson) who will decide *proprio motu* to send $300 to family X, Y, or Z. And in case of an overpayment, an interest on this overpayment will be charged.

A family earning $24,000 a year is not necessarily affluent, especially if it has several children. These people who will have received a cheque from the Government without filling out a form would be asked not only to reimburse the amount, which would be understandable, but also to pay interests on it. And not only would they be asked to pay interests on it, but they would even be asked to pay interests from the date the cheque was mailed. The explanatory notes which we have received say so in so many words, while everywhere else in the Income Tax Act, the interest is payable from April 30 in the case of an overpayment or a shortfall.

Therefore, everywhere else in the Income Tax Act, interests start to accrue from the very last day the taxpayer must submit his income tax return. There will be an exception in this case, because it says that it is from the date, say November 15, that the interest will accrue. Again, I wonder why the Government is so stingy in a measure which it has introduced as a cost free gesture of generosity.

Mr. Speaker, I wonder if the Minister, either in his remarks or comments before tomorrow—because I do not think this Bill will be referred to the Committee of the Whole or a legislative Committee before tomorrow or next week—could reconsider this issue which appears to me to be somewhat ridiculous, in the light of the rest of the income tax legislation.

Mr. Speaker, the Government has decided to introduce a Bill concerning the tax credit reimbursement. It has announced that it intends to introduce another legislation dealing with the sales tax. I imagine also that a number of measures will be introduced as a result of the Budget speech. This piecemeal approach is really the trade mark of this Government.

At a time when the idea of a tax reform was thrown at us, at a time when the Minister of State for Finance (Mr. Hockin) was telling us it was a very important measure that would cost nothing to the taxpayers and nothing to the Government because they are trading four quarters for a dollar bill, we are paying for it in November or December instead of February or March, at a time when the Minister is trying to take advantage of those measures when he himself states they cost nothing, which means they are not that significant to the beneficiaries, I am wondering whether the time has not come for the Government to look at the situation, to take a step back, to stop bringing in piecemeal measures, piecemeal legislation, and have a look at the overall package. How can they dissociate tax reform, as it is being loudly announced, from the social impact of income tax measures? Will that be a measure with effects that will last but six months? Will all that be changed by the announced tax reform? No one knows. The Minister of Finance and the Minister of State for Finance are rather reluctant to inform taxpayers, both those who pay income tax and those who are receiving refundable credits, about the intention of this Government. We are going through a period of uncertainty and the business community is wondering what is going to happen in terms of the tax refund.

It is being said in some quarters that the tax burden of corporations will be increased, while that of individuals could be lowered. What about the exemptions? Will the Minister be changing basic exemptions for dependent children? What will be the departure or continuity as between tax changes and the child tax credit? Mr. Speaker, those are all extremely serious questions in my view, not only for those Canadian taxpayers who must pay tax, but also for those who have to make investment decisions.

Those who went through the tax reform in the early 1970s, after the Carter Report and the White Paper tabled by the then Minister of Finance (Mr. Benson), will recall how much the delay in bringing forth legislation inconvenienced many investors. A number of projects had to be shelved for as long as the details of that tax reform were not known. I ask the Government, now that we are considering this legislation to amend the Income Tax Act, that we soon be given an outline of at least its tax reform, in order that Canadian taxpayers can know what to expect over the coming years and how to plan their fiscal situation, both those who pay a high level of income tax and those who will receive an early refund of the child tax credit by virtue of Bill C-11. Because low-income families who hear the Minister of Finance suggest that exemptions will be cut can rightly wonder, in view of the measures implemented by this Government in the last two budgets, what their personal status will be. Will the child tax credit survive the tax reform? Will the exemptions for dependent children continue to be included in the tax reform or is this part of the enlargement of the tax base aimed at reducing marginal tax rates?

Mr. Speaker, I believe these questions should be asked during consideration of this Bill, and most important, that they should be answered. At the time of the last Budget, we were told there would be a White Paper on the business transfer tax. After being told that this would be tabled in April, then in May, then in June, then during the summer,

then finally in July, we learned that there will be no White Paper, but a tax reform. On several occasions, the Minister of Finance has indicated that he would soon be making a statement, but this is October 15, the House has been sitting for several weeks, and we have heard nothing yet. It is important for families and for those who have investment projects that this House and all Canadians know as quickly as possible which basic exemptions the Minister of Finance (Mr. Wilson) plans on eliminating to reach his goal of lowering the tax rates. This is of special concern for families with children and I think that this Government and the Minister of Finance should clarify the situation quickly so that everyone will know where they stand.

Mr. Speaker, I shall now conclude by saying simply that we shall support this administrative Bill which adds nothing to the benefits already provided to families in the form of child tax credits, but only allows for pre-payment of an amount which would have been paid in any case. I invite the Minister to reflect on the points I have raised, namely the limit of $15,000 instead of $23,500, $15,000 being the cutoff point for this administrative measure. I also ask him to reflect on why the amount is $300 instead of $454, which is the child tax credit families are entitled to receive, and I would also like him to review the matter of the interests. I believe that these are important matters and we shall have amendments to move on these points when we consider this Bill at the clause by clause stage.

• (1550)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to speak on Bill C-11, an Act to amend the Income Tax Act, which will provide $300 as a prepayment of the child tax credit to eligible families. We are pleased to support this prepayment measure. However, I caution the Government that it is extremely important that Canadians, and particularly low-income Canadians, know that this is not a new measure. Due to the way in which things were presented earlier it would be easy for the Government to mislead poor people into thinking that this is an extra $300. They would find it very easy to spend that money, particularly in this pre-Christmas period.

I am not convinced that this method of prepayment will solve the problem of the tax discounters, for which it was originally intended. I will return to this a little later. The advance will be paid in November and the remaining $154 will be paid following the income tax submissions next spring.

In the time that I have I would like first to review the recent changes, not only in the child tax credit but also in the family benefit package. We have spent a lot of time on this in the last year. I will refer particularly to our goals and recommendations, as well as to the actual measures which were introduced by the Government. Since family benefits are a part of family policy generally in Canada, I would also like to look at the issue of a comprehensive family policy in Canada, which we do not have at this time but which is very much needed. The approach of very minor changes in family benefits shows how inadequate the present Government is at considering, in a comprehensive way, the needs of families in Canada.

The position of my Party with regard to family benefits was put forward when we discussed this at some length in the Standing Committee on Health and Welfare, which was supposedly to reform family benefits. What we actually did was review the family benefits and allow the Government to make changes afterwards, many of which I believe were negative. We believe that the pillar of social policy in Canada for families is the universal, fully indexed family allowance. We have said over and over again that this should not be tampered with, as was done by the Conservative Government. The Conservative Government cut back on the indexation of family allowance last year by 3 per cent. I will refer to some of the long-term impacts this will have on family benefits generally as the years go by.

We believe that the fully indexed family allowance should be paid for by all taxpayers in the country, whether or not they have children of their own. After all, it is the next generation which will look after us in our old age and which will contribute to the leadership and future of Canada. Children belong to all of us, not only to their parents, and the cost of their upbringing is the responsibility of all of us, to some degree. A major plank in New Democratic Party social policy is that we must have a universal family allowance which should always increase, not decrease as has been the policy adopted by the Government.

• (1600)

The family allowance cheque goes to the main parenting person, usually the mother. This has been very important over the years, as we have often heard in earlier debates. Higher income families also receive family allowance, indeed even bank presidents if they have children. This is the way it should be if it is a universal program. However, we believe that a more progressive tax system than we have now should accompany that to tax those higher income people at a higher rate. We opposed a specific surtax on family allowance because we felt this would penalize families with children when, as I said earlier, all of us should be contributing toward a universal family allowance.

We have seen much evidence that the Conservatives would like to do away with universality altogether. They have received much pressure from their friends in the business community but, fortunately, having experienced the attitude of Canadians regarding the universal old age pension, they knew that Canadians would object to any more serious tampering with the family allowance. Rather than eliminating or cutting back on a universal program as a benefit, the Government began eroding the family allowance by reducing the indexation. It thought that it was being fairly clever politically by keeping 1 per cent indexation and reducing it by 3 per cent. However, let me point out again to my colleagues, as I have in the past, that research shows that in 20 years the real value of

the family allowance to families will be reduced considerably. In 20 years it will be down to $18 per month from the $31.27 that it is today.

Let us consider the child tax exemption, which is another family benefit that is regressive. We advocated complete elimination of the regressive child tax exemption because it favours wealthier taxpayers who have children and does nothing for low-income families. The Conservatives did not say much about this measure. We proposed that the increased tax revenues which would be regained by the federal treasury should be used to increase the child tax credit and retain full indexation on the child tax credit and the family allowance. It was our view that the child tax credit was a much better program to assist families in a progressive way.

We proposed an increase in the child tax credit of 80 per cent, with full indexation. While we realize that this is a rather generous change, we believe that with the high cost of living for families and the importance of families in today's society in which parents must struggle, it is far more important to contribute money toward the care of children and the cost of raising them than putting it into subsidizing banks or other programs that we believe are not as deserving.

We would have increased the child tax credit to 80 per cent and fully indexed it, which would have been of great help, not only to low-income families, which seems to be the only group the Conservatives consider when talking about social programs, but of help to average families, including the working poor and ordinary families who are trying to find money to pay a mortgage.

We also advocated major tax reforms. The Hon. Member from the Liberal Party who just spoke asked why the Government is not telling us about possible tax reform. We have been talking about tax reform for many years, and we are just as critical of the Liberal Government as we are of the Conservative Government for introducing regressive tax measures. One particular Liberal measure took place in 1982 with the change in the marginal tax rate for upper-income Canadians. This occurred in the MacEachen Budget, as some of us who were here in the House will recall.

We have stated that simply returning to the pre-1982 marginal tax rate for upper-income Canadians would have brought in $1.7 billion to the treasury and would have paid for many improvements to family benefits as well as child care and other important social programs.

According to the Conservatives, the child tax exemption was reduced and will continue to be quietly reduced by 50 per cent over several years. It will be reduced to the equivalent of the family allowance that is less valuable now because of deindexation. The fact is that the Conservatives retained this regressive tax measure because they did not have the courage to eliminate it altogether in the face of their friends in higher income brackets. If they had eliminated the child tax exemption it would have put more money into the family benefit package for low and average-income families.

I might also mention that when the Minister of Finance (Mr. Wilson) proposed this change and took 50 per cent of the money back from the child tax exemption, he did not mention anything about putting this into improved family benefits. Furthermore, he did not mention anything about the windfall that this change would give to the federal and provincial Governments. While this should have gone to enrich family benefits, of course, the Conservatives cut back on the indexation of the family allowance and child tax credit.

The Conservatives have a different attitude toward the child tax credit than the New Democratic Party. They believe that this is a measure which should only be targetted to those in greatest need. Those families in greatest need are generally very poor, with welfare rates of income far below the poverty line. The eligibility for the child tax credit does not really do much at all for the working poor and does absolutely nothing for average families who are also struggling to find money to pay their mortgages and raise their children.

The Conservatives lowered the income level for receiving the child tax credit. While they rave about having increased the child tax credit, they rarely tell Canadians that they lowered the eligibility from the $26,000 income range to the $23,500 level. This will decrease each year because the Government has also deindexed the child tax credit. According to some of the research we have obtained, only families earning some $13,800—a low income indeed—will be eligible for the child tax credit in 20 years. Again, this makes a mockery of a sincere commitment to even the poorest of Canada's children.

The increase brought forward by the Government is really a token increase when one considers some of the provisions in the last two Budgets. The Government increased the child tax credit by $70, to $454 in 1986. It will give $300 of this as an advance payment next month as a result of this Bill. While the child tax credit increase to $524 by 1988 is a step in the right direction, to some degree, when we consider the other provisions in those two budgets it really does very little for the other losses incurred by low-income families.

I am sure my colleagues will recall when families, particularly low-income families, were penalized by the 3 per cent increase in sales tax in the first Budget and the 1 per cent increase in the following Budget. The increase in the child tax credit has pretty well been taken up by the extra costs which families must pay for consumer goods.

• (1610)

Having listened to us at great lengths complaining on behalf of the consumers of Canada, in particular lower and middle income families, in its second Budget the Government made some changes. It introduced a refundable sales tax credit. This is the type of concept with which we agree. We believe tax credits are more progressive than income tax deductions because they can be extended to all low income families. It is ironic that a token gesture in financial terms will barely cover the 1 per cent increase in the sales tax levied in the last Budget, let alone cover the previous 3 per cent sales tax

increase which hurt poor families in terms of the child tax credit.

The Government responds in this Bill to requests by low income groups, poverty groups and, in particular, the National Anti-Poverty Organization, who have asked for protection for low income families from tax discounters. They asked for protection from the usury low income group's experience because they cannot afford to wait for the receipt of their child tax credits. They are desperate for money and they know that this is one source of income for major expenses which they have. Thus they go to tax discounters and pay a large rate to exercise this privilege. This is something for which the National Anti-Poverty Organization has asked, and the Bill before us is one attempt to deal with it.

I do not dispute the fact that many families will be pleased to receive this $300 before Christmas, provided they know that they will not receive a similar amount next spring. The NAPO asked on behalf of poor people that this sum of money be retained in a lump sum. It is hard for those of us who have credit and who can order things from department stores on credit to understand how difficult it is for people with no credit rating at all. People with low incomes and those on welfare, those who do not have enough money to buy food and who are lining up at food banks, simply do not have any large amounts of money, or even medium-sized amounts of money, with which to buy a baby carriage, for example, or a new fridge or stove when they are needed. The tax credit is probably the only sum of money for which they can hope that will help with these large expenditures. That is one item which has not been responded to in this Bill. The Bill does not provide for the lump sum payment which NAPO requested.

I suspect that the recipients of this sum will have the money this year and will not have to go to tax discounters. However, what will happen next fall when people know that this is the new system and that this is how it works? It seems to me poor families will still need advances. They will still go to tax discounters where they will be victimized once again as a result of usurious interest rates. What is really needed is legislated changes brought forward by the Minister of Consumer and Corporate Affairs (Mr. Andre) which will effectively prohibit these practices. I ask that the Government consider bringing in legislation to prohibit tax rebates with respect to the child tax credit. It is interesting to note that this is the only social program that provides money for kids, who seem to be unprotected as far as tax discounting is concerned.

As I said earlier, members of my Party will not unduly hold up this Bill. We do not want to hold up any moneys which will go to low income families. However, there are several members of my Party who wish to speak to this issue.

I point out that the patchwork approach to family benefits, particularly with regard to recent changes in the child tax credit—this band-aid approach to family policy—is retrogressive indeed. There is no way that these measures should have been referred to as reforms. That is what the Minister of National Health and Welfare (Mr. Epp) likes to call them. In my view these are deliberate policies to undermine the universal family allowance while increasing in only a token way the child tax credit. I think there is a fair amount of evidence to substantiate this point of view.

As I have said, even this measure is deindexed so that the value of both programs will decrease each year. A 3 per cent deindexation will seriously erode all family benefits. I think this is the real hidden agenda of the Conservative Party and its big business allies. The Government wants to cut social programs and social benefits to the minimum. It wants to do away with universality. Let us not kid ourselves in that respect. Everything the Government has done points in that direction. This happens at a time when other types of social programs for families and children are also being cut, or being identified for cuts. We must not be fooled by the slight increase to the child tax credit and by the advance payment of $300 to poor families.

Fortunately, members of the Canadian public are not as naive as the Government thinks they are. They have made their views known. Over and over again in the last two years we have seen how Canadians truly believe that a social safety net in terms of universal old age pension and universal family allowance is the basic plank of social policy in Canada. This is seen as a right. It is important that we all contribute to the costs of these programs. It is also important to recognize not only the costs of rearing children but parenting. Workers who have children at home need more money than workers who do not have children. I believe that is obvious. A single person or a childless couple do not have the same type of expenses as do those with children. It is important that we make a major contribution to assist with the cost of raising children.

As I stated earlier, it is important that we recognize the next generation. It is important that they get a good start in life. It is important that they receive the care they need, particularly pre-schoolers. One in five children is poor. They do not have the requirements they need to develop fully into mature young people. We must look at this issue from a selfish point of view. After all, it is this generation of children which will look after us in our old age. They face a large task. We will live longer. Many of the ornery politicians in this House will be supported by the very children who should be receiving more generous family allowance benefits today from the Government.

In the Speech from the Throne there was talk about family values and, in particular, mention was made of traditional family values. I find some difficulty with this concept since, in many ways, the traditional family no longer exists. It is certainly in the minority. The majority of families have either two parents in the workforce or are single-parent families. The old idea of two parents with a son and a daughter and a mother who stays at home cooking and looking after the children while daddy goes out to work is really a bit of a myth, except in very few family situations.

My Party believes very strongly in family values. We were the ones who originally fought for the implementation of the family allowance. We would not have done that if we did not

strongly believe in families and the values of family life. We must have supports of many kinds to assist families.

• (1620)

I confess that it is a little hard to swallow some of the rhetoric that was in the Speech from the Throne. It is hard to hear Conservative Members extolling the importance of families while they deindexed the family allowance and refused to reindex it. If they really believed in families, that was one of the most tangible things they could have done. It would really not cost that much. We have given them several ideas for how they could pay for it.

Second, as I said earlier, Conservative Members could show their real confidence in families by increasing the child tax credit substantially, by making it apply to working poor and average families and by having it completely indexed as well.

I think that this piecemeal approach really shows that what we need is a sound, comprehensive family policy in Canada. We do not have such a thing. No Government has brought one in. We are struggling with these concepts in the Special Committee on Child Care. While it is fairly narrow in its approach, I think it has given us some indications of things that should be part of a comprehensive family policy in addition to family benefits.

I hope that the Government will make substantial contributions toward improving accessible, affordable child care services, services that will be available in every region of Canada. We found that the child population in the Territories and on Indian reserves is increasing substantially compared to other parts of Canada. Yet there are relatively no child care services at all or extremely inadequate and perhaps even risky services there. There is not the kind of quality and funding that is required.

We must have a generous child care program. I am glad the Prime Minister (Mr. Mulroney) mentioned child care in his speech. We will be waiting anxiously to see how many dollars are put toward that, and what the focus will be so that it will be a major step toward improving the quality of child care across Canada. Working parents should not have to worry about their children having good care, care which helps them to grow as individuals.

If course, we need a system that will also apply to families regardless of income. When we look at child care, we find that it is the average income family and not the very poorest family that does not receive any help with child care expenses. The poorest families receive help through the Canada Assistance Plan, although there is a great deal to be done there as well. We need a comprehensive program.

In some kind of comprehensive social policy of the future, I hope we can move toward a much more improved parental leave system so that mothers and fathers both can have a chance to share in parenting. Again, this is a change in the traditional concept of families. Mothers and fathers both should take turns at parenting, particularly during the first two years of a child's life, the very important time from infancy to toddler stage when the future personality of a child is developing. It is important that parents have real economic choices which will allow them to do their own parenting, and certainly more generous parental leave would assist in that.

My colleagues and I wish to see a Canada in which incomes above the poverty line are guaranteed and in which parents of children will not have to line up at food banks in order to supplement unemployment insurance benefits or meagre welfare incomes. In Vancouver—and this is true in other cities as well but I see it at my front door—single mothers have to line up at food banks. It is bad enough that for years single people from the skid row or downtown area of Vancouver have been standing in soup lines. Now this new institution which is being extolled by some right-wingers is forcing young mothers and their children as well as older people to line up in order to take charity, the old charity concept of the 1800s. This is just not good enough for Canada. It is not good enough for British Columbia and we should do something very major in the way of raising welfare rates.

We cannot talk about incomes rising above the poverty line unless we talk about opportunities for employment as well. I hear that members of the Liberal Party are looking into the fact that no guaranteed income policy is adequate unless there are guaranteed jobs, unless there is a program of full employment and unless there is also full employment at decent rates of pay.

As reflected by the Macdonald Commission, it would be very easy for right-wingers in the Liberal and Conservative Parties, and certainly those in the business world, to say that we will take away all the social benefits we now have for families and will put the money into a guaranteed income that will in effect be a guaranteed poverty. That is not what we in this Party want. We want guaranteed jobs for those who are able to work. We want jobs at decent rates of pay far above the minimum wage of $3.65 per hour, something which is a great disgrace in British Columbia. We want those who cannot work at all or who cannot work full time to receive income supplements that will at least bring their incomes to the poverty level so they can begin to move away from the degrading, demoralizing poverty cycle that condemns their own children to poverty and is passed on from generation to generation.

In any social policy that is to be determined, we must think particularly of the young people who are so disadvantaged in this generation. Young people especially need educational and training opportunities if they are to have any future at all. Many of them simply do not have access to education or training. There must be reasonable fees for education and for post-secondary education in particular. In British Columbia, student grants have been done away with. There should be interest-free loans so that those who are lucky enough to get to university or college are not saddled with debts of up to $20,000.

Education in Canada must not be only for the elite. We must not follow the proposal made by the Minister of Education in British Columbia. I am ashamed to say that he said that poor students should not apply to university if they cannot afford it. He reflects the Social Credit philosophy, as followed by the present Premier who was previously the Minister of Education. He thought that the only thing we needed in education was reading, writing and arithmetic, and even that was to be of questionable quality.

There is no way that we want to move backward in programs for youth. Members of the federal Party as well as the NDP leader in British Columbia have proposed a youth guarantee program that will guarantee two years of education, training or a job for a young person. That seems to be eminently reasonable. Why should we not invest in young people, particularly when they are at such risk and are so likely to get involved in other things if they do not have an income and if they have no hope for the future? Surely this would be a sound investment for the future.

In closing, I wish to speak up for Canadian women. Canadian women care deeply about family benefits, social programs and jobs for their children as well as for themselves. Once again, Canadian women were very disappointed in the Speech from the Throne because it provided no real measures to move us closer to equality. There are no measures in the Throne Speech to enforce equal pay for work of equal value, nor are there measures to require employers to remove the systemic discrimination which I am sorry to say still exists in many of the places in which women work.

Although the Prime Minister mentioned and deplored the situation of battered women in his speech, when questioned later he did not really make a strong commitment to help relieve the desperate plight of battered women, or to help with transition houses and related programs designed to support them when they are trying to move, with their children, out of violent situations.

• (1630)

Mr. Deputy Speaker: Could I ask the Hon. Member to speak on Bill C-11.

Ms. Mitchell: I thought that in my initial remarks I was relating the child tax credit, which is a social policy, to a comprehensive social policy which includes the programs for women.

Women continue, in increasing numbers, to carry the triple load of raising children, doing housework and working full time—if they are lucky enough to get a job, which usually is at very low wages. Often there is no spouse or partner to assist.

Substantial government initiatives for child care and family support services are long overdue. More generous family benefits, including more generous child tax credit that is fully indexed and covers families up to the average income is another policy that is long overdue.

In conclusion, I want to say that we have indicated our agreement with this Bill, while registering our continuing concern that more must be done to assist Canadian families in a more comprehensive way.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is with great pleasure that I take part in today's debate on pre-payment of the child tax credit.

Mr. Speaker, this was a clear commitment made by the Conservative Government, a commitment which I think was very important since the purpose was to help low-income families with young children.

Mr. Speaker, I remember the day after the Budget was brought down in February 1986, when I had a chance to travel across the province of Quebec and meet people from all walks of life and all regions to discuss Mr. Wilson's Budget. Everywhere I went, Mr. Speaker, starting with the beautiful riding of Trois-Rivières and going on to Roberval, Abitibi and the riding of my hon. friend, the President of the Treasury Board (Mr. de Cotret), and I even met people from the riding of Montreal—Sainte-Marie, and they were unanimous in their view that this was a fine initiative on the part of the Conservative Government—

Mr. Desrosiers: That's true.

Mr. Vincent: —a fine initiative, Mr. Speaker, and for two reasons: first of all, we raised the tax credit by $70 for 1985-86, by $35 for 1987 and by another $35 in 1988. So of course everyone was delighted with the increase and also with the kind of measure it was because it dealt with the problem of low-income families, in other words, families with an annual income of less than $15,000, which in this way will be able to receive $300 per child starting in November of the current year. Three hundred dollars per child for a family earning less than $15,000 is a lot of money, and just before Christmas and just before the winter, which is always a difficult time, that money is particularly welcome.

Mr. Speaker, those are the two points people made throughout the meetings we had on the Budget. And I think that today, we should congratulate the Minister and the Minister of State and avoid turning this welcome announcement into a game of petty politics. I think it is good news for families across Canada.

Mr. Speaker, I can see the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) laughing on the other side of the House—

Mr. Desrosiers: He objects to everything.

Mr. Vincent: —but he cannot object to this measure, Mr. Speaker, and I am sure that this time he will have to be positive. He cannot be against this measure, that is just not possible. If he does object, Mr. Speaker, it would be like going

against the people in his own riding. In any case, we will hear what he says later on.

This measure is not only a fiscal mechanism, it is a charitable and humanitarian fiscal mechanism. Earlier, I heard the Hon. Member for Laval-des-Rapides (Mr. Garneau) criticize the technical aspects of this fiscal measure, but I did not hear him say this is the first time in the history of the Income Tax Act that we have a mechanism that reflects humanitarian considerations. I think that is important. Mr. Speaker, I remember when I was practicing in Trois-Rivières, in the beautiful riding you know so well, before I was given the opportunity to sit here on behalf of the constituents of Trois-Rivières, I remember the many low-income families which were actually taken to the cleaners by income tax discounters between February and April.

Mr. Speaker, 700,000 families will benefit from this measure in 1986, 700,000 families will get at least $300. A couple with two children will receive $600 as early as next month. Families will no longer have to deal with discounters demanding 15, 20 or 25 per cent. Nobody has referred to this, nobody has alluded to this unfortunate aspect of the system under which people had no choice but to get this advance tax credit through companies which in some cases were more interested in their own profits than in the needs of families. Mr. Speaker, we are still talking about families earning less than $15,000 a year.

This is something which must be mentioned. For over ten years now I have had representations about this from a number of associations—among others the ACEF in Trois-Rivières came to see me as early as November 1984. The income tax discounting issue had been on the back burner for ten years. Mr. Speaker, the Consumers' Association called on me to discuss it. For ten years absolutely nothing had been done to come to grips with the problems of families forced to deal with child tax credit discounters two or three months before April 30, or before the normal deadline after April 30.

A moment ago I listened to the Hon. Member for Laval-des-Rapides (Mr. Garneau). It is a new commitment, a simple commitment, Mr. Speaker. Our tax system has often been denounced, I have done so myself here in the House, and the Opposition does it regularly. For once there is no red tape involved. We are not even asking Canadian families to send us any papers. We are saying: If, in the previous year, you earned less than $15,000, and if you have children, you will receive automatically $300 in November. It is a simple measure, Mr. Speaker. It is a measure that is economical for the Government and simple for Canadian families. And the Hon. Member for Laval-des-Rapides somehow criticized the fact that there would be no forms to fill in.

Mr. Speaker, I am quite happy and I congragulate the two ministers of Finance who have imagined a system whereby there will be no paperwork. I think this is a Government which is precisely trying to reduce the amount of paperwork. Everybody is aware that this cannot be done overnight. But this is a measure which is going in the right direction.

Unfortunately, once more, Hon. Members opposite are trying to scare people. They are trying to confuse them. We have put forward a tax reform, with changes—all tax reforms normally have them—and we have announced an increase in the Child Tax Credit over the next three years, $70 in 1986, $35 the following year and again $35 the third year, for a total amount of $140. It is written black and white in the Budget, it is settled and they are still trying to scare the people. Are the people going to get it next year? Will there be any change? Will there be this or that?

Mr. Speaker, I am somewhat disappointed with the Opposition. Really. I was under the impression that when a Government introduced a measure which was good for all Canadian families and expected by the Canadian people, everybody would agree, even though in the end the finance critic said: As a Party, we agree. But all his remarks were aimed at scaring people, Mr. Speaker. When the Government introduces very good measures, when everybody is in agreement, the Opposition should not continue to say: Yes, but perhaps something will happen . . . Perhaps! Mr. Speaker, I suggest that a tax reform is a major document. It has been criticized for not yet having been made public, but I remember the days when the Hon. Member for Laval-des-Rapides (Mr. Garneau) was Minister of Finance in Quebec. He had talked about tax reform. If I am not mistaken, he was six years in office, but we never saw that reform.

• (1640)

Mr. Speaker, we should give the Minister of Finance (Mr. Wilson) and the Progressive Conservative Government some time to collect the necessary data so that the reform will meet the needs of Canadian families and businesses.

Mr. Speaker, he said there was nothing new. We are adding something new, that is a $70 tax credit for this year. That is quite an amount of money, Mr. Speaker. In 1986, the child tax credit will be $454. In 1987, it will be raised to $489 and, in 1988, to $524. Well, I can say, Mr. Speaker, that in my constituency of Trois-Rivières, low-income families with $15,000 or less are quite proud of the Progressive Conservative Government, they are quite proud of the policies which they needed. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) does not believe me as usual, Mr. Speaker, but he is always welcome in my riding.

Mr. Malépart: There are fewer opinion polls.

Mr. Vincent: He is always welcome in my riding and he can come and make inquiries, Mr. Speaker. He will be surprised. He is always welcome as long as I am told beforehand so that I can be there. I would be pleased to welcome him, Mr. Speaker.

Mr. Malépart: Your radio program . . . He can call.

Mr. Vincent: Mr. Speaker, he can even call my radio program, it will be a pleasure. Indeed, Mr. Speaker, everybody does not get invited on a radio program. But credible people do.

Mr. Speaker, along those lines, speaking of helping low-income families, there is one thing that has not been mentioned yet—the refundable tax credit for sales tax. That is an excellent proposal, Mr. Speaker, $50 a year per adult and $25 per child. This is a true reflection of the philosophy, the clear commitment made by the Progressive Conservative Government with regard to families, young people, and the have-nots. It is important to stress that.

Again, this is a new measure. I would say, Mr. Speaker, especially since you were trained as a lawyer, that this is innovative tax law. This is unprecedented. Unfortunately, the Opposition who were previously in power have never thought of that. They thought of increasing the federal sales tax. Yes, they thought of, you can be sure. But the sales tax credit had never been seen before. This is both innovative law and fresh money in the pockets of the have-nots, the low-income families. But they will not mention that, Mr. Speaker.

They will not mention the increased disability deduction either. Some 100,000 Canadians will benefit from it. They will not mention that either. Of course it is not important that we increased it by $250. This is not the kind of issue which lends itself to criticism, which the Opposition can object to. Minimum income tax, Mr. Speaker . . . When we raised the issue in the House the New Democratic Party stood as one and congratulated us, but the Liberal Opposition took a negative view. Well, Mr. Speaker, again these were measures which stem directly from our clear and specific commitment to Canadians, which attest to the fact that we are here to get things done as we are expected to do, namely to support destitute people and help low-income families when they most need assistance. I repeat, Mr. Speaker, $300 in November for a one-child family, or $600 for a family with two children. As I see it, November 1986 is just about the right time to lend a helping hand without forcing people to fill in application forms. That, Mr. Speaker, is what is called caring for Canadian men and women, being imaginative, being creative. The task of the legislator is to enact legislation. The task of Parliament is to sanction legislation, but such legislation must be enforceable, and easily so, and above all be convenient for everyone.

In the past, as you are aware, Mr. Speaker, we have had well known specialists in criminal law, and one gazed at pages and pages of the Criminal Code for a single section. That is not what the Canadian taxpayer wants. Now with the Income Tax Act, you have pages for a single sub-section. And we are accused of delaying tax reform. Tax reform means major changes. It means not coming up with income tax legislation running four pages to a paragraph or more, Mr. Speaker. And we are accused of dragging our feet. It is time to put the house in order. We shall do it according to the rules, within a time frame which I consider normal and with the introduction of important social measures which are expected and well received by the Canadian people.

As I mentioned briefly earlier on, I have travelled throughout Quebec and, while in Montreal, I visited the riding of my friend the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers).

An Hon. Member: You saw what a fine welcome we were given.

Mr. Vincent: I felt very welcome, that is true, Mr. Speaker. But the measures we are discussing today were greeted even more favourably than I was, which is only normal given their importance.

An Hon. Member: Enjoy it while you can since you won't be around for long.

Mr. Vincent: Mr. Speaker, once again, you know how I do not like to play politics in this House, but I would reply to the Hon. Member of the Opposition that the Hon. Member for Hochelaga—Maisonneuve will be here for as long as he so chooses. People there are proud of him and, personally, I am proud of what he is doing in that particular riding.

Mr. Speaker, we managed in a single Bill, and not too thick as you have noticed, we managed to give $300 per child to families earning less than $15,000. We also solved the problem of tax discounters and, in that same Bill, we raised the child tax credit. I think that is no mean feat, and it is all part of that fiscal system known as the tax credit.

Mr. Speaker, I think we must underline—

Some Hon. Members: At what page?

Mr. Vincent: The page number will help only if you know how to read.

Mr. Speaker, the fairness mentioned in the Throne Speech is already here, in one of the very first Bills presented to the House. It is only the second Bill, almost the first, and we are already proving that the Throne Speech did not use the word fairness in vain. We also get an idea of what the tax reform will be, something new, something innovative, something never tried before. I am telling you, Mr. Speaker, we are breaking new ground as far as fiscal law is concerned, but at the same time it is fun, because it is practical for Canadians.

I hope that as a result, Mr. Speaker, we will be able to pass that Bill quite promptly. You are signaling to me, and I should wrap up my remarks.

I would like to conclude, Mr. Speaker, by commenting on the remarks made by the Hon. Member from the New Democratic Party, who was lucky enough to have a lot of time. She said that next year—when people are familiar with the system—they will go back to tax discounters and that nothing will have been solved. I think she is totally wrong. I want to repeat to her that people will receive, without filling any form whatsoever a total of $300 as early as November. She might not understand fully the system we have put in place, because it is entirely new. She has nothing to fear, people will not even think of going to tax discounters, because they will receive their cheques through the mail.

Should the family earn more than $15,000, it will be required to give the money back and pay any interests payable. I think that is normal, that it is a matter of equity. We are taking this measure for low-income families, not for those with a yearly income of $50,000. If by mistake the latter received a prepayment of $300 in November, it would be only normal for them to give it back and pay interest on the amount the government paid them in advance. I think that makes sense, Mr. Speaker.

To conclude, Mr. Speaker, I thank you for your usual kindness and ask the House to speed things up and pass this bill as soon as possible.

• (1650)

Mr. Deputy Speaker: Questions and comments? The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would like to ask a question. The Hon. Member gave himself a good pat on the back for the concept of the child tax credit, and I thank him for that. But I would like to remind him that this measure was introduced by the Liberal government in 1978 to meet a need.

I would like to ask the Hon. Member who is pleased because that prepayment will prevent recipients from going to tax rebate discounters, if the purpose was to improve the standard of living, since the government did not have enough courage to outlaw tax discounting, why should a family in the member's beautiful riding of Trois-Rivières with an income of $15,000 to $23,000, be deprived of the right to that benefit by the Hon. Member, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson)? As you know, Mr. Speaker, two people earning $15,000 a year are not wealthy, but these people are left at the mercy of the tax discounters. Why is this? Yet, this is the Government which decided that the ceiling for a low-income family would be $23,500. If the Government thought this important, why did it not decide that all families entitled to the full amount of the child tax credit would receive an advance payment so that they would not have to go to the tax discounters?

Why did the Government decide to leave out 538,000 Canadian families?

Mr. Vincent: Mr. Speaker, I am very proud that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) recognizes the Trois-Rivières constituency as the most beautiful in the country. I thank him for saying so.

Mr. Speaker, perhaps the Hon. Member does not understand the exact purpose of this measure. This is a tax credit of $300 per child for families with an income under $15,000 a year. According to the statistics, families with an income under $15,000 are indeed those that have the greatest tendency to go to the discounters. That is the reason for this measure. It is very simple.

This Bill also solves in practice the problem of discounters. I think that what I said a few minutes ago has to be viewed in that context.

The Hon. Member mentioned 538,000 families earning between $15,000 and $23,000. Those were not the people who wanted to get their money early, Mr. Speaker. It was those who earned less than $15,000 a year, and I think that should be made clear on the one hand.

On the other hand, Mr. Speaker, obviously if the Liberal Party and the Liberal Government had not left us with a deficit in the order of $200 billion—an annual deficit which we have significantly reduced to date, but we still have a long way to go because of the interest to be paid on their debts, Mr. Speaker—we might have increased the Child Tax Credit, and indeed we might also have increased the $300 payment.

Mr. Speaker, interest payments on their debts accounts for 25 per cent of our spending every year. Their debt, Mr. Speaker, not ours.

In 1968, we had no deficit, we had no national debt. In 1984, some 20 years later, we had a $200 billion national deficit. What a shame, Mr. Speaker!

That is why we have been dealing with that matter, the problem of their debts, to help Canada forward. Up to now, we have been doing pretty well, Mr. Speaker.

In concluding, I would like to mention that the unemployment rate in the Trois-Rivières constituency was made public last week: it is already down to less than 10 per cent, in two years only, Mr. Speaker.

Mr. Malépart: I do not want to suggest to the Hon. Member for Trois-Rivières that he is unaware of the facts. Far from it, Mr. Speaker.

I have in my hand a budget paper signed by Mr. Wilson. Everybody knows that he is a Conservative. The anticipated payment of the child tax credit to families whose annual income is $15,000 or less, on page 26, does not cost a cent to the Government. It does not cost a cent to the Government to have it up to $23,000.

I can see you are not well informed, and I think that you should change your speech. Perhaps he should have read the Minister's papers before sticking his neck out.

Mr. Vincent: Unfortunately, Mr. Speaker, I do not know exactly what the page is. You can figure it out as you like, if every month 700,000 families receive a maximum payment of $300, taking for granted that they have only one child, the cheques issued by the federal Government in November will deprive it of liquid assets it would have had till March or April. I think that is logical. Such is management or the circulation of capital.

Mr. Deputy Speaker: Debate. The Hon. Member for Montreal—Sainte-Marie.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, it is a pleasure to take part in the debate on this Bill. First of all, I may recall that the previous speaker demonstrated he did not know what he was talking about. He made a good improvised speech, but I may point out that in the Bill before the House today, there is no mention of increases in the child tax credit.

The purpose of the measure we are considering today is quite simply, and I am not trying to mislead the House, I read here what was said by the Minister of Finance on February 26, 1986: "—to provide more timely assistance to low-income families and to reduce the need for tax discounting, the Government is proposing to advance payment of the child tax credit." This Bill is before the House today, Mr. Speaker, because the Government did not have the guts to get rid of the tax discounting system, under which tax discounters, and I will explain for the benefit of those who are not familiar with the term, provide early payment of tax refunds to people who sell their refunds, and to my mind, people who charge as much as 15 per cent for this service are as bad as loan sharks, Mr. Speaker.

We know that a substantial percentage of the earnings of companies like H & R Block and Household Finance is derived from charging low-income families for the child tax credit they receive in the form of a tax refund. So, part of the money we put into social programs to help families was going into the pockets of tax discounters.

I have to admit it was the Liberal Government that allowed this to happen. The system should have been abolished outright, after experience had shown the kind of impact it was having. It is unfair to poor families, as I said earlier, and in fact, the Conservative Government and the Minister of Finance had decided, in the other Budget, that a poor family had an income of up to $23,500. When we talk about income, this means family income. It means that two people are working to earn $23,000, Mr. Speaker. We are not talking about the rich. These are not Members of the House or Senators. We are talking about ordinary people. Since this Government wanted to maintain the child tax credit, it should have made pre-payment available to all Canadians receiving the full $300. And if, as the Hon. Member for Trois-Rivières was saying, they really wanted to help people on humanitarian grounds, they should have made the amount available at the beginning of the new school year and not before Christmas. After all, when do Canadian families need money most? When the children go back to school, to pay for school supplies and clothes. That is what costs money, and that is when our families in Quebec and across Canada need more money than what they are getting through family allowance.

• (1700)

Mr. Speaker, what appalls me is that the Hon. Member for Trois-Rivières mentioned this was being done in a "spirit of charity". Nothing could be farther from the truth, Mr. Speaker. The thousands of Canadian mothers do not want charity to raise their children. If they have children, it is because it is an honour and a duty. They are fed up with this Conservative Government's charity. Let them send you an early cheque, and I feel certain there is a majority of Progressive Conservative Members who do not accept the words used by the Hon. Member for Trois-Rivières (Mr. Vincent). This is not charity, this is something that is owed to our Canadian families, Mr. Speaker.

And on top of that, those people have the gall to try and tell us that those are increases, and then to hide deliberately the fact that at the same time, by the same decision, the Minister of Finance (Mr. Wilson) has de-indexed family allowances.

Mr. Speaker, it is important that we recall how much Canadian families—and, mind you, this results from a consultation made by the Minister of National Health and Welfare, the so-called Blue Paper, which invited all Canadian families to file in recommendations. Members from all political parties who sat on the committee worked honestly and seriously, and the Prime Minister (Mr. Mulroney) and the Minister of Finance were saying that the reform of family income support policies was not aimed at reducing the deficit, but at giving more to those who need it most. What was the result, the end product? Six months later, because of pressures by mothers who came here on Parliament Hill, and whom the Prime Minister insulted by refusing to meet them, the Minister admitted it was in order to reduce the deficit, Mr. Speaker.

We all remember Mrs. Denis who was on Parliament Hill with a group of senior citizens. Well, Mr. Speaker, Canadian families were given the same treatment. I have figures here from the Department of National Health. How much did the Government take away from the families of our Canadian mothers? If Réal Caouette were still here, Mr. Speaker . . . And the Hon. Member says there was a $70 increase. With the other hand they took away more. They put half of it in one pocket, then they transferred it to the other pocket, Mr. Speaker. It is $1.21 billion that the Government will have taken by 1990-91 from the envelope that was to have been used to help families with children.

Mr. Speaker, last year, $15 million, $40 million in 1986-87, and up and up it goes, $135 million, $200 million a year, $340 million and $480 million which the Government will take away in 1990-91, and today Hon. Members will rise and tell us: This is a good measure. We took pity on them. It is charity. We are progressing. My eye, Mr. Speaker!

What has this Government done other than mentioning family assistance twice in the Speech from the Throne, and according to the Prime Minister it is the cornerstone of our society, Mr. Speaker: a cut in family allowances indexation, 3 per cent less. Worse still, Mr. Speaker, the child tax credit was de-indexed in the famous Budget tabled by the Minister of Finance on May 23, 1985. This Government had the nerve to de-index the measure for the neediest families which the Hon. Member is bragging about, yet at the same time it granted a capital gains exemption.

Mr. Bissonnette: Say something about interest rates!

Mr. Malépart: Mr. Speaker, that is what the Government has done for Canadian families.

Mr. Bissonnette: Talk about unemployment!

Mr. Malépart: And today there are 538,000 families ... and if the Government and the Conservative Members do not accept an amendment to this Bill providing for advance payments, if the Conservative Members fail to support the motion of the Official Opposition, 538,000 Canadian families will be penalized with respect to this advance payment simply because the family income has gone up, somebody found part-time work and increased his income by $200 or $300, so that person will be penalized by being denied this advance payment.

Mr. Speaker, why create two categories of poor people in Canada? And for the reimbursement of the child tax credit, the Government has decided that it would be between $15,000 and $19,000. Mr. Speaker, there is nothing logical in this decision.

The House should remember the level of the child tax credit, before the decision made by the Minister of Finance on May 23, 1985: The maximum amount for a family was $26,300. All Canadian families with incomes between $23,000 and $26,000 were very heavily penalized. A family with two children has lost $272.

And to think that it is this same Government, this same Minister of Finance who have just decided to increase the maximum amount which can be invested in a RRSP.

There were consultations. I mentioned earlier that about a hundred groups appeared before the Committee. Following the tabling of its report, the Government went ahead and did exactly the opposite of what the PC Members, the NDP Members and the Liberal Members sitting on that Committee, the Canadian families and associations from coast to coast had recommended. All these people were unanimous in favour of changing the fiscal benefits to families with children which they felt was regressive, namely, the tax deduction for dependent children.

Mr. Speaker, I think that for the good understanding of Hon. Members generally, it is important to remind the House of the Government-published tables concerning this measure. There were examples in the Budget papers which indicated for instance that a family with a $10,000 income received $359. In view of the fact that family allowances are taxable, a family with a $80,000 income would keep $175. But what is the impact for a family with a $10,000 income and another family with an $80,000 income, as far as the child tax exemption is concerned? A family with an income of $10,000 or less is entitled to nothing, while a family with an income of $80,000 is entitled to a $363 tax deduction. Mr. Speaker, that is unfair. The idea was not for the Government to do three or four somersaults, making a small payment here; it should have initiated a reform along the line recommended by the Committee Members and the population as a whole. It should not have taken this opportunity to deceive the public and use some of the moneys earmarked for the income support of families with children to reduce the deficit or to reimburse guys who had lost $60,000 and more in the failure of a bank.

Mr. Speaker, it is true that we will pass the Bill. We are not going to delay it. However, I think it is important that the Government agrees to three amendments which make a lot of sense and will not cost a penny to either the Government or the taxpayers. They will increase fairness and correct inequities created by this Bill.

First of all, there is some ambiguity regarding interest charges resulting from overpayment or changes in the income situation of the person receiving the prepayment. We have already received a last minute document from the Minister and, according to that document, interest will be charged from the date the payment has been made, but, when we call the Department of Finance, we are told that it will not work that way. Considering that it will be an experimental project, it seems to me that, in the beginning, we should not charge interest if there is an administrative error in a prepayment.

I believe it would be important to devise a more flexible mechanism to try this out.

Here is the second amendment: If the Government really means to keep people away from tax discounters, why not send them the full amount, instead of sending a prepayment of $300 and telling them: Go and get the $154 outstanding from a tax discounter, because we do not want that "gang" to go bankrupt, because the tax discounters are our chums?

If you believe that a family with 2 or 3 children needs $400 to $500, then where is the logic of sending them a $300 cheque? What they say is: You are a client of Household Finance, and you've got to keep on going there.

To file your statement, to make sure that you get your $300, go to Household Finance. They will not charge you anything, even H&R Block. They say: Okay, there will be no charge for that, but there will be a charge of 15 per cent on the balance. And they will manage somehow to get your $300, and they will charge you another $15 for management fees.

Then we come here all steamed up, and the Minister of Finance (M. Wilson) will say: Social programs are so costly, it is outrageous. You bet they are: H&R Block is getting half of the total.

Why not accept this amendment? This year, we would send them a prepayment of $454. It would be more sensible and that situation would be avoided entirely. We are not here to maintain a steady flow of customers for tax discounters. We are here to solve the problem of medium- and low-income families. The interest payments should be avoided. It does not cost the Government one cent to send the full amount, since it has to be paid, six months earlier or six months later. Moreover, in the interest of fairness and equity, the ceiling should be $23,500, by the Government's own decision, instead of $15,000.

Mr. Bissonnette: Two hundred billion dollars deficit!

Mr. Malépart: Mr. Speaker, I am confident that all the people who are listening to us are far brighter than the Hon. Member for Saint-Jean (Mr. Bissonnette). I am pretty sure the little Minister of State for Transport (Mr. Bissonnette) never made much of an impression on anybody, and our population as a whole understands common sense.

Mr. Speaker, he is the only one to protest, but as usual, he has not understood anything. All he wants is his Minister's job, his limousine, the chance to cut ribbons and to travel, and a nice airport in his constituency, but he does not want to listen to those who are worried about the environment.

We shall let this patronage expert be because he will not be around much longer. Let us talk instead about the people who listen to us and who support this Parliament. The public pays the taxes, and the legislation passed in this place therefore has to be fair to the public.

I am convinced that some Conservatives still have the intelligence to understand the situation and that the Liberals are not the only ones to have done so. I am convinced that they have also understood the facts because, since there are 538,000 families involved, when one of them receives a cheque for $300, the neighbour will say: Why is it that I did not receive my advance payment? She will go to the office of her Member of Parliament where she will be asked to explain her problem. She will say that she earns under $15,000 a year. Her representative will say: That is impossible: bring me your tax return because this makes no sense. Ah! I see here that you have earned $15,200. I am sorry, but you are in a different category. You have been forgotten by the Minister of State for Transport. Mr. Speaker, our Brylcreem hero said: That's the cut-off point. And that is when people are going to start complaining and they will say it's all Brian's fault.

You are doing your best to make people hate your Prime Minister. I want to help you improve his image. Nothing could be simpler. First of all, no interest charges. Second, send the full amount, next year the second amount and so forth. Third, set the family income at $23,500, the cut-off point for families receiving the full child tax credit. That is straightforward and easy to understand. This way the system will be fair and reasonable for everyone. Just these three amendments.

Next year, the Minister can come back and review the situation and perhaps improve the system. It won't be perfect. Even under the Liberals it wouldn't be perfect. Only experience will tell—and three serious mistakes have already been made. In any case, next year the Minister will have to come back and admit we were right.

Remember the cutbacks in Old Age Security pensions: the Minister of State for Transport (Mr. Bissonnette), our hon. friend from Saint-Jean, was positive everyone would support it. He defended the cutbacks, and then looked terribly foolish, Mr. Speaker, when the Prime Minister (Mr. Mulroney) said: Sorry, but we made a mistake. Mr. Speaker, he thought he was the only one in Canada who was right. And this is going to happen again, unless you are honest and vigilant and dedicated enough to consider our Canadian families. You are not being asked to . . . And it won't cost a cent more, although the Hon. Member for Trois-Rivières would have us believe it would cost so much. I am going by the Budget papers, unless what the Minister of Finance (Mr. Wilson) says is not the truth. So what am I supposed to do? Let him contradict what I said.

However, on page 56 of the Budget Papers of the Minister of Finance, Mr. Speaker, it is clearly stated: "Prepayment of child tax credit, effective date, 1986." In the cost in millions of dollars column, we find the words "does not affect full year cost". This means that this is not costing one cent more to the Government. Why not do it properly? Why always half measures?

You are indicating that I have one minute left. I trust that a large number of Conservatives will meet this evening with the Minister of Finance or the Minister of State for Finance and recommend that the changes we have suggested be made. I shall repeat these suggestions to make certain that all Members have heard them. First, no interest should be charged in the case of administrative mistakes made by the Department. Second, the full amount should be sent in prepayment so that people will not have to go to the tax discounters. Third, instead of setting the cutoff point for families entitled to prepayment of the child tax credit at $15,000, the cutoff point should be $23,500 as the Government had already decided that families with incomes under this ceiling would receive the full amount of the child tax credit.

I find it inconceivable that any Member of this House, whatever his political party, could rise and say that he disagrees with these amendments. If anyone does, I would like him to explain why he believes that a family with an income of $15,200 is wealthier than one with an income of $15,000.

• (1710)

[*English*]

Mr. Angus: Mr. Speaker, I have a question for the Member for Montreal—Sainte-Marie (Mr. Malépart). I listened with interest to his participation in the debate on Bill C-11. In light of the debate which will take place within his own caucus starting tomorrow, does he believe that the child tax credit should be universally available to all citizens of Canada regardless of their level of income? Should we in fact remove the cap and allow the current allocation of approximately $450 to go to all Canadians regardless of income?

[*Translation*]

Mr. Malépart: Mr. Speaker, if I understood the question correctly, it dealt with the universality of family allowances. I think the message is clear and the fight is over—universality of family allowances is maintained.

On the other hand, there is another aspect, and it will be debated at our convention in November. I think that in the area of social policies, involving families, senior citizens, the handicapped or whomever, it is important that we consider and try to implement what I for one would call the annual guaranteed income, in order to find the most effective way of cutting

administrative costs and allowing people to receive something owed to them rather than charity.

I can state that I am working with other colleagues and this will be one of the subjects on the agenda, the guaranteed annual income formula, and also the development of a policy for senior citizens.

[*English*]

Mr. Redway: Mr. Speaker, the Hon. Member was highly critical of the Government's policy with regard to income support programs for families. Of course, he is aware that family income support programs at the federal level are made up of three parts. One is the child tax exemption in the Income Tax Act, the second is the family allowance, and the third is the child tax credit.

• (1720)

He is also aware that the former Government, of which he was a strong supporter, had put a system in place in which families with higher incomes benefited more from the combined effect of those three programs than lower income families. He is also aware that the changes that have been made by the present Government have ensured that lower income families benefit more from these programs than do higher income families.

Does the Hon. Member believe that higher income families should benefit more from the income support programs for families than lower income families? Why did the former Government not prepay child tax credits as he is advocating now? Third, will he tell us if it is the official policy of his Party to introduce immediately a guaranteed annual income and scrap all of these programs?

[*Translation*]

Mr. Malépart: Mr. Speaker, to reply first to the question, I think that the Hon. Member should be well informed and should know that all social programs now in effect were developed under the Liberal Governement. However, we are not here to play politics but all of those programs should be amended taking into account their effectiveness, their use or the changing population.

I think that he was quite right when he said that there were three formulas for assisting families. It is true that the Government has attempted to reduce the funds earmarked for the rich but it forgot to transfer them to low- and medium-income families.

Such is the difference between a Liberal and a Conservative and I am under the impression, as shown by the figures, that one has to be really poor to be considered as poor and in need of help by a Conservative and such help is then equivalent to charity. For a Liberal, the distribution of wealth is made with a sense of dignity.

That is why the income is now set at $15,000 and according to the Conservatives, I do not know what the Member thinks of it, a family with such an income is poor while other families with an income of $23,000 are rich. However, conditions have not been changed for those who earn $100,000, who can use tax shelters and are entitled to a tax credit which reduces their income.

Concerning the guaranteed annual income referred to by the Hon. Member, I wish to emphasize that, no matter the political affiliation, we should strive continually to improve our income security programs, manpower training programs and policies. We are well aware that in 1990 there will be a greater number of senior citizens. Life expectancy is constantly increasing. In our ridings, there are senior citizens who are 80 or 82 years of age and they are still cavorting on the dance floor. Some 20 or 30 years ago, such people were perhaps in homes for the aged. Nowadays, they are full of energy, and we will soon have to consider housing policies for these people. We can see people living in traditional homes. When they reach a certain age, people want to live in some form of collective home with their peers; yet, there comes a time when their health fails them and they need extended care institutions.

Accordingly, I think that the various levels of government will have to seek together new ways to face a decreasing birth rate and changes in industrial production. In 1990 or 1995, there will be fewer people working to support those not working. Nowadays, we are in charge and we must be careful to make ends meet, so that when the time comes for us or our children to retire, there might be enough money for us to enjoy a decent living.

I think the debate on abortion is gaining momentum, but if we do not do anything to prepare for retirement the debate in the years 1990 and 2000 will be on a different issue: Do we endorse mercy killing because older people are becoming a heavy financial burden? What are we going to do? Our revenue sources have dried up.

If we want to act responsibly, I suggest we begin to look into this problem.

[*English*]

Mr. Redway: Mr. Speaker, I was very pleased to hear the Hon. Member indicate that none of us are here to be partisan. I certainly expect I will remind the Hon. Member of that on occasion in the future.

I also do not believe that we are here to create fog and smog. Perhaps the Hon. Member would address himself to my question. Is it presently the official policy of his Party to introduce immediately a guaranteed annual income?

[*Translation*]

Mr. Malépart: Mr. Speaker, I think I said that we are not prepared to come up with a guaranteed income formula because this is not the kind of measure which can be implemented overnight. I would not want the Liberal Party to behave as the Conservative Party did with respect to consultation on the Blue Paper: they made lofty promises then turned around and did the opposite. In my opinion, and I am sure the

Hon. Member agrees with me, the lesson and the humiliation which the Prime Minister and the Conservative Party had to live with concerning elderly Canadians and families were beneficial. That is what I told the elderly: You have given a lesson to all political parties, to all politicians, men and women.

Before taking a stand, words indeed sound just fine, anyone can fight for universality, a guaranteed annual income looks like a winner, what I want to know is how much it will amount to in terms of benefits. What I am fighting for and what all Hon. Members should be fighting for, in my opinion, is what this will amount to in terms of dollars and cents. Will people make a decent living? You could introduce a Bill and say: Let's help everybody and give them $5 each. That just about amounts to no help at all. So the mechanism is the important thing. For the Liberal Party, putting the mechanism in place is a matter of prudence and when we return to power, very soon, we will know what to do and we will not goof like the Conservative Government did.

[*English*]

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, it is a great pleasure for me to rise to speak to Bill C-11. This Bill has particular significance in a riding such as mine in eastern Nova Scotia. It is a riding that includes many people of lower income, and therefore many people with families who will take advantage and receive the benefit of this legislation.

I want to congratulate the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mr. Hockin) for this initiative which is designed to help needy Canadians.

Specifically, this Act to amend the Income Tax Act provides that there shall be a prepayment of $300 per child for families with net incomes of $15,000 or less in 1985. This prepayment is to take place in November for 1986. It is a prepayment which represents about two-thirds of the maximum child tax credit, which is $450 for 1986. Otherwise, in the absence of this initiative, that credit would not be payable until the claimants filed their tax returns for 1986 which, of course, is early in 1987.

Another interesting feature of this initiative is that individuals will not have to submit applications for their prepayment. Prepayment will be based on information provided in the 1985 income tax return, and the payment of any remaining credit will be made following the filing of the 1986 tax returns.

Those are some of the very specific items contained in Bill C-11. This initiative outlines, in very clear terms, the commitment of our Government to help those Canadians who are most in need, to help the low-income families and the poor of this country. This initiative is targeted at Canadians who most need help. It is a compassionate and humanitarian approach which uses our tax system for the benefit of needy Canadians.

• (1730)

This initiative is timely. It provides that the relief to low income families will come when it is most needed. It will be delivered before Christmas. This prepayment will reach families as they prepare their Christmas budgets, at a time when many low income families are greeting increased expenses such as heating and clothing needs with the onslaught of winter.

The measure before us is an interesting one. It is one which will benefit 700,000 families. Let us consider what that means. These households will be receiving a cheque which they can spend to meet the needs they face. This iniative is also designed to break the tax discounting cycle. It is designed to ensure that low income Canadians do not rush off to the tax discounters in the new year as they prepare their tax returns for the preceding year. The prepayment complements the Government's tougher controls on tax discounters which were implemented to protect low income individuals in Bill C-83.

Just what does this measure mean in terms of dollars and cents for low income families? The child tax credit has been increased from $384 for one child in 1985 to $454 for one child in 1986. In 1987, the figure will escalate to $489. In 1988, it will be $524 for every child in these households. It is a long-term plan which will provide long-term relief for low income and needy Canadians. It reveals a consistent direction on the part of the Department of Finance, a direction which calls for tax policies to be sensitive and responsive to the needs of those who most need help.

This measure complements the refundable sales tax credit, another measure which was extended to low income families based on a $50 credit for each adult and $25 for each child. It marks a major step forward in the expansion of the refundable tax credit system itself. It also complements the expanded eligibility for disability deduction to a further 120,000 Canadians, plus an increase of $250 in that deduction for a total of $2,860. It also complements the Government's efforts to achieve a minimum tax, to provide equity in all income brackets and to ensure that high income individuals pay their fair share of taxes.

The initiative before us is consistent with the over-all general mandate of our Government as outlined in the Speech from the Throne which provides and calls for fairness in the tax system. The prepayment of the child tax credit illustrates that principle. It is consistent with the reform of the tax system based on the philosophy of lower tax rates and reduced reliance on personal taxes. It is a progressive measure taken by our Government. It is also reflective of the strong commitment which our Government has in terms of preserving and strengthening the social safety net in this program. Through programs that are designed to achieve economic renewal, we are strengthening the revenue base of the federal Government so that very worthwhile programs such as these can be funded and expanded. It complements other social initiatives which we have taken, such as the spouses' allowance, which was extended to all low income widows and widowers aged 60 to

64. This increased income protection applies to about 85,000 Canadians and provides about $300 million in additional benefits to needy Canadians. It complements legislative changes to improve the Canada Pension Plan, which includes new financing arrangements and an improved benefits package, introduction of an early retirement option, increased disability benefits and a continuation of survivor benefits upon remarriage. It complements our Government's decision to expand the definition of disability under the Income Tax Act which was broadened to cover all severely disabled persons. An additional 120,000 Canadians are expected to benefit from this proposal.

Not only are we prepaying the child tax credit, we are increasing the number of dollars which will flow to needy families. All social programs are in place for needy Canadians. The ultimate goal of any Government must be to reduce the number of Canadians who fall within that category, that is, the number of Canadian families whom we would describe as poor. That must be the ultimate goal of a Government commited to improving the economic and social circumstances of its citizenry.

Surely a well-paying job is the best response to the social and economic needs of low income Canadians. More sound economic management is part of the program. Sound, stable and worthwhile employment for Canadians cannot be achieved in a vacuum. The economic record of the Government is very much a part of the social record of the Government. It is very much an attempt to meet and address the particular social needs of Canadians. I refer to the unemployment rate which has fallen from 11.7 per cent in September of 1984 to 9.9 per cent. We cannot ignore that we have introduced a bread-winner into many Canadian families. We cannot ignore that we have taken a family which faced unemployment and brought employment to it. We have brought into these households confidence, a feeling of control over one's destiny. We have given these people tools with which to solve their own problems.

When we talk about youth unemployment which has fallen from 18.4 per cent to approximately 15 per cent, we cannot ignore the social contribution being made to the lives of these young Canadians. We cannot ignore the fact that they will be better equipped as a result of this success to move forward into society and take their rightful role and become contributors to society. When we talk about the decrease in the Bank of Canada rate in the area of 3.4 or 3.5 per cent, we cannot ignore the fact that this too is a contribution to the real spending power of many needy Canadians. These needy Canadians buy on credit, and now interest rates are lower. Nor can we ignore the fact that these low income Canadians who aspire to become homeowners, or who are perhaps home-owners, will pay lower mortgage payments because of a decrease in this rate. These are contributions to the social well-being of families. We cannot isolate these economic accomplishments as if they did not have some strong and meaningful social implications.

• (1740)

When we talk about the reduction in the rate of inflation, we cannot ignore the fact that low income Canadians are particularly hard hit by escalating rates of inflation. When we talk about Canada's over-all economic performance in the world which some of these statistics reflect, we cannot ignore the implication this has for more and better social programs. When we talk about the Government's efforts to reduce the deficit and to increase revenues to the Government, we cannot ignore the fact that social programs are funded by the Government and the greater the resources of the Government, the greater the ability of the Government to expand, to enrich, and to continue these kinds of programs.

Of course, there are parts of the country where the economic benefits about which I spoke earlier are not being experienced to the same extent as they are across the country. However, in the riding I represent, we are seeing the benefits of renewed economic activity. We are beginning to achieve new jobs because of new economic policies.

The people I represent who are the chief beneficiaries of many of these social programs are very pleased that their jobs are coming to their area. They tell me that given a choice between a rich social program and employment, they are very quick to choose employment. They freely acknowledge that the best answer to many of their social problems is a full-time job.

In my area alone, agreements that will result in more than 400 jobs have been achieved in just two years. Some will say that 400 jobs is not really very much. It is probably about 400 per cent better than the job creation record of the Government that preceded us, so it is important. Any job for any person is substantial economic progress.

In my home town alone, there are two small plants with a total investment of $13 million or $14 million that will bring 80 or 90 jobs to the community over the next two years. The creation of these jobs was not possible under the previous Government. The previous Government had become tired and unresponsive. It believed only in passing out cheques, not fully realizing that economic progress and the creation of employment was the best answer to the social and economic needs of this part of the country.

I could provide to the House a very extensive list of the successes there have been in my constituency, an area subject to many of the regional economic initiatives of this Government and the previous Government. I will not, however, go into a detailed accounting other than to say that the Progressive Conservative Government is making progress in addressing the economic and social needs of all Canadians. It is a Government of which I am very proud. I am proud to contribute to the Government and I am proud to come to Ottawa and be a part of a philosophy that is responsive to the social needs of needy Canadians.

The record of the Government is a proud one. I fully expect that the Government will continue in this direction. With that, I would like to congratulate members of the Opposition for

having the stature to express their very strong support of this Government initiative. It is my hope that they will, over the coming months, see it appropriate to express similar support for many of the other fine initiatives the Government is taking.

Mr. Angus: Mr. Speaker, in his speech to which I listened very carefully, the Hon. Member mentioned that his constituents would rather have a full-time job than receive the benefit of rich social programs. I wonder if the Hon. Member could elaborate on what he or his constituents would define as a rich social program.

Mr. O'Neil: Mr. Speaker, perhaps the question is not really what is a rich social program. It is a decision that my constituents face as do most Canadians. The choice is between being solely dependent on social programs for their economic livelihood or being gainfully employed so that they, like many Canadians, will not be dependent upon any number of programs. Given a choice between being a Canadian who is the recipient of a social program such as the guaranteed income program, about which the Hon. Member may want to speak, and being a Canadian who is gainfully employed, my constituents, like all Canadians, prefer to take the option of being gainfully employed.

Mr. Angus: Mr. Speaker, I do not think anyone in this House or in the country rejects the notion that there should be the option of jobs for those who want them. In respect to income support, that does not come from the Government of Canada but from the people of Canada. Often we in this House tend to forget who actually pays our bills.

Would the Hon. Member agree that it does not make economic sense for the head of a male-led two-parent family on social assistance who is receiving in addition to that a medical plan, a drug plan, eyeglasses, and other fringe benefits, to take a job that paid an amount equal to the social assistance payments but did not provide the fringe benefits? That individual would be forced to choose to remain on social assistance and would not have the opportunity to take a full-time job.

Mr. O'Neil: Mr. Speaker, in the course of my remarks, I attempted to make the point that I was not simply talking about employment but I was talking about employment that would meet the economic needs of Canadians. What my friend is outlining, of course, is a dilemma that is faced by many low-income Canadians. I know that the preference of many would be to go to work because the answer is not only determined by what makes good economic sense. There are people who will make that decision based on other factors like personal pride and social considerations and who might, notwithstanding the direct economic benefits of not going to work, nevertheless go to work.

• (1750)

Indeed, it is a complex question. I am advocating a job which provides an income to these needy Canadians, a job which permits them to meet their needs. Obviously, we do not want a disincentive.

Mr. Waddell: I would like to ask the Hon. Member a question, since he comes from Atlantic Canada and since the Minister of Transport (Mr. Crosbie) is in the House today.

I wonder what he thought of the remarks of the Minister of Transport when he talked about the economy of the Hon. Member's region. It seemed to me that he talked about its being like Bangladesh and the Third World. Is that the way the Hon. Member perceives the economy there?

An Hon. Member: That has nothing to do with his speech.

Mr. Deputy Speaker: Order, please. The Hon. Member for York East (Mr. Redway) rises on a point of order which I could foresee.

Mr. Redway: Mr. Speaker, I rise on a point of order. I have been called to order myself in making a reference, asking a question, or making a comment on a speech of another Member that has not been relevant to the contents of that Member's speech, or to the Bill, for that matter, that we are debating today. I would ask Your Honour to rule out of order the Hon. Member with his comment.

Mr. Deputy Speaker: Prior to making a definite decision on the matter raised, I must admit I do not recall what the Hon. Member for Vancouver—Kingsway (Mr. Waddell) asked the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil). I do not recall any reference to that in the speech of the Hon. Member for Cape Breton Highlands—Canso, to my knowledge. However, I will listen for a minute to the Hon. Member for Vancouver—Kingsway.

Mr. Waddell: Surely, they do not have child tax credits in the Third World. I would like to know if that means that the Government will expand it or will go back, because there is some insinuation of a Third World economy. What about jobs?

Mr. Deputy Speaker: Order, please. I will allow the Hon. Member for Vancouver—Kingsway to rephrase his question.

Mr. Waddell: Given the fact that the Minister of Transport did apparently make reference—and he can correct me if I am wrong—to Atlantic Canada having a Third World Bangladesh-type of economy—I wonder how the Hon. Member sees that type of economy—presumably the hon. gentleman was speaking for the Government—fitting in with the view he advocated in his speech about jobs and expanding social benefits.

Mr. Redway: On a point of order—

Mr. Crosbie: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: There are all kinds of points of order. First, I will recognize the Hon. Minister of Transport (Mr. Crosbie).

Mr. Crosbie: Mr. Speaker, I would have no objection to this supine and absolutely jejune and ridiculous question if it were factually correct. But never at any time in my life have I compared the economy of the Atlantic provinces to Bangladesh, or any other "desh". So why does the hon. gentleman not get what I said, quote it correctly, and then put his question instead of trying to infer that something untoward or reprehensible was said by the Minister?

An Hon. Member: Do your research.

Some Hon. Members: Right on!

Mr. Deputy Speaker: Order, please. That was the first point of order. On the second point of order I recognize the Hon. Member for York East (Mr. Redway).

Mr. Redway: Right, wrong, or indifferent, Mr. Speaker, the question had no relevance whatsoever to the comments of the Hon. Member in his speech, nor to the Bill, and I would ask that you move on to the next comment or question.

Mr. Crosbie: Absolutely.

Mr. Deputy Speaker: I agree that the question is not relevant to the Bill. Questions and comments? Resuming debate.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to join in this debate this afternoon on Bill C-11. Before I do, perhaps I could appeal to the Minister of Transport (Mr. Crosbie) to share with us his dictionary, so we all can find sources of new words.

Bill C-11 was actually promised some eight months ago in the Budget, and it has taken the Government that long to put together a few pages of legislation in order to enact it. Then it wants us to deal with it very quickly in all three stages in this House.

Of course we will do that, because we recognize the importance of anything that will provide a more timely payment to at least one group of Canadians to ensure that the income that they need is in their hands at a time when, as we all know, expenses can be very high and anticipated needs of children, in particular, can be met because of the availability of this money.

We will support the Bill. But we do have some concerns with some of the actual applications, and I suspect at second reading we will get to some amendments that we will pursue.

Let me say at the outset one thing that it is important that it not only say here, but that when the Government is informing the recipients it make very clear, and that is that this is not new money. This is not an amount that these people will receive over and above the credit that they will get back on their income tax. It is only an early payment of something that they would normally have received in the spring, in any case. That has to be included in any of the literature that goes out, in a very bold way, to make sure that nobody misconstrues the intent and erroneously budgets on the assumption that: "Well, it's great. They have sent me $300 now just before Christmas, and then in the spring I am going to get that much more".

We see from time to time in our constituency offices individuals who are not used to the bureaucratic processes, who do not always read the fine print, or do not clearly understand the intentions of a particular program. I can guarantee you today, even if the Government does do as I suggest and makes it very clear in its literature, that there will be calls to almost every constituency office some time late next spring when people get a cheque that is much smaller than what they thought they should be receiving.

One of the things that bothers me about the Bill, Mr. Speaker—and it is something that I have seen with the Conservative Government here and I saw it in the Province of Ontario—is that they can take a good idea, but they can bog it down in red tape. Separating out those with incomes of less than $15,000, and saying that that group of Canadians whose aggregate income is less than $15,000 will receive this advance payment but those who are above $15,000 will not, indicates to me that somebody, either through a computer system or manually, will have to spend the time and the taxpayers' dollars to make those separations. At the same time we have those people who really do not know down to the last cent what their aggregate income is. They will be phoning the appropriate government offices, whether it is Revenue Canada or the income support offices, to try to determine why they have not received their $300. So that will add to the bureaucracy, because the people answering those calls will not be doing other work which they are currently hired to do. So aside from the fairness aspect, just from a straight efficiency point of view, I think the Government should reconsider the cap of $15,000 and allow anybody who is eligible for the child tax credit to receive that $300 advance payment.

With regard to the fairness component: those individuals who have incomes above $15,000 need that money at the same time of year as those who have incomes below $15,000. Whether it is winter clothing in certain parts of the country, whether it is appliances that are aimed at the household or Christmas presents, that would be of great assistance to those individuals as well. So for two reasons I think that section has to be changed.

I do not quite accept the over-all rationale that by paying this $300 out we are going to eliminate the problems with the tax rebate discounting. There will still be Canadians, who will find a need that forces them to go to the rip-off artists who will do nothing but gouge them and take hard earned money from them. We already know that half of the 1984 discounted returns involving the child tax credit cost Canadians $20 million, $20 million which should have gone to those individuals. Instead, it went to some kind of legitimate loan sharking outfit. Back when we were dealing with Bill C-83 respecting the Tax Rebate Discounting Act, we should have banned that procedure and not allowed anyone to make money from the financial difficulties of poor Canadians. The Government

should rethink what it did in that event and bring in a new improved piece of legislation which we would very happily support.

• (1800)

During the presentation of the Hon. Member for Vancouver East (Ms. Mitchell) who led off the debate on Bill C-11 for our Party, she talked at length about Canada's children. She indicated that we must ensure that we provided for them. One way to provide for them is to ensure that their parents have sufficient income. If the parents have sufficient income, the children have nutritional food, a decent place of accommodation, warmth, and what they need in an economic sense to allow them to grow and become valued Canadians. The flip side is that if parents do not have those economic tools, the children do not get the right kind of food to eat or the right kind of clothing to protect them from the elements. Therefore, they will not be the same kind of productive individuals when they reach adulthood. The general government policy has been one which has worked against children and families. It has added to the problem, not helped it.

I should like to refer to some examples. It has been estimated that the partial deindexation of children's benefits will result in a real reduction in the value of government support to children and families in 20 years. We know that a dollar will buy so much today and that 10 years from now it will buy even less because of inflation. Also it has been estimated that 20 years from now the family allowance will be worth $18 per month, compared with the $31.27 of today. The child tax credit will be worth $326 per child, compared with $384 today and $480 in 1988. The family income level up to which the full credit will be paid will only be $13,800, compared with $26,330 in 1985 and $22,516 in 1986. We have a responsibility for more than just today. We have to look down the road to see what will be the implications of the policies of the Government of Canada and of Canadian political Parties for my children and their children.

In the 1985 Budget children's benefits were to be reduced by $600 million by 1990, with $55 million being pulled out in 1986 alone. The May 1985 Budget eliminated the federal tax reduction, which was a form of tax relief for low and middle income taxpayers. It would have paid them up to $50 per individual or $100 per family this year. It also shifted the personal income tax system from full to partial indexation for both personal exemptions and tax brackets.

The February 1986 Budget imposed a 3 per cent surtax on basic federal tax for all taxpayers, rich and poor alike. In terms of sales and excise taxes, taxes which tend to go after poor and middle-income earners with a greater vengeance than those in the upper quintiles, the Budget extended a 1 per cent increase in federal sales tax which was to have ended on December 31, 1988. It also raised taxes by 7 per cent on things like construction materials, cable and pay television services, and 11 per cent on other taxable goods. Also the February 1986 Budget raised the federal sales tax by another percentage point, which particularly hurts smaller communities as well as the North.

The policies of the Government support the existence of soup kitchens across the land. In many cases we are finding single parent families going to soup kitchens because their UI or welfare is no longer sufficient to provide them with basic necessities. Whether it is in Thunder Bay, Vancouver, or Toronto, soup kitchens are an indication of a sickness in society—the disease of poverty. The Government is aiding and abetting this disease by not ensuring that sufficient income levels are available to Canadians and by tampering in bits and pieces through the back door with income support programs, family allowances, and other programs designed to get money into the hands of working and poor Canadians.

In my final moments I should like to elaborate on something in which I have believed strongly for years. My Party has had a history of supporting this concept back to the days of the CCF. I am referring to the whole concept and application of a guaranteed annual income. Such a program can be designed to meet the needs of all Canadians by ensuring that they have a level of income sufficient to meet their daily needs—to provide shelter, heat, and nutritional food which are so necessary. It could be designed to minimize bureaucratic costs and to ensure that money got into the hands of those who needed it in a way which did not set up a massive bureaucracy that vastly outweighed anything in existence today. It could use taxpayers' dollars as they were intended, to support those Canadians who need support from taxpayers. I see it operating as a universal program with no means test except for the means test of the income tax system, assuming that we finally have an income tax system which is really fair.

Those Canadians who would receive the GAI would find it taxable above a certain level. If one had a full-time job at any level of pay or had income from other sources, part or all of it would be recovered through the tax system. In the context of the question which I raised with the Conservative Member who spoke prior to me, there are built-in disincentives in two of our income support systems for people to get off them.

I should like to refer to the welfare system as I know it in Ontario and to use the example of the so-called ideal family of four—two parents and two children. The mother could be working at home and the father could be attempting to find employment. While he and his family are on welfare, in addition to the imcome provided for accommodation, meals, and clothing, they receive a drug benefit card, eyeglass assistance, and their OHIP is paid for. If the father goes out and finds a job which pays him at the same level as the cheque from welfare, he has a choice. He can decide to take that job. He is one of those Canadians, and there are a lot of them out there, who wants to work. The job is not unionized. It only pays what he would get on welfare, and there is no fringe benefit package. All of a sudden, this father has to come up with the money to pay for his OHIP. There may, however, be some support. If his children or his spouse get sick, he has to find the money for the necessary medication. If a member of

the family has eye problems, he has to come up with the money for glasses or whatever. From an economic standpoint, no matter how hard he wants to get out of the house and get a job because he is as frustrated as everyone else, he cannot afford to do so. Basically, the system says that you have to stay on welfare.

• (1810)

I recognize there is some movement now to modify that situation to allow some individuals on welfare to take a job and not be penalized. That is a positive step.

I wish I had more time to elaborate, but I see Mr. Speaker, that you have signalled to tell me that my time is up. This one case I have outlined of a guaranteed annual income where there is no built-in disincentive allows people to earn what they can, be it a part-time job or a low income job. To know that your family has sufficient income is a responsibility of this Parliament, and as soon as we can we should put in place the mechanisms to let that occur.

Thank you for your indulgence, Mr. Speaker. I look forward to reasonably quick passage of Bill C-11 so we can get the money into the hands of the people who need it.

[*Translation*]

Mr. Deputy Speaker: It being 6.13 p.m., this House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 3(1).

The House adjourned at 6.13 p.m.

HOUSE OF COMMONS

Thursday, October 16, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

JUSTICE AND SOLICITOR GENERAL—TABLING OF GOVERNMENT RESPONSE TO FIRST REPORT

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I have the honour of tabling, in both official languages, the Government's interim response to the First Report of the Standing Committee on Justice and Solicitor General.

* * *

[*English*]

ORDERS IN COUNCIL

TABLING OF DOCUMENTS—GOVERNMENT APPOINTMENTS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am tabling today Orders in Council made since the Government's last tabling before the summer adjournment. There has been a slight delay in the tabling only because we had to await yesterday's motion which named Members to the standing committees and which in turn enabled the organization meetings of those committees.

As the Government House Leader indicated to a Member opposite, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), I believe, who sought information on the status of these Orders a few days ago, once they are tabled the 30-day countdown for the committee to which they are referred begins. The Government did not wish to disadvantage any of the committees that way so we awaited the passage of yesterday's motion on committees before we tabled them.

I would like to thank Hon. Members opposite for raising this point and for their understanding on it.

PETITIONS

OBJECTION TO INCREASED TAXATION AND REDUCED GOVERNMENT SPENDING PROGRAMS

Mr. Joe Reid (St. Catharines): Mr. Speaker, I consider it my duty to present a petition duly certified and signed by about 110 Niagara residents, most of whom reside in the riding of St. Catharines. The petitioners wish to record their objection to increased taxation and the reduced government spending programs implemented by this Government in its fight against increased deficit spending.

CALL FOR TIGHTENING OF IMMIGRATION REGULATIONS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present two petitions this morning. The first petition calls for the tightening of immigration regulations because of the admission of 155 Tamil boat people into Canada.

LIFTING OF SANCTIONS AGAINST SOUTH AFRICA

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the second petition asks Parliament to revoke all sanctions against South Africa.

REVITALIZATION OF VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to present a petition signed by a number of residents of the ridings of Thunder Bay—Atikokan and Thunder Bay—Nipigon who call upon the Government of Canada and the House to implement a revitalization of VIA Rail and to ensure that the necessary rolling stock for the transcontinental trains are ordered and that the contracts go to the Can-Car Rail facility in Thunder Bay to ensure continuation of employment.

CALL FOR START OF NEGOTIATIONS WITH NATIONAL ASSOCIATION OF JAPANESE CANADIANS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have the honour to present a petition duly certified by the Clerk of Petitions which calls on the Parliament of Canada to deal honourably with Canadian citizens of Japanese descent by entering into negotiations immediately with the National Association of Japanese Canadians. The petitioners note that the NAJC is the only national organization which has dealt with these citizens and has developed a position on redress, and they call upon Parliament, therefore, to negotiate this. The petition comes from residents of Toronto and Ottawa and from some residents of the Vancouver area of British Columbia.

Introduction of Bills

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)) moved for leave to introduce Bill C-12, an Act to amend the Prairie Grain Advance Payments Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved for leave to introduce Bill C-225, an Act to amend the Official Languages Act (institutions of Parliament).

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

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, the purpose of this Bill is to have the Official Languages Act apply specifically to the institutions of Parliament, which, according to an age-old rule, are not bound by general legislation unless specific provision is made.

The proposed legislation would apply to the Library of Parliament and the permanent offices of the Senate and the House of Commons. The private offices of senators and Members would remain exempt.

Mr. Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

• (1110)

[*English*]

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think you will find there will be unanimous agreement to put the following motion, which would have the effect of enabling the newly reconstituted External Affairs Committee to fulfil travel obligations it had made before prorogation of the House. I move:

That the Standing Committee on External Affairs and International Trade be empowered to adjourn from place to place within Canada for the purpose of holding public hearings and studying Canada's official development assistance policies and programs and that the necessary staff do accompany the committee, consistent with the committee's budget as approved by the Board of Internal Economy.

Mr. Speaker: Does the Hon. Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) have the unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

PRIVILEGE

ALLEGED MISUSE OF COMMONS STATIONERY AND FRANKING PRIVILEGES

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise on a question of privilege concerning the flagrant misuse of House of Commons stationery and the frank by the eight B.C. Members of Parliament of the New Democratic Party, signed by each of them, including the Member for Comox—Powell

River (Mr. Skelly), to deliver a blatantly political message by way of a mass mailing on the B.C. election campaign solely for political gain.

The letter in part states:

We are asking you to join with us in getting to work to elect the next provincial New Democrat government. Phone your local campaign headquarters and get involved now.

Mr. Speaker, I consider this to be an abuse of my privileges and my station as a Member of Parliament, both in terms of the proper application and use of stationery and the frank. If you look at *Hansard* for December 15, 1982, you will find that the position taken by the then Member for The Battlefords-Meadow Lake, Mr. Anguish, described the position of the NDP then, as opposed to the position of the NDP now.

I ask that you rule in favour of this matter.

Mr. Ted Schellenberg (Nanaimo—Alberni): Further to the comments of my hon. colleague from Kootenay West (Mr. Briscoe), I would ask that this matter be referred to the appropriate committee, perhaps the Standing Committee on Elections, Privileges and Procedure, and request unanimous consent of this House that this letter be tabled with the House. This a blatant abuse of parliamentary privilege for political gain by the Members from Skeena (Mr. Fulton), New Westminster—Coquitlam (Ms. Jewett), Cowichan—Malahat—The Islands (Mr. Manly), Vancouver East (Ms. Mitchell), Kamloops—Shuswap (Mr. Riis), Burnaby (Mr. Robinson), Comox—Powell River (Mr. Skelly) and Vancouver—Kingsway (Mr. Waddell).

We all know that during election campaigns we are representing particular political Parties. Once we become Members of Parliament we represent all of our constituents, no matter what their political stripe. This kind of abuse must be stopped.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if you are about to hand down a ruling on the point that was just raised, perhaps I may contribute to the debate and point out that the privilege all Members have to send mail free of charge is a privilege they have under the Post Office Act and not under a Standing Order of this House. I think there is a very real danger here. How Hon. Members make use of the privilege they are granted under the Post Office Act is starting to be the subject of decisions made here in the House. This may lead to a situation where we have Members commenting on the contents of mail sent by other Members. I think the danger lies in the fact that the Chair is getting involved in ruling on the contents of sealed first-class envelopes sent to Canadians across Canada. It is the principle of the thing that bothers me. I am not saying that I support the manoeuvre of our NDP Members, but I do maintain it is not up to the Chair to start ruling on the contents of first class mail sent by Members pursuant to the Post Office Act.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I would also like to make my remarks on this issue. Every time there is an election across this country, whether it is federal or provincial, by-elections, or the referendum in Quebec, the same type of issue is raised either in the House, in a letter to the Speaker, or a letter that is sent to the appropriate committee of the House. We can all find examples of that happening and I do not think it is anything new.

Mr. Mazankowski: Blatant abuse.

Mr. Murphy: If you want to go into examples, I have a householder put out by the Minister of International Affairs with the Premier of B.C. which was sent out during the B.C. election. Obviously, that would be another example of people interfering or getting involved in the provincial elections. We all have examples.

What I am saying, and I think it is an important issue, is that yes, people do always have some political bias in their householders or their mailings. That is a well-known fact. By the rules of the House it is up to the Member to take responsibility for what he or she mails. Of course, the constituents who always have the wisdom know the source of the information, know what is going on and make the ultimate decision as to whether or not they deem it appropriate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like the record to show that whether the Speaker finds this an abuse of Members' privileges remains to be seen. It certainly is an abuse of the taxpayers' privileges. How the NDP in such a sanctimonious fashion can stand up and say it is all right for them to flog their Party in the B.C. provincial election is outrageous and disgraceful.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this whole question of the use of our franking privileges under the Canada Post Corporation Act has got to be looked into by the House. What happens is that people take a look at us as Members and say that we are abusing our franking privileges for reasons for which they were not given in the first place. I think that the matter goes deeper than the British Columbia election and the clear abuse there. I say it is "clear abuse", but Members from the New Democratic Party may say, for partisan reasons or whatever, that it is not. In any event, whether it is this particular alleged abuse or some other alleged abuse, this question of the franking privileges and the use of franking privileges by Members is surely an interest that goes to the concept of Members and the concept of the privilege of Members generally.

• (1120)

It reflects upon us as Members whether we are honestly conducting our business as far as the public is concerned or whether we are taking advantage of our position as Members to feather our political nest, so to speak. Whether or not it is this issue, this matter ought to be referred to the Standing

Committee on Elections, Privileges and Procedure for a study and a report to the House, to set out for all Hon. Members the guidelines under which franking privileges might be used.

I am sure you, Sir, have received complaints from your constituents concerning material which you sent out. Whether or not it was partisan, you may have felt that it was perfectly accurate. I sent out material which people complained was perhaps an improper use of the frank. There is no question about it; the postal Act gives us a very broad right to use the frank. Indeed it directs that Members' mail should be franked.

Certainly in my view—and I think it is the view of other Hon. Members—it ought to be looked at and examined at this point by the committee.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my remarks will be brief. I think what is bothering all Members of the House is the fact that it is such a blatant abuse of the franking privilege and such a blatant political move to say, "Phone your local campaign headquarters and get involved now", when it is a provincial matter. That is what is bothering all of us.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, there is a lot of hypocrisy going around the House.

Some Hon. Members: Oh, oh!

Mr. Waddell: Let me finish. I have the householder of the Hon. Member for Vancouver Centre (Miss Carney) entitled "Report From Parliament", and there she is with Bill Vander Zalm on the cover.

Mr. Mazankowski: So what?

Mr. Waddell: So what!

Mr. Mazankowski: It is a different Party.

Mr. Murphy: Like hell it is.

Mr. Speaker: Order, please. No doubt the Hon. Member for Vancouver—Kingsway (Mr. Waddell) would like to put forward an argument on whether or not this is a question of privilege. I would ask him and other Hon. Members to confine their remarks to just that.

Mr. Waddell: I will. It is not a point of privilege. It does not affect that Member directly on the narrow technical ground. It may be a point, on examination by the committee, as the Hon. Member for Mississauga South (Mr. Blenkarn) said, about the use of the frank. If the committee wants to do that, then the committee should do it. It has the appropriate means of doing it. There is a chairman of the committee, and it has ways of taking things under consideration, but this particular point should not be referred from the Speaker.

Ms. Copps: Don't play politics.

Mr. Waddell: The Hon. Member for Hamilton Mountain is yelling at me—

Ms. Copps: No, no. I am the Hon. Member for Hamilton East.

Mr. Waddell: The Hon. Member for Hamilton East (Ms. Copps) was not here when the referendum was going on in Quebec. She should look at some of the stuff her own Party—

Ms. Copps: Fighting for Canada is hardly the same case.

Mr. Murphy: Shut up and sit down. Why don't you get some more government business—

Mr. Speaker: Order, please. I think the Hon. Member for Vancouver—Kingsway has made his point.

Mr. Waddell: No, Mr. Speaker, I have not finished making my point. On a point of order—

Mr. Speaker: The Hon. Member for York—Scarborough (Mr. McCrossan).

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my point is on the same issue but it is somewhat different. When Your Honour is considering whether this matter should be referred to the Standing Committee on Elections, Privileges and Procedure, the use or misuse of the frank is one issue.

Something which deals directly with the privileges of Members of the House of Commons is the use of House of Commons stationery and equipment. It is clearly within our privileges to have free stationery provided for our work as Members of Parliament. I contend that the use of the stationery itself constitutes a breach of the privileges of Members of Parliament when it is used for a provincial election purpose.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, just very briefly and just to respond to the Hon. Member for Vancouver—Kingsway (Mr. Waddell), I would beg to differ with him in that I think this issue indeed affects all Members of the House of Commons. From the standpoint of privilege, it goes to the very heart of our functions as Members of Parliament. Anything done individually or collectively which would serve to undermine the integrity of individual Members of Parliament, or to undermine the honour or dignity of this institution, has an impact upon all of us.

I agree with the Hon. Member for Mississauga South (Mr. Blenkarn) who suggested this was an issue which should be clarified. I think it is time that we had some clear guidelines, rules and regulations that would give all Hon. Members some guidance in the future in respect of the use of the frank, the use of mailing privileges, and the use of House of Commons stationery and envelopes. It is a much broader issue than simply the fact that a group of New Democratic Members of Parliament saw fit to get involved in an election campaign by

so directing mail to a selected list, I take it, in the Province of British Columbia.

In the interest of the honour of this institution, I would urge that this matter not be considered in the narrow context but indeed be considered in the broader context. We are all trying to improve and restore confidence in this institution, and I think this would be one way in which we could move toward achieving that objective.

Mr. Waddell: Mr. Speaker, I had not finished my remarks. I know I sort of interrupted myself and that you, Sir, ruled me out or cut me down. I would ask for an opportunity to be able to complete my remarks, and I will try to keep them temperate.

Mr. Speaker: The Hon. Member will understand why the Chair moved to another Hon. Member. Would you please complete your remarks as quickly as you can.

Mr. Waddell: Mr. Speaker, there was no attempt on behalf of the Members to abuse privileges blatantly. The attempt was to try to get people to involve themselves in the provincial election.

Mr. Kaplan: On the NDP side.

Mr. Gauthier: Of course, on the NDP side.

Mr. Waddell: I want to tell Hon. Members that I have received no feed-back from my riding, no complaints. As the Deputy Prime Minister (Mr. Mazankowski) said, I think the whole matter should be looked at in the sense that I referred to the householder of the Hon. Member for Vancouver Centre (Miss Carney) and to other stuff sent out by the Liberals in the referendum campaign and so on.

That is the work of the committee, and the committee chairman has it in his or her power to consider those things. I do not think it should be directed on this specific issue by the Chair. The matter has been vented in the House, and I would respectfully suggest that that is the remedy the Hon. Member should take.

Mr. Brisco: On a point of order, Mr. Speaker—

Ms. Copps: On a question of privilege, Mr. Speaker—

Mr. Speaker: Is the Hon. Member for Hamilton East (Ms. Copps) rising on this question of privilege?

Ms. Copps: I am rising on a question of privilege arising out of a statement which was made by an Hon. Member during the course of the debate.

Mr. Speaker: Perhaps the Hon. Member would permit us to deal with the question of privilege before the House and then I will hear the Hon. Member.

Ms. Copps: Sure.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to make a brief point as well. I think we are seeing an example of an abuse by Members of Parliament in participating in such a partisan way in a provincial election. On the other hand, I have difficulty seeing how it amounts to a breach of privileges.

If constituents agree or disagree with what their Members of Parliament have done, it may tend to bring particular Members into some disrepute and criticism in their ridings. I think they deserve to be criticized and brought into disrepute for taking the step of participating in a provincial election in the way they have.

I do not know whether the Province of British Columbia, like the Province of Ontario, has limits on campaign spending. However, I can see the implications of getting one's friends or Party supporters at the other level of Government to involve themselves in some special manner in one's election campaign in a way which is worth money but is not counted within one's campaign limit. It seems to me to be an abusive thing to do. I hope the voters of British Columbia focus on this issue and make it clear in the way they vote that they do not approve of Members of Parliament using the advantages they enjoy as Members of the House of Commons to participate in such a partisan way in an election.

I also think it is going a long way to ask the Chair or a committee of the House to read the first-class mail which Members of Parliament send out and to decide on some basis or other whether it is a violation of privileges. I want respect for Members' right to be able to put what they like in the letters which they send out so far as privileges are concerned. However, so far as the approval or disapproval of the electorate is concerned, I think this debate is very well founded, but perhaps not the point of privilege.

Mr. Speaker: The Chair feels that there has been sufficient argument on the point of privilege raised by the Hon. Member for Kootenay West (Mr. Brisco) and to which the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg) spoke. The Chair has been assisted by the interventions from all sides of the House. I am persuaded by the Hon. Member for Saint-Jacques (Mr. Guilbault)—and that argument was supported by the Hon. Member for York Centre (Mr. Kaplan)—that the Chair should not move without great care in ruling on whether or not a communication sent under the frank is a question of privilege. However, having said that, I think it is clear that there could be cases where, depending upon the content of the communication sent under the frank, it could be a question of privilege if the content worked against the right of Members to free expression and the carrying out of their obligations as Members.

• (1130)

I have had the opportunity to look carefully at the document in question. It is the view of the Chair—without at the moment commenting on the propriety of sending that particular document, and I want that clearly understood that I am not

commenting on that at the moment—that it is not a question of privilege.

The question of propriety, which has been clearly raised as a matter of concern to Hon. Members, is properly a matter that ought to be taken up in another place. The Chair has no power to allow a private Member to table the particular document, and the Chair cannot unilaterally refer the matter to whatever committee might be appropriate to do so. That is a matter which Members can consider among themselves, and there are other means to deal with the issue. Again, I find that it is not a question of privilege. I am not commenting on whether it may very well be an appropriate subject in front of another forum.

I want to thank all Hon. Members for their interventions which have been helpful to me. Especially I want to thank the Hon. Member for Kootenay West and the Hon. Member for Nanaimo—Alberni for bringing notice of this and giving me the opportunity to see in advance the actual document.

COMMENT OF MR. MURPHY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the course of the representations to Your Honour with respect to this issue, the Hon. Member for Churchill (Mr. Murphy) stated and I quote: "Shut up and sit down. Why don't you go out and get some more government business for your family".

I believe that the Member's statement was completely unparliamentary and absolutely wrong. It was a total distortion and it was uncalled for. I would ask him to withdraw it.

Mr. Rod Murphy (Churchill): Mr. Speaker, I do not know if it is part of the record or not, but I certainly did not mean to cast any aspersions with regard to the Member or her family. I think the record will speak for itself.

Ms. Copps: Mr. Speaker, I heard the statement. The statement was also heard by my colleague. I would ask the Member, in light of the new spirit of generosity in the House, to make an unequivocal withdrawal. He knows what he said and what he said was completely wrong. It was uncalled for and it is an abuse of my privileges. He is implying that I am using my position to secure government business for my family, and that is wrong.

Mr. Speaker: The Chair has not had the advantage of being able to read the "blues" nor have other Members. As is obvious, there may be somewhat of a different recollection as to what was said and what was heard. However, the Hon. Member for Churchill (Mr. Murphy) might be disposed to indicate that if the comments were offensive, whether or not they were meant to be that he would withdraw them, otherwise the Chair will have to consider the "blues" and bring this matter back to the Chamber. Would the Hon. Member for Churchill like to comment?

Mr. Murphy: Certainly, Mr. Speaker. As to the exact nature of the comments, I do not recollect every word that I said. I suspect the Hon. Member for Hamilton East (Ms. Copps) certainly heard my intent, and if she takes any offence with that, I do withdraw them without any qualifications.

Mr. Speaker: I thank the Hon. Member. The Hon. Member for Nanaimo—Alberni (Mr. Schellenberg).

Mr. Schellenberg: Mr. Speaker, if you will permit me, just to go back to your earlier ruling on this matter, is it not possible—

Mr. Speaker: Order, please. The Chair has made the ruling and it would not be appropriate to open up that matter. I am sure that if the Hon. Member has any further matters he wishes to discuss, there is a disposition in the Chamber to discuss it further among all Members and I am sure the Hon. Member can take it to the appropriate place.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 15, consideration of the motion of Mr. Hockin that Bill C-11, an Act to amend the Income Tax Act, be read the second time and referred to a legislative committee.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I am pleased to rise today to speak in favour of Bill C-11. This Bill represents another in a series of Bills introduced by the Government improving family benefits. Members on all sides will recall that the first major reference given by the Government to a parliamentary committee in January, 1985 was to study family benefits and pension reform. I participated very actively in that study. During the course of our deliberations and family benefits, we made a number of findings which were reported in our parliamentary report. First, the benefits as they existed up to that time, after tax, had a roller-coaster effect. What this meant was that the worst off in our society received the least benefits. As income increased, benefits after tax increased. They increased until you hit the level of $27,000 and then very gradually decreased. A person making $50,000 received only slightly less than a person right at the poverty line.

It was the finding of our committee that benefits should be increased for low-income families, that they should remain roughly the same for middle-income family and that net benefits from the three programs should be reduced for upper-income families. At the same time, we made specific recommendations that the child tax credit should not be paid in a lump sum as part of the tax refund. We also identified that the tax rebating process, as a result of people turning in their tax refunds for a discount, was resulting in a significant loss to the taxpayers who were trying to benefit with moneys being diverted to the outside.

Might I quote two very brief extracts from the committee's report because they are directly relevant to the Bill. First:

> 5.9 There are practical problems with the Child Tax Credit as it now exists. First, for lower-income families the benefit is delivered as a yearly lump sum. Some witnesses have proposed that it be delivered monthly, with the Family Allowance, to increase the amount available for day-to-day expenses. However, we were most impressed by the evidence of the National Anti-Poverty Organization who suggested that families, who have no access to credit, appreciated receiving a bigger sum to cover larger expenses such as household repairs, back-to-school clothing and so on. We were persuaded by this argument.
>
> We proposed that if reform results in a substantially larger Child Tax Credit than exists at present the Government should consider the feasibility of paying the benefit out more than once a year, but not monthly.

This recommendation of our committee is directly reflected in the Bill. Let us continue:

> Second, the Child Tax Credit has encouraged the growth of tax discounters. Pursuant to the Tax Rebate Discounting Act, discounters are allowed to charge up to 15 per cent for their services. We do not want money which helps provide for the needs of families diverted to tax discounters. We feel that 15 per cent is an exorbitant rate of return for the risks discounters take in advancing refunds to low-income families.

The Government has acted on all six of the recommendations of the parliamentary committee. We have increased benefits to low-income Canadians dramatically. By the end of the transition period, the benefits will have increased to those earning the least, that is, from $1,484 a year to $1,812 a year for a family with two children in Ontario. Similarly, benefits remain the same in the key threshold area of $30,000 to $40,000, but once you get over $40,000, net benefits after tax are reduced. By the time you are looking at a family with an income of $50,000, the net benefits after tax have been reduced from $1,048 a year to $764 a year, exactly the direction which the parliamentary committee recommended. Similarly, our recommendation that the child tax credit be split into two or more installments and an advance payment made has been adopted. This will provide money at a key time of the year when winter clothing is being purchased.

• (1140)

Finally, the Government acted on our recommendation to limit tax discounting of family allowances in two ways. First, we passed an amendment to the Tax Rebate Discounting Act to limit the amount charged by discounters to $45 a year plus up to 5 per cent of the amount in excess of $300. As well, in providing an advance payment we are eliminating the possibility of tax discounters getting their hands on the money. This Bill will result in a payment of $300 per child to families with incomes of less than $15,000 a year. Some 700,000 families will benefit, primarily female-led families. We are acting on a problem that was directly dealt with in our report.

We also pointed out that measures of this type were necessary to combat the rising incidence of poverty. In the years from 1970 to 1980, the incidence of poverty decreased each year. However, under the last Government, in the years 1981 to 1984 inclusive, the incidence of poverty in our country increased. Members will be aware that last year, as a result of the measures we took, the incidence of poverty in Canada fell for the first time in five years. That is a very important achievement for this Government and I fully expect that it will fall again next year as a result of measures introduced in Bill C-11.

It is obvious that these measures will improve the lot of the poor. I was very disturbed yesterday to hear the Liberal Party finance critic and the health and welfare critic for the NDP suggest that these were merely administrative measures and there was no substance to the Bill. Indeed, we heard the familiar refrain that there was no new money in this Bill. Yet it is obvious to anyone who looks at it that the result of the Bill will be to put substantial new money in the hands of people who need it most. Previous to this a very high proportion of people receiving the child tax credit went to tax discounters and received only 85 cents on the dollar. Some 15 per cent of the money provided by the federal Government was being diverted to tax calculation agencies rather than being used by the people for whom it was intended.

It may be the view of the Liberal Party and the NDP that the only thing that counts around this place is spending more and more taxpayers' money without looking to the question of efficiency. It is pretty obvious to anyone who looks at it that for many families there will be an immediate increase of 15 per cent in the amount they receive as a child tax credit because of this Bill. I am surprised that the Liberal finance critic, a former Treasurer of the Province of Quebec, could suggest that money paid six months in advance is not worth any more than money paid in the late spring. Everyone knows that the cost of living is increasing, everyone knows that if you have to borrow money to buy clothing for your children or if you have to go to tax discounters, you have to pay for it, and that means benefits to the poor are decreased. It is pretty obvious that we are operating much smarter than the previous Government did because there is going to be a dramatic increase in the income of low-income families affected by this Bill.

I have outlined six specific measures that we as a Government have taken as a result of the recommendations of the all-Party committee on child benefits. However, I do not think the process has yet ended because, as all Members are aware, the Minister of Finance (Mr. Wilson) indicated that he will be looking at social benefits in his Budget next February to see how we can, within the principles he outlined, provide more money, better directed, to those most in need. This measure is a good example of how the Government can be a lot smarter while being prudent with taxpayers' money.

Finally, the one point in this Bill which I think should be highlighted is consistent with the recommendations of the Standing Committee on Finance and Economic Affairs of which I am also a member. We recommended that there be tax reform in this country to produce a much more accessible and simple system for the poor. Under this Act the money will be paid automatically to those most in need based on their prior year's income. They do not have to apply for it. We feel, and I am sure Members of all Parties are aware of this, that people

were not applying for benefits because they were overwhelmed by the complexity of the tax system. Under this new system there will be an automatic distribution of the money, and under the tax reform proposals which will come to the committee next month I am sure we will see a much simpler income tax form.

Finally, once again I would like to congratulate the Government for listening to the unanimous recommendations of the all-Party committee and acting so quickly to bring in this Bill which we are discussing today.

The Acting Speaker (Mr. Paproski): Questions and comments?

Mr. Gauthier: Mr. Speaker, I would like to ask a question of the Hon. Member. The Bill proposes that if the payment is higher than that to which the individual concerned is entitled, the Government will require that the excess not only be repaid, but that interest will apply to that excess beginning April 30. We in the Liberal Party would like to see this amended so that only the excess paid be recovered, and I wanted to ask the Hon. Member what he thought about that. This is an important point because low-income families, at least in my riding, who are entitled to the child tax credit, the ones who are going to get this prepayment of $300 in November, surely cannot be expected to pay interest on that money if for some reason their income for the year was such that they were not entitled to receive the amount they did. Would the Hon. Member agree with us that the excess can be recovered by the Government but that charging interest is pushing it a little too far?

Mr. McCrossan: No, Mr. Speaker, I do not agree with that. This Bill proposes to make an advance payment of two-thirds of the amount of the child tax credit to low-income families, those who earned less than $15,000 in the previous year. Families will receive the child tax credit until their income is significantly above that amount, and the amount of the child tax credit will decrease fairly slowly as income rises. What we are talking about is someone who was in very dire straits the year before but whose circumstances have improved substantially during the course of the current year. For example, the recipients in November or December of this year will likely know full well whether their income has jumped from below $15,000 to above $25,000 and whether they will be at the level at which the child tax credit decreases substantially. You will obviously be very aware of your situation if your income has jumped by over 60 per cent. I do not think it is unrealistic to ask that those people recognize that this is an advance and return it as quickly as possible if they no longer qualify for it.

• (1150)

Mr. Gauthier: Mr. Speaker, I understand the point the Member is making. However, he forgets that the people to whom this prepayment is addressed are those who have possibly had changes in their family status during the year. For example, there may have been a death of a child which the Government would not know about. The child care situation may have changed during the year. The income tax department makes a mistake, and it may have done just that, yet that individual will receive that money and will be charged interest in the following year if he was not entitled to it. I think it is quite reasonable that the amount to which people are not entitled be recovered. However, many of these families are not familiar with the complexities of the income tax system and I do not understand why they should be asked to pay interest on something they did not ask for and which has been given to them because we think they need it. Why should we charge them interest on moneys which should be recovered?

Mr. McCrossan: Mr. Speaker, I would like to thank the Hon. Member for posing that question because it highlights an important part of the Bill. He asked hypothetically whether if a child has died during the year the family will receive the money without knowing they are not entitled to it. Under the administration of the previous Liberal Government, which the Member represented, if a child died during the year the family would lose the child tax credit. One of the important provisions of this Bill is that if a child dies during the year the family keeps the child tax credit. The premise of this question is flawed because we have corrected the very problem about which he posed his question.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I listened carefully to the interventions made yesterday. I apologize to the last speaker for not having heard his intervention due to another commitment.

I fully understand the necessity for government Members to highlight the positive aspects of this Bill. Quite frankly, I am very disturbed by this Bill because if you analyse it in isolation, Bill C-11, which provides for the prepayment of the child tax credit, seems to be a step in the desirable direction. However, if you look at it in conjunction with income security and the policy that we would like to develop for Canadians for the future, you must regrettably conclude that this is only public relations to create an impression of government action and improved conditions but which actually makes no progress at all.

The Member for Laval-des-Rapides (Mr. Garneau) and the Member for Montreal—Sainte-Marie (Mr. Malépart) made interventions on this yesterday which I thought addressed very well the technicalities of this Bill and some of its shortcomings. I would like to add to those interventions an observation with regard to discounting. The provision of two payments per year instead of one per year allows for greater exposure to discounting practices. Why does the Government not accompany this Bill with a measure to eliminate, as has been done in the United States, the practice of allowing the discounting of government cheques, thus eliminating the losses thereby incurred?

I would have preferred if the Government had taken an approach which would have given Canadians the total picture rather than creating a false impression. There is nothing in this Bill about improving the redistribution of income in Canada.

There is no reference to tax reform for low-income Canadians, or to security systems to provide protection for incomes that are below the poverty line. It seems to me that the Government has lowered the poverty line arbitrarily to a level of $15,000. I cannot understand why that was done or what the reasoning for it was. I have listened to several interventions by government spokespersons and so far in this debate an explanation for that has not been given.

The disposable income of low-income families in Canada has gone down as a result of the two Budgets since 1984 because of increased federal taxation, deindexation and the totality of the child benefit package of which this Bill is a component. In the end, that detrimentally affects the income situation of Canadian families in the lower income levels. I will say more about that later. First I would like to put some facts and figures on the record to illustrate the point I am attempting to make.

The tax measures introduced by the Government in the May, 1985, and February, 1986, Budgets are affecting the personal income taxes of individuals considerably and reducing their purchasing capacity and cash-in-pocket situations. I will give you some examples of how this has been done. First, as a result of the modified indexation measure, Canadians will have $570 million less to spend. The second example is the elimination in May, 1985, of the federal tax reduction which used to be available. That has resulted in a total reduction of cash for the average consumer of $490 million. Third, when one takes into consideration the 5 per cent and 10 per cent surtax on the basic federal tax which was introduced in May, 1985, the pockets of the average consumer are soaked for an additional $550 million. When we consider the deductions that were allowed under the Registered Home Ownership Savings Plan in the income tax system until May, 1985, we see an additional $80 million that Canadians cannot put aside on their own.

• (1200)

Finally, the 3 per cent surtax on personal income tax which was introduced in February of this year has meant that $560 million is not available and in circulation for the Canadian consumer.

When we also consider the effect of sales and excise taxes, some of which are visible and some of which are not, we see that there are some rather staggering amounts that are no longer available to the average Canadian consumer. Obviously this affects the low-income consumer more than others. The broadening of the sales tax base as a result of the 1986 Budget has meant that $510 million is no longer available to average Canadian consumers. The 1 per cent sales tax increase alone, in May, 1985, has meant that $990 million is no longer available to average Canadian consumers. The addition of the 1 per cent increase in sales tax rates, which was introduced in February of this year, means that $815 million has been cleverly soaked up, with very little political impact so far because it is virtually a hidden tax that nobody can see at the moment of purchase. The excise taxes of various kinds, introduced between the Budget in May, 1985 and the Budget in February, 1986, amount to some $390 million.

When we consider the total amount of money that has been taken from the pockets of the average Canadian consumer, particularly as it affects the low-income consumer, we see from a personal income tax point of view that there is a total reduction of $1.175 billion in available cash, so to speak. That is the combined effect of the two Budgets of May, 1985 and February, 1986. The combined effect of the sales and excise taxes in the two Budgets, at the expense of the consumer, particularly the low-income consumer, is $2.695 billion. The effect of personal income tax plus sales and excise taxes is that there is more than $3.8 billion of less disposable income available to the average Canadian. In light of that information, I wonder whether some of the speeches of yesterday and this morning would have rung the same.

When the capacity of Canadians to purchase is being adversely affected, the Government suddenly introduces Bill C-11, acclaiming its generosity by providing two advance payments and even providing some cash before Christmas. Of course, this sounds very attractive, and that is why I am objecting to such an approach in isolation from the total picture. Instead of improving the over-all situation, I believe it has been seriously degenerated at the expense of Canadian taxpayers through this kind of Progressive Conservative charity with the compliments of the Canadian Government. What a sham.

There are certain elements of the dimension of poverty in Canada that must be put on the record. For instance, in the 1960s, poverty was mainly associated with the elderly, the disabled, natives and people who lived in economically depressed areas. Today, the main groups are women, natives and disabled persons, with unemployed youth representing an emerging fourth group. That is a completely new dimension.

Second, poverty today is becoming more strongly associated with women. In 1984, the rate of poverty among non-elderly female-headed families was 46.4 per cent, compared to a rate of 11.4 per cent among male heads of families. Fifty-two per cent of unattached elderly women remain in poverty. In 1984, 2.3 million, or 56 per cent of all poor people, including children, were female.

Two-thirds to one-half of those who rely almost exclusively on federal and provincial social assistance for support consist of the elderly, the disabled, lone-parent mothers, which is another emerging group, and members of native groups.

Finally, some 56 per cent of poor Canadians worked during 1983 and few relied on social assistance, contrary to the widespread mythology that exists in many circles. Only in Quebec, Manitoba and Saskatchewan can the working poor receive benefits while working. Only the Quebec program is specifically designed to help low-income workers.

We can see from this observation on the dimensions of poverty in Canada by David Ross, who has written extensively

on social policy issues in Canada, that we have a long way to go in rectifying the situation.

Let me return to examples that relate to the family as it is affected by the Budget. First, let us look at the two-earner family earning $10,850, which is a low wage by anyone's standard. That represents half the poverty line for a metropolitan area and little more than one-quarter of the average income for a couple with two children. We find that in 1986, the family gets $23 less in family allowance than it would if the Government had not chosen to index benefits partially. That observation applies to all the families with this and similar incomes.

• (1210)

Because of the elimination of the federal tax reduction, the imposition of a 3 per cent surtax and the partial indexation of the tax system, a couple which earns somewhere between $10,000 and $11,000 a year pays $35 more in federal and provincial taxes. The $23 loss in family allowances and the $35 tax increase means that the family loses $58 in disposable income in 1986. This figure, of course, is included in the larger figures which I itemized for you a moment ago, Mr. Speaker, to demonstrate that actually what we are facing is a slippage, a reduction in purchasing power and a decrease in the capacity of low-income families to compete in the market-place for what they need.

It must be recognized that the same family which earns between $10,000 and $11,000 gains $60 in child benefits in 1987 because the increase in the child tax credit is more than the loss in family allowance. The family pays $85 more, however, in income tax. The family now receives a refundable sales tax credit of $145 in respect of the 1986 taxation year and, in the end, the family finds itself, as a result of this Budget, in a very peculiar situation.

In 1989 the income tax payable by the family will increase more than is offset by the child benefits and the sales tax credit gains, so that the family's disposable income in 1989 will be $48 less than it would have been without the Budgets of 1985 and 1986, and the loss will rise to $167 in 1990.

This may sound, and does sound, a bit complicated, but the accounting is important to see this measure not in isolation. It must be seen as it converges with other measures affecting the well-being, welfare and social security of the average Canadian family, particularly the 20 per cent of families at the lowest income levels across the nation. In two and a half to three years from now, in 1989, the impact of all these measures will come together, negatively affecting the purchasing power of the average Canadian family and, in particular, the income of those who are struggling at below the poverty line.

Therefore, I cannot join with others in hailing Bill C-11. I find it a measure which creates a false impression of a progressive measure which is in itself only a technique of payment, not an increase, as has been properly pointed out. It somehow creates the illusion that things are improving while in the medium term, namely, by 1989, the position of the average Canadian family, particularly those who are struggling at just above or below the poverty line, will be negatively affected. Therefore, we on this side call upon the Government to come forward with an income tax reform which will redress this situation and permit the development of an income security position for Canadians who are reaching the income levels of a minimum of around $20,000, which will permit them to regain the ground they lost as a result of the measures contained in the Budgets of 1985 and 1986.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate.

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I welcome this opportunity to speak on Bill C-11, an Act to amend the Income Tax Act in order to permit a new system of advanced payments on the child tax credit for 1986, and for future years. I welcome the opportunity to speak as a member of the Standing Committee on Finance and Economic Affairs and as a Member of Parliament from the prairie region, the southwestern corner of Saskatchewan. This is an area which has been treated unkindly over the past three or four years, first by drought and now what was to have been the bumper crop of 1986 is suffering serious deterioration owing to poor weather conditions.

The Prairies, as you will know, Mr. Speaker, is an area which is very heavily dependent on agriculture. Besides the actual producers, certainly much of the employment is directly dependent upon the prosperity of agriculture. It is an area in which the grain farmer in particular is feeling the pinch owing to low world grain prices, a situation which has arisen as a result of conditions beyond our borders such as the disastrous grain trade subsidy war between the United States and the European Economic Community.

It is from this "prairie" perspective that I would like to address Bill C-11, which is a part, albeit a small part, of the Government's over-all agenda which was charted back in the fall of 1984 and which has continued through the Budgets and the recent Speech from the Throne. It is a course of action involving responsible and prudent management of the economy and of the taxpayers' contributions. It aims at specific areas, economic renewal, national reconciliation, and social justice in particular.

I would like to talk about economic renewal because we cannot afford much social justice or regional assistance if our economy is moribund. The stark reality is that Government has no money of its own. This should not be a sudden inspiration. The fact is that the Government's only source of funds is those moneys that we as citizens choose to entrust to it. Obviously, we cannot continue to borrow into perpetuity for programs, social or otherwise. It is not a matter of choice. Unless the Government shows restraint, Canada will, in the not too distant future, reach the point of no return where interest charges on the national debt would be such as to consume the entire federal revenues, thus leaving no moneys for social programs such as the child tax credit.

The short-sighted opportunistic policies of the past have created a mountain of debt which has placed this nation on the very precipice of disaster. When this Government came to power, the nation's finances were in a serious state of deterioration. A string of deficits, which began back in 1970 and continued through to 1984, created a huge accumulation of debt which of itself is contributing more and more to the fiscal problems in the form of ever higher debt servicing requirements, ever higher interest payments. Furthermore, government expenditures continued to rise throughout this period continuing a trend established back in the mid-1960s. This fiscal situation is an effective barrier, a road-block, an obstacle to economic growth. Heavy government borrowing cannot help but put upward pressure on interest rates. As the debt accumulates and interest costs mount up, investors naturally become concerned about future inflation. Their concerns have the potential to manifest themselves in a downward pressure on our dollar and consequent upward interest rates.

• (1220)

Interest rates, as we all know, are the single determining economic factor in Canada. Lower interest rates have the potential to encourage the kind of initiative and investment on which our future prosperity depends. Lower interest rates will result in more small business activity, small business now being the backbone of this nation, and will result in more home building, more construction and, most important of all, more jobs.

We saw in September 1984 that we must alleviate the misery of unemployment and invigorate the regions of this nation. We have had to reduce government expenditures and at the same time raise government revenues in order to be able to cope with and to overcome this legacy of debt.

This Government is the first in 15 years to face reality. The Government decided to take some courageous measures toward bringing government expenditures under control by improving management procedures, by increasing government efficiency and by eliminating obsolete and ineffective government programs. For the first time in probably 40 years, discretionary government spending has actually decreased. For the first time in four years, government revenues have actually exceeded expenditures when excluding the factor of interest payments.

The trend to ever-increasing deficits has been arrested and reversed in spite of the catastrophic servicing problems arising from the compounding of interest on accumulated debt. Measures were introduced to encourage private initiative with the sure knowledge that it is the small business private sector which generates growth and employment in Canada.

Mr. Parry: Mr. Speaker, I rise on a point of order. My understanding is that we are debating Bill C-11. I would submit that the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) is using the pre-scripted speech designed for government Members to use in addressing the Speech from the Throne.

The Acting Speaker (Mr. Paproski): I do not believe that this is a point of order. I think the Hon. Member will probably speak on Bill C-11. I think he is getting to it. If the Hon. Member for Kenora—Rainy River (Mr. Parry) would like to ask him questions or make comments after he has finished his speech, I would be delighted to hear from him.

Mr. Wilson (Swift Current—Maple Creek): I appreciate the generous intervention made by my friend, the Hon. Member for Kenora—Rainy River (Mr. Parry). I think he might be right in a court of law, but I suggest that in the court of public opinion we are given a little more leeway. I am sure he will appreciate that. Indeed I will welcome the opportunity to respond to his questions in due course.

The November 1984 economic strategy laid out the need for enhancing and drawing upon the strengths of all of the regions in order to keep a solid foundation for economic renewal which was to be based on the encouragement of public initiative, on the streamlining of Government and on responsible deficit reduction. Subsequent Budgets have continued in this direction for renewal charted in the fall of 1984.

The question to be asked now is if the strategy is working. I suggest that by any reasonable measure or standard, the policies of the Government have been successful. In terms of economic growth, the growth in the Gross Domestic Product of Canada was the second highest of all of the industrialized nations in the world last year. Inflation has been stable at around 4 per cent for the past several years creating the most encouraging investment environment in the last 15 years. Interest rates are down almost four points since election day. The prime rate is at 9.75 per cent and that is the lowest it has been in some eight and a half years. Of course, mortgage rates have responded accordingly.

Job creation is fundamentally important because more Canadians finding work will mean not only additional tax revenues coming into the pot but also reduced government expenditures through lower unemployment insurance and social assistance contributions. This is the absolute bedrock. The most significant and important problem to address at this time is unemployment, and the need for the provision of conditions under which meaningful, permanent, durable jobs will be available for Canadians is compelling. It is the task of Government to try to create the conditions and environment in which the private sector can flourish and in which private initiative can be undertaken with a minimum of red tape in the knowledge that there is some possibility of success.

The facts are there. Over the past several years, some 595,000 new jobs have been created. Youth unemployment is down by some three points. The unemployment rate has decreased from 11.7 per cent back in 1984 to 9.5 per cent at the present time. In my Province of Saskatchewan, the unemployment rate is 7.5 per cent, some two points below the national average. All of this has happened in the face of extraordinarily low commodity prices.

Clearly the results prove the correctness of the direction and thrust of our policies. We have been doing something that our predecessors never dared to do. We have been trying to grapple meaningfully with a mountain of inherited debt and at the same time help out the disadvantaged regions and deal compassionately with those who find themselves in need.

My hon. friend asked where Bill C-11 fits into all of this. It is part of the over-all strategy of the Government commenced in the fall of 1984 leading to economic renewal, to the alleviation of regional disparity and to social justice. The 1986 Budget presented a clear promise that fiscal integrity would be restored over a reasonable time frame. It also took steps to improve tax fairness, to aid small business, to help the farm community, to provide more flexibility for RSP withdrawals, to extend the fuel tax rebates for primary producers and to initiate new measures to assist low-income Canadians.

Bill C-11 calling for partial prepayment of the child tax credit is in keeping with our clear commitment to help those in our society who find themselves in need. This prepayment will provide timely assistance to Canadian families and will reduce the need for them to resort to tax refund discounting.

Last year, the 1985 Budget increased the child tax credit for lower income families from $384 per child to $454 this year, $489 next year and $524 in 1988. In instances where there are not taxes payable, the credit is refunded, thus ensuring that low-income families are able to benefit. The amount of the credit is reduced by $5 for each $100 of family income over $23,500. This child tax credit initiative has been targeted, of course, to those in society who need it most and represents a compassionate and caring approach.

As the child tax credit increased, the prevalence of tax rebate discounting services also increased. Some of these discounting services preyed on the recipients of child tax credits by charging 15 per cent of anticipated refunds. In many cases, over 50 per cent I am told, these refunds consisted solely of the child tax credit. In response to this problem, the Government passed last year an Act to amend the Tax Rebate Discounting Act so as to increase the level of consumer protection provided to those who use the tax rebate discounter to receive an immediate cash settlement of their anticipated payments. The maximum rate was reduced in that legislation to 5 per cent on any amount over $300. That legislation helped to break the cycle of dependence on the tax rebate discounting operations. Bill C-11 will certainly further that objective.

Bill C-11 will permit the Government to prepay a portion of the child tax credit that would otherwise only be payable at tax time the following spring. The legislative measures required are, first, to ensure that prepayment will be $300 per child, an amount equal to approximately two-thirds of the full credit. The remaining amount will be paid after the 1986 income tax return has been filed and processed. Second, the prepayment will be made automatically to eligible claimants who had a family income of less than $15,000. No application will be required. An estimated 725,000 families will benefit from this.

The essence of the Bill is to provide timely help, help when it is needed. This help is needed in the fall, a time when the burdens of caring for children are the greatest.

• (1230)

The initiative under this Bill will assist a number of farm families in my constituency who, through no fault of their own, find themselves in a difficult cash flow position. They are also heartened by a number of other measures that have been instituted by this Government, which I briefly want to mention. These include the recognition of agriculture as the most important building block in western Canada. They will remember that this Government overturned two of the most catastrophic man-made disasters ever to face western Canada in the form of the National Energy Policy and the capital gains tax. Both of those measures were dealt with by this Government in the first year.

Mr. Speaker, western Canadians remember when there was a drought and a need and this Government contributed $48 million to livestock drought assistance, and a further $150 million by way of crop disaster assistance. They recall that compulsory metric measurement was causing all sorts of grief in the fields and on the farms. They know that we allowed imperial measurement and mixed measurement on a voluntary basis. When the cattlemen were being devastated by the dumping of beef by the European Common Market, a practice that the previous Government permitted and which allowed importation of Common Market beef to increase from zero in 1980 to 50 million pounds in 1984, they will remember that it was this Government that invoked the meat import law and assisted them in their successful countervailing application. Because cash flow was tight and there was a need there, they know that we doubled the cash advance levels under the Advance Payments for Crops Act. We promised that we would make western grain stabilization more responsive to the needs of the farmer. They will recall that we instituted amendments which permit a timely interim payment in the spring, when the dollars are needed most. They know that we improved the Canada-Saskatchewan crop insurance program by increasing coverage from 70 to 80 per cent without premium increase. This same program, contributed to jointly by the farmer and the federal Government and administered by the province last year, paid out some $376 million to Saskatchewan farmers, $125 million in my riding alone.

This list goes on and on. I see that my time is almost up, Mr. Speaker. I just want to close by saying that this Government has done all it can do to help the needy and the disadvantaged and to assist the regions of this country. We have done it in spite of historically low world oil and grain prices. We have persevered in spite of the legacy of debt left by our predecessors. We shall continue to build this nation and to forge a better tomorrow.

Mr. Parry: I would like to ask the Member for Swift Current—Maple Creek (Mr. Wilson)—and it did not escape my notice that eventually he did get around to talking about

the child tax credit—whether the Government's introduction of Bill C-11 should be construed by the Canadian people as indicating at last a commitment to that principle of universality which is so necessary to maintain not only equity within our system of family benefits, but also the commitment of all levels of income earners to such a system.

Mr. Wilson (Swift Current—Maple Creek): In responding to that question, for which I thank the Member, I have a duty to point out to him, as I thought I had done on numerous occasions during my discourse, that the fiscal position of this country at this point simply does not enable us to achieve an ideal Utopian world.

I would like to quote a passage from the Fiscal Plan, which the Hon. Member has I am sure and which was presented to him as part of the Budget papers in February, 1986. On page 13 it says this:

> Rapid growth in the public debt over an extended period, as has been experienced in Canada in recent years, can seriously limit the growth potential of the economy. As the debt accumulates it fosters uncertainty and heightens fears of inflation. These erode investor confidence, reduce the incentives for risk-taking, put upward pressure on interest rates, discourage private investment and slow economic growth.
>
> In short, a vicious circle can be created where higher interest rates and slower economic growth put upward pressure on the deficit, adding to the debt and debt service charges, which feed back again on to interest rates and the economy.

I want to say to the Hon. Member that I share the concern which he feels for the needy in our society. But I suggest to him that the Government has only a couple of alternatives: One is to increase its revenues, the other is to decrease its expenditures. As I mentioned, there is another possibility, and that involves getting people back to work so that they can be putting into the system rather than taking out. That is the direction that this Government has pursued with some considerable success.

Mrs. Sparrow: The early payment of the child tax credit certainly demonstrates the concern for the need of low-income families in Canada. I would like to congratulate my colleague, the Hon. Member for Swift Current—Maple Creek (Mr. Wilson). He has worked very hard to have this Bill introduced and I know all Canadians welcome it. Mr. Speaker, I would like to ask my colleague in regard to the $300 per child that will be made available to the eligible claimants whose family income is less than $15,000: Does each claimant apply? Is it based on the 1985 tax return? Is it based on a 1986 estimated earned income? Also, I would like to have him explain the ramifications of an overpayment.

Mr. Wilson (Swift Current—Maple Creek): The essence of the Bill is that the calculation will be based on the previous year's income, so for 1986 prepayments the calculation will be based on family income as determined in the 1985 tax return. The cut-off at $15,000 of family income was made in order to avoid problems which could arise with substantial overpayments. The limit is $23,500 of family income. Below that level the entire child tax credit is payable, but it is payable in advance automatically only to those with a family income beneath $15,000. I am sure that level was set sufficiently low in order to avoid the kind of problems which could arise in the event of overpayments, which was alluded to earlier in this debate. The balance of the payment will be received once the current income tax return has been filed and processed. It would appear, with the level set where it is, that there would be very few overpayments, but should there be overpayments they would be recovered from the recipients.

Mr. Rompkey: I was very interested in the Hon. Member's speech and I wanted to ask him about a couple of points he made. Earlier on in his speech he talked about cutting the deficit and helping the disadvantaged in the country. I take that to mean the regions, although I realize that he referred to the child tax credit as well. That is a Herculean task. The fact is that it has not happened. In cutting the deficit and trimming government programs, the Atlantic area in particular has been devastated as a result. When central Canada catches a cold, we get pneumonia, and that is exactly what has happened in terms of that particular region. The government record in cutting the deficit and helping disadvantaged regions is not very effective.

I wanted to ask him too about a topic that we share, and that is the energy policy and particularly the demise of the PGRT. If you want to help disadvantaged regions, one way to do it is by helping the Canadian oil industry. I do not know about companies in the west, but I understand many of them are having difficulty and many people are getting laid off. I do know that there are no rigs off the East Coast of Newfoundland and that projects like Hibernia are on the shelf. I want to ask the Hon. Member, if he really wants to help the disadvantaged regions, if he really thinks the National Energy Policy was so bad, and if he really believes in the demise of the PGRT, what is he going to recommend? What is he going to say to Canadians who want to work on the oil rigs? What is he going to say to small Canadian companies? What is he going to recommend to his Government to replace the PGRT and to try to put some order, some stability, some optimism, and some hope in the energy industry, and particularly the small Canadian companies in Canada?

• (1240)

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I should like to respond to the first point of the Hon. Member. I think we have been over it many times. We had the choice of going along the old path. It was a wide and low road, and it had been travelled many times in the past. It was a road which involved spending without responsibility, a road which involved handing out programs without responsible taxation, and a road which led our country to the edge of bankruptcy. It is a road which leads to nowhere.

I think it has been stated and restated a thousand times that if we persist in the ways of the past, in the old ways, we will have a debt with servicing charges which will consume all revenue. In that event there would be no funds for the day-to-day operations of the country, let alone the kinds of programs

or social net to which Canadians have become accustomed. We really have no alternative. We cannot carry on with the old ways of the previous Government of which the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) was a Member. Clearly a different approach has been necessary.

It is fairly evident, by examining every available statistic and every available critique, that the handling of the economy by the Government to date has been reasonable. I think the results are pretty clear. We are walking a very precarious line. We would like to do more; there is no question about it. The Government would like nothing better than to open the coffers wide and come forth with all sorts of programs. However, they cost money, and if by doing so we cause a run on the dollar and shoot interest rates up three or four points, we have accomplished nothing.

With regard to the Hon. Member's second point, I must say I was somewhat confused by the question. I had understood, when he talked about replacing the PGRT, that in fact it was a tax burden. The industry was very vociferous in wanting it taken off. In fact, the Government has responded by eliminating it. It forms part of an over-all package designed to try to stimulate activity in the industry and to get away from the old policies which involved taxation before getting down to the bottom line. We must provide for an environment where Canadians can earn some money and be taxed after they make it rather than before.

Mr. Ravis: Mr. Speaker, I want to congratulate the Hon. Member for Swift Current—Maple Creek (Mr. Wilson); he made some interesting points. I assure the House that there are many people in my constituency of Saskatoon East who will certainly welcome receiving some advance payment in the form of the tax credit proposed in Bill C-11, particularly at this time of the year.

On behalf of the agriculturaily based people in Saskatchewan, who are the backbone of our economy, does the Hon. Member see a parallel between western grain stabilization and the child tax credit; in other words, giving people assistance when they most require it?

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I thank the Hon. Member for Saskatoon East (Mr. Ravis) for his observation and question. I certainly think he has hit upon one of the very important thrusts in Bill C-11, that is, to provide timely assistance to those who need it.

The Western Grain Stabilization Act was amended last year in order to permit timely interim payments so that producers of the country could have the funds in time for spring seeding. Indeed, one of the purposes of Bill C-11 is to enable recipients of the child tax credit to receive a timely interim payment, a payment in the fall when the expenses of running a family are highest. There is a very significant parallel. It is all part of the over-all thrust of the Government to try to put funds into the hands of Canadians when they need it, not when some bureaucrat thinks they should have it.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in the debate this afternoon on Bill C-11, which represents the first of the measures growing from last February's Budget that the Government has brought before us for consideration.

The measure has been debated by speakers from all three Parties in terms of its significance, with members of the Government arguing for its importance, and with members of the Opposition making more of it as a change in the administration of one particular part of the child benefit package provided by Canadian Parliaments in years past for families in Canada. My own feeling tends to be toward the latter one. I see it more in the nature of an administrative change than a change of great significance. However, who would deny the importance of putting money into the hands of families late in the year as winter sets in and before Christmas in order to allow them to make use of the money? Since this money will be going to the more needy families in Canada, those with incomes in the previous year under $15,000, it will certainly be a significant advance to them.

The Standing Committee on National Health and Welfare heard many representations while it was considering child benefit provisions over the past 18 months. Certainly presentations were made about the timing and the administration of the child tax credit. There were those who pointed out the importance of this payment to families, a payment which is in the hands of mothers at whatever point they may receive it and which allows them to make purchases that are so important to poorer families. Those with very limited incomes see very small cheques from week to week. For them to have this lump sum, a sum which for 1986 will be $454 per child, will certainly put into their hands a significant amount of money with which they can make the kinds of purchases households inevitably require at various times. One can think easily of the need for appliances, the cost of winter clothing, and all kinds of needs of children which the poor find very difficult to provide from the weekly incomes they may otherwise have. Obviously a payment of $300 per child, to be received some time late in the calendar year and to be based upon the previous year's income to determine who receives it, will be very important. I am sure all of us join in in recognizing the validity of making the change.

However, one aspect of it that concerns me is the possibility that part of this change in administration has been made because of the existence of tax discounting. Discounters were allowed over the past several years to develop their business by working out income tax returns, advancing part of the returns to the persons for whom they made the calculations, and then taking off consent forms which entitled them to receive the total returns after they were administered by Revenue Canada. The practice of tax discounting has led to some monstrous abuses. If this year's change in the administration of the child tax credit is something like a Christmas gift for 1986 from the Parliament of Canada, last year's gift in a sense might have been the passage on December 20 of Bill C-83 which amended

the Tax Rebate Discounting Act and established limits on how much tax discounters could take.

I note that discounters were allowed to keep a full 15 per cent on the first $300 of a refund, which of course nicely matches the amount being advanced this time, and 5 per cent on any portion above $300. For those receiving a little more than the tax credit and perhaps a provincial tax credit of some sort or another—and I am thinking of the one in Ontario with which I am familiar—the $300 might well represent the larger part of what they were receiving. In fact 15 per cent of that or $45 over a few weeks—and certainly it would be no more than two months or three months between the filing of the return and receipt of the money by the discounters—represents a very high rate of return.

• (1250)

What should have been done, as has been done in the United States, is to end this particular practice of discounting. The fact that two-thirds of those who were discounting tax returns had incomes under $8,000 and that half of the discounted returns in 1984 involved child tax credits indicates something of the significance of the failure of the Government last year to put before Parliament a measure to end this practice. When I point out the further fact that almost $20 million of the discounted child benefits ended up in the hands of discount firms—and $20 million seems an outrageous amount of money which the Parliament of Canada had wished to put in the pockets of mothers for the sake of their children—is quite monstrous. That leads me to say that if the purpose of the provision this year is designed to prevent tax discounters from getting as much money then it represents a curious sort of thing.

On the one hand I have conceded that there is a gain to families. There is a sort of social gain from this change in administration, but it would seem to me that the obligation put on Revenue Canada to pay these cheques out is going to cost the Government something. If that were to be done only for the failure to deal fully with tax discounters, it would represent a very nice way in which millions of dollars is remaining in the hands of the tax discounters while the people of Canada have to pay the additional money for making these advances. If the purpose was to avoid tax discounting, then it is costing the Canadian taxpayer a good deal. If it is designed to put money in the hands of mothers at a time when they can use it and to spread out the payments early in the winter rather than at the end of the winter, it achieves its original purpose and of that I am not being critical.

Just looking at one particular item in the child benefit package can easily take our attention away from the entire problem that faces us. I would like to spend a few moments on other matters, Mr. Speaker. The increase in the child tax credit, and this particular change in the way it is administered, is a relatively small part of what the Conservative Government has done in the area of family benefits. We have had a great deal of talk about reform. We received from the Minister of National Health and Welfare (Mr. Epp) early in 1985 a booklet setting forth various possibilities and suggesting the desire of the Government to make savings in some areas in order to focus the money better toward those most in need. That last phrase, the need of some Canadians over others, has been a refrain in all of this discussion. The tragic thing that happened through 1985 is that the actual decisions which the Government made in following through on this supposed reform did not lead to changes that saw the total budget in this area being better targeted. What we saw instead was a decision to reduce benefits and to use the saving in order to reduce the deficit of the Canadian Government. That decision, which was quite clear by the time the Finance Minister presented his Budget in May, 1985 and which the Minister of National Health and Welfare conceded when he spoke in the House in September, 1985, is one I want to explore. Though we see one particular decision on the child tax credit that is to the advantage of poorer Canadian families, other actions that have been taken on the family allowance, on the child tax exemption, even on the child tax credit itself in the long run, are decisions to the loss of Canadian families.

There was a year ago the struggle over deindexation of the family allowance itself. The Government had been severely stung, harshly attacked, and justly attacked in June, 1985, for its decision to deindex the old age pension. That battle the people of Canada won. We in the New Democratic Party and in the Opposition generally were pleased about that victory for the people of Canada.

The tragedy of the situation for children and for families was that the battle to prevent deindexation of the family allowance was not won. The Government insisted that in the future the inflationary increase in family allowance payments would be decreased by 3 per cent each year. At times when the inflation rate is only 4 per cent or so, that represents a deflation by three-quarters of the amount that the family allowance would grow. If we remain in the economic doldrums in which the country has been for some time, which is marked, among other things, by these lower inflation rates, we will see very significant decreases in the real value of the family allowance. We will see a dropping from over $30 down toward $18 over the next 20 years. That seems to me to be a very significant attack on Canadian families ultimately. It represents a fiscal spending decision in the Finance Department which contradicts all the rhetoric of the Government as far as its concern about families is concerned.

When we look at the child tax credit itself, we see a significant increase by $70 this year, and we see plans to increase the child tax credit for 1987 and 1988. Then some of those other provisions kick in and we have the deindexation of increases in the child tax credit after that, with the result that over the years through the 1990s and after the turn of the century families will see that figure shrinking too.

For us in the New Democratic Party concerned about Canadian families in their various situations, not just the most needy but average Canadian families, the working poor all

across the country, these decisions were mistakes. What we should have had was a significant increase in the child tax credit, not by the $80 that takes it to $454 but rather by some 80 per cent over the base of the previous year. That would cost the Canadian Government a fair amount of money, but other decisions could be made. If we were seeing a genuine reform of the child benefit package which reflected and responded to the needs of Canadian families and at the same time we saw the kind of reform of the tax system which Governments should be carrying out to ensure that the Government has the resources needed to provide for Canadian needs and to give us the resources here in Parliament to meet those various needs, then there would not be the kind of crisis the Conservatives are always talking about. We could find the resources.

As a matter of fact, Mr. Speaker, if we had had a really thorough minimum tax we would have raised more than enough money to cover the costs of the child tax credit which we had proposed with an 80 per cent increase in it. If we took the 1981 MacEachen Budget and the reductions in marginal rates for the wealthy Canadians and rolled those back, we would have more than $1 billion to use for the purposes of the child benefit package.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, after three o'clock the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) will have five minutes remaining for his debate plus a 10-minute period for questions and comments.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

STATUS OF WOMEN

CRITICISM OF GOVERNMENT POLICIES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, up until October 18, 1929, your mother and mine, your grandmother and mine, and your great-aunts and mine did not know that they were not legal persons in this great land of ours. It took five courageous Albertan women to challenge the law all the way to London, England, to get an interpretation of the BNA. Only then were women in Canada declared persons in their own right. That was an historic and landmark decision which I salute today. However, women still remain disadvantaged in terms of income, social and employment benefits, and pensions. The Government has legislated a loss of economic rights for women through deindexation of family allowances, discrimination in spousal allowances, and in the child tax credit. Equal sharing in pension benefits has not been achieved, and true employment equity will not be realized because there is no mandatory enforcement mechanism.

Just as those five women were not content with the way things were in 1929, we are not content in 1986. Women, speak out or your silence will be taken as acceptance or, worse still, satisfaction with the way things are.

* * *

NATIONAL LITERACY DAY

CAMPAIGN TO COMBAT ILLITERACY

Mr. Bob Hicks (Scarborough East): Mr. Speaker, yesterday was National Give the Gift of Literacy Day. This was the first occasion for the observance of a highly commendable initiative by Canada's private sector. The Canadian Book and Periodical Development Council has set a three-year goal to raise $400,000 to combat illiteracy across Canada. This is precisely the type of partnership and momentum in our society which our Government wishes to support. I personally am pleased that the Secretary of State (Mr. Crombie) will carry the lead federal role in this initiative.

An estimated four million Canadians lack the necessary reading and writing skills to take part in many activities which the majority of Canadians take for granted. I am confident that the Secretary of State will provide the national leadership needed on this issue to enhance public awareness, and launch joint ventures which can help overcome this silent but very pervasive barrier to citizen participation.

* * *

[*Translation*]

FINANCE

NECESSITY FOR MAJOR INCOME TAX REFORM

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, *Gaz Métropolitain* today has been awarded first prize among all companies which pay no corporate taxes.

Indeed, through a series of tax measures implemented by the Liberals and the Conservatives, this company was given the right not to pay any corporate taxes for four years on profits of about $61.1 million.

Had *Gaz Métropolitain* been expected to pay even only 25 per cent of the corporate tax rate applicable to its profits, average Canadian men and women would have paid $15 million less in taxes.

May this first prize stand as a reminder to the Conservative Government that a major overhaul of the tax system is urgent and long overdue.

SMALL BUSINESS

DYNAMIC POSSIBILITIES OF SMALL BUSINESSES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the Conservative Government will be making every effort to promote small- and medium-sized companies throughout Canada during Small Business Week, October 19 to 25, whose theme is: Managing for Success.

The week's activities will be sponsored by the Department of Regional Industrial Expansion in co-operation with the Federal Business Development Bank and other organizations such as Boards of Trade which will hold over 600 various events from coast to coast.

In recent years small business has led the way in terms of job creation in Canada. The Conservative Government is fully aware of the dynamic economic prospects of small business.

In his economic renewal statement the Minister of Finance (Mr. Wilson) stressed the need to promote the entrepreneurship and risk-taking spirit. Therefore I invite all businessmen to meet with officials of various federal departments who will make themselves available to provide information on Government services and programs.

* * *

UNEMPLOYMENT INSURANCE

NEED FOR GOVERNMENT TO SHOW GREATER JUSTICE FOR UNEMPLOYED CANADIANS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Prime Minister (Mr. Mulroney) swore there would be no cuts in unemployment insurance benefits. So how does he reconcile that with what was said by the President of the Treasury Board (Mr. de Cotret), who clearly indicated in the document that the Government saved $30 million on unemployment insurance benefits for pre-retirees?

Mr. Speaker, there are 50,000 Canadians whose unemployment insurance benefits have been cut following a decision by this Government.

And, Mr. Speaker, if this Government approves the Forget Report's recommendations, Quebec stands to lose $930 million; Newfoundland, $210 million; Prince Edward Island, $50 million; Nova Scotia, $130 million; New Brunswick, $230; Saskatchewan, $60 million; Alberta, $130 million and British Columbia, $430 million.

Mr. Speaker, I would urge all Conservative Members to wake up and force this Government to be fairer to unemployed Canadians.

S.O. 21

• (1405)

[*English*]

MULTICULTURALISM

GOVERNMENT'S OPPOSITION TO RACISM AND DISCRIMINATION

Mr. William G. Lesick (Edmonton East): Mr. Speaker, this is my first opportunity to speak from this end of the House. The Throne Speech on October 1 renewed the Government's commitment to multiculturalism and the ethnic communities in Canada. The Government encourages the entrepreneurial spirit which characterizes our many minority communities which contribute so essentially to Canada's economic development. Any existing remnants of institutional barriers are being dismantled. This is indeed welcome news in my riding of Edmonton East with its large and varied ethnic communities.

We have taken a positive leadership role in opposing all forms of racism and discrimination. We will continue to recognize the great contribution made to Canada's social and economic fabric by our many different cultures. Mr. Speaker, multiculturalism has been and will continue to be a top priority of the Government.

* * *

APARTHEID

SOUTH AFRICA—DISMISSAL OF WORKERS FROM MOZAMBIQUE

Mr. Dan Heap (Spadina): Mr. Speaker, last week the Government of South Africa once again tried to protect apartheid by increasing its aggression against the front-line states of southern Africa. South Africa's firing of tens of thousands of Mozambiquans working in South Africa, on top of military attacks against Mozambique by forces mounted in South Africa, may well mean outright starvation for many in Mozambique.

Canada takes pride in being in the forefront of the struggle against apartheid. The Government was warned by CIDA in February and by the Human Rights Committee this summer of the need to prepare plans for helping the front-line states, including Mozambique.

I now call upon the Government to raise Mozambique immediately from the lowest CIDA category for bilateral aid to the highest category, to reinstate CIDA humanitarian and technical aid to the African National Congress, and to rally other like-minded Governments and multilateral organizations to co-ordinate a response to South African aggression.

S.O. 21

THE JUDICIARY

NEWFOUNDLAND SUPREME COURT VACANCIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, justice delayed is justice denied. Like all Canadians, the people of Newfoundland have a right to a fair and speedy trial, but at present a full 20 per cent of the positions on the Supreme Court of Newfoundland are vacant, including that of Chief Justice. This is the responsibility of the new Minister of Justice (Mr. Hnatyshyn), and his delay is unacceptable.

One reason for the delay in filling the vacancies mentioned in the St. John's *Sunday Express* is that there is widespread opposition to the Minister's reported plan to appoint the present Minister of Energy of the Newfoundland Government to head the court. The Canadian Bar Association has come out very strongly against the appointment of active politicians to the bench and the Minister of Justice has expressed a willingness to accept their advice. The Minister should do his duty and make the necessary appointments.

This is not a hypothetical problem, Mr. Speaker. There is a backlog of cases before the Newfoundland Supreme Court which must be heard. There are 31 criminal cases and 365 civil cases awaiting hearing. With five judges missing, the Minister of Justice should be called on to do his duty or resign.

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CANADIAN BROADCASTING CORPORATION

AUDITOR GENERAL'S REPORT—CALL FOR SUSPENSION OF PRESIDENT

Mr. Bob Pennock (Etobicoke North): "Button, button, who's got the button?" At the CBC though the game is "Million, million, who's got $57 million?" How can Pierre Juneau claim that the CBC has increased its operating efficiency when $57 million is unaccounted for? In the CBC annual report the Auditor General claimed, "I am unable to express an opinion as to whether these financial statements are presented fairly in accordance with acceptable accounting principles". Is that good conduct, Mr. Juneau? I think not. The Auditor General went on to say, "In my opinion the Corporation did not maintain proper books of accounts". Is that good conduct, Mr. Juneau? I think not.

Can you imagine if a Minister of the Crown were to come before Parliament with $57 million unaccounted for?

As a member of the Communications and Culture Committee I call upon the Minister to suspend Pierre Juneau immediately from his duties until this blatant incompetence is fully examined by the Public Accounts Committee.

• (1410)

NATIONAL RESEARCH COUNCIL

BUDGETARY CUT-BACKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, just two weeks after the big talk in the Throne Speech about the need for new initiatives in the area of research and development, the Conservative Government has announced yet another round of budget cut-backs to the flagship of scientific research in Canada, the National Research Council.

These drastic new cuts to the NRC budget will cost the agency over $20 million and eliminate up to 200 jobs. Irreplaceable research programs will once again be lost to Canada, including the very photochemistry and kinetics laboratory where Professor John Polanyi began his Nobel Prize winning work. Jobs and astrophysic research in an institute named after another Canadian Nobel Prize winner, Gerhardt Herzberg, will also be cut.

Since the Conservatives came to power, the National Research Council has been forced to endure a reduction of almost one-quarter of its budget and almost one-sixth of its workforce. Many of the most highly skilled scientists, technicians, laboratory assistants and support staff who have lost their jobs are my constituents. I can tell you that they are demoralized and disgusted with the Government's approach to research and science policy. It is no wonder that Canada is losing its scientific talent and intellectual resources to other countries.

When the Conservatives announced that they would double their spending on research and development in Canada, little did we dream that they would be cutting it instead in this dastardly way.

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AWARDS AND DECORATIONS

FIRE SERVICES EXEMPLARY SERVICE MEDAL—INELIGIBILITY OF RETIRED FIREFIGHTERS

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, many retired firefighters across Canada are being discriminated against by their exclusion from the list of eligible candidates for the Fire Services Exemplary Service Medal.

The criteria for this honour stipulate that firefighters who have been on a force on or after August 29, 1985, with 20 years service, are eligible. Therefore a firefighter who retired on August 28, 1985, does not meet the eligibility requirements as outlined by the Chancellery of Canadian Orders and Decorations.

My concern is for those firefighters who served not only for many years before August 29, 1985, but for those who displayed exemplary qualities of leadership and selflessness,

who should not be discriminated against because of age or date of retirement. Therefore I urge the Government to remove the August 29, 1985, eligibility deadline for the Fire Services Medal so that as many as 5,000 retired firefighters can be considered for this national honour.

* * *

EDUCATION

POST-SECONDARY EDUCATION—CHANGES IN DEPARTMENTAL ADMINISTRATION

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, with universities and colleges in Toronto closed down in protest by administrators, faculty, and students alike, our national Liberal task force is going across Canada for the next three weeks to pinpoint immediate steps the federal Government could take to rectify the grave crisis in the field of post-secondary education.

Why has the Government changed those individuals responsible for post-secondary education twice over the past two years? We now have our third Secretary of State (Mr. Crombie), and our third Deputy Minister. Is it because they were all incompetent, or was it because those Ministers and Deputy Ministers were embarrassed by the Government's betrayal of our youth and our country's future?

Does the Government have anything creative to offer to the more than one million students and teachers in our colleges and universities other than cuts to the transfer payments formula, a freeze on the level of student loans, and proposing to call yet another conference to stall off federal action?

* * *

MEMBERS OF PARLIAMENT

USE OF POSTAL FRANK BY NEW DEMOCRATIC PARTY MEMBERS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, a former New Democratic Member, Mr. Anguish, stated in the House on December 15, 1982, that a Member's frank must be used:

> —in a way that upholds the honour of this institution. This is not accomplished if Members use their privilege as Members of Parliament, especially with regard to franking of correspondence, to send correspondence which has a political leaning or nature to it.

As usual, the New Democratic Party speaks from both sides of its mouth when just such an abuse is being committed by NDP Members from Skeena (Mr. Fulton), New Westminster—Coquitlam (Ms. Jewett), Cowichin—Malahat—The Islands (Mr. Manly), Vancouver East (Ms. Mitchell), Kamloops—Shuswap (Mr. Riis), Burnaby (Mr. Robinson), Comox—Powell River (Mr. Skelly), and Vancouver—Kingsway (Mr. Waddell). They have all signed a blatantly political B. C. election campaign letter on House of Commons stationery and mass mailed it, postage free, to British Columbia.

* * *

VIA RAIL

NEED FOR REPLACEMENT OF PASSENGER CARS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, last Tuesday morning I had the opportunity to meet over a thousand workers at the Can Car rail plant in Thunder Bay. They are members of the Canadian Auto Workers and the Office and Professional Employees International Union. They asked me to send a message to the Prime Minister (Mr. Mulroney). They believe that it is important that Canada, as a nation, replace its existing VIA Rail transcontinental passenger cars with new ultramodern double-deck equipment. They believe that a revitalized VIA is essential to the Canadian economy.

They also know that their jobs depend on VIA getting the funds in order that that contract for double-decker cars can be placed. Eleven hundred jobs at Can Car in Thunder Bay, along with jobs for Bombardier, depend on the Government ensuring that VIA has the necessary funds to replace its rolling stock.

• (1415)

I call upon the Minister of Transport (Mr. Crosbie) and his cabinet colleagues to announce immediately they will provide the necessary funds for this project.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—REPORTED RECOMMENDATIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today in opposition to the reported recommendations which are contained in the Forget Commission Report. We have information which proves conclusively that the Government of Canada is participating with this particular Commission in trying to take moneys away from the very people who are in desperate need. That is typical of the policy and ideology of the Party opposite which is simply that there is no room in this country for weak regions, weak businesses and, more particularly, weak individuals who, through no fault of their own, cannot find any employment.

The recommendations contained in the Forget Commission Report would see $210 million dumped out of Newfoundland's economy, $50 million from Prince Edward Island, $130 million from Nova Scotia, $230 million from New Brunswick, $930 million from Quebec, $60 million from Saskatchewan, and $430 million from British Columbia.

The unemployed do not need a signal from the Government of Canada which tells them it wants to take away their last and only hope of survival. What the unemployed and the weak people need is assurances from the Government that it will come forth with a job strategy program which will provide opportunities for them.

ORAL QUESTION PERIOD

[*Translation*]

SCIENCE AND TECHNOLOGY

NATIONAL RESEARCH COUNCIL CUT-BACKS—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology.

Mr. Speaker, the Conservative Government has gone overboard in its admiration for the Diefenbaker Government. It is now trying to repeat the Avro Arrow disaster.

The President of the National Research Council of Canada said yesterday that the latest cut-backs at the Council were regrettable, tragic and worse.

My question is as follows: How can the Minister justify cut-backs that according to the President of the Council are regrettable, tragic and a threat to Canada's economic future?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, perhaps it would help if I told the Hon. Member that in the Speech from the Throne there is an announcement of $1 billion of new money going into university research. Hundreds of millions of dollars have gone into provincial subagreements to strengthen regional capabilities in the new industrial sector. There is $800 million going into the space program which led the President of the NRC to say: "We are presently engaged in building up new programs for which the Government has provided new resources", one of these being biotechnology and one being a space program, 40 per cent of which will be allocated to the NRC. That is what—

Mr. Speaker: Order.

Mr. Berger: Mr. Speaker, the Minister has a lot of nerve to say that, when the President of the National Research Council has called these cuts "tragic".

LABORATORY WORK

Mr. David Berger (Laurier): The internationally recognized member of the Order of Canada, Dr. Basinski, said yesterday when his position was slashed: "It is easy to wreck a lab. It is extremely difficult and takes decades to build one up again". If it takes a generation to repair the damage that the Minister is inflicting on the Council, why is he destroying these research teams? No more Avro Arrows!

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, there is no destruction of any research teams.

Mr. Axworthy: You can say that with a straight face? Get serious. Shame on you.

Mr. Oberle: With respect to the specific person the Hon. Member mentioned, his information is once again false. We make no apologies. There are no cuts. There are reallocations and reassignments in line with new priorities. We are going into the 21st century; that is what we are doing.

An Hon. Member: You know that's not true.

MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, if the Nobel Prize winner, Dr. John Polanyi, was starting his career today and turned up at the door of the NRC, it would be slammed in his face because the Minister would have closed the lab at the time he began his career. Why has the Minister slammed the door on future Canadian Nobel Prize winners?

An Hon. Member: Because he doesn't know any better.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I am glad the Hon. Member mentioned Professor Polanyi of whom we are all so proud. Professor Polanyi is a recipient of precisely the money I mentioned, the $1 billion which is going into university research, because that is where he worked.

Mr. Axworthy: Oh, come on. Don't give us that nonsense.

Mr. Oberle: And he was the recipient of $1.5 million.

Mr. Caccia: Sit down.

Mr. Oberle: That is what resulted in his Nobel Prize.

Mr. Axworthy: You are an embarrassment.

• (1420)

RESEARCH AND DEVELOPMENT COMPETITIVENESS OF CANADIAN INDUSTRY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. His own election promises of 1984, the policies of our trading partners and particularly the United States which spends double what we do on research and development, and the comments of the very distinguished President of the National Research Council have all indicated that Canada needs to do more and spend more on research and development. Why is the Minister jeopardizing the competitiveness of Canadian industry with his broken promises and the cut-backs that occurred yesterday?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, not only do I agree with the Hon.

Member that we must spend more but I also announced that we are spending more: $1 billion over the next five years into universities, hundreds of millions of dollars into the provinces, $800 million to get us to the new frontier. These people might want to torque around in the 19th century but we are looking to the 21st century.

INDUSTRIAL SUPPORT PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I know the Minister would not want to mislead the House. Pursuant to the Minister's own estimates for the National Research Council of Canada, $34 million will be cut in this fiscal year from direct support for industrial innovation and development. Will the Minister tell the House why these cut-backs which will jeopardize Canadian industry are being made? Do not be speaking out of both sides of your mouth.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the reallocations being undertaken by the NRC were announced yesterday. There are no reallocations to the Industrial Support Program.

REQUEST FOR RESTORATION OF FUNDING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct my question to the same Minister. The Nobel Prize given to Dr. Polanyi yesterday indicated the respect the international scientific community has for the work of Canadian scientists. The same day, the Government negated that achievement by cutting many of the basic research programs conducted by the National Research Council. Today will the Government recognize the achievement of Dr. Polanyi and many others at the NRC by restoring the very small amount necessary, some $20 million per year, so that future Canadian researchers will have the same opportunities Dr. Polanyi had?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, Dr. Polanyi has not been associated with the National Research Council for some time. He is a professor at the University of Toronto. I just reiterated what was in the Throne Speech. There is a strengthening of our university research capability which must be linked with the training and teaching of highly qualified personnel to the tune of $1 billion.

BASIC RESEARCH FUNDING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Dr. Polanyi is a long-term critic of efforts on the part of Canadian Governments in the field of scientific research. In 1976 he said:

> We are in the process of forcing mediocrity on our established researchers, while denying even that dubious privilege to our aspiring scientists.

Does the Minister agree with Dr. Polanyi's concerns about funding basic research, and if so, what plans does the Government have to redress the disaster dealt to the NRC?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, yes, I do support Dr. Polanyi's assertion that we do have to spend more money. That is why I announced more money for university research. The students who have worked with Dr. Polanyi throughout all these years would certainly not agree that there is mediocrity in their university.

SCIENTISTS EMPLOYED BY COUNCIL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, what explanation is the Minister prepared to offer to the many scientists who have worked for the NRC for 20 or 30 years, who have gained national or international recognition for their work, and who have been told in the last day or two that their employment has been terminated? Is that the kind of thanks this country will give to those talented people?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, first I am pleased that the Hon. Member has given me the chance to say that their employment has not been terminated and perhaps to ask him why he would insist on destroying the morale of the finest institution we have in this country.

[*Translation*]

GOVERNMENT'S PRIORITIES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of State for Science and Technology.

The reallocation of funds referred to by the Minister is proceeding on the basis of some very strange priorities.

Dr. Lark Kerwin tells us that projects in the medical field will be cut, and this includes, for instance, research on the preservation of blood plasma. And meanwhile, the Government wants to support U.S. space projects.

I would like to ask the Minister where this Government's priorities lie. Should the health of Canadians come first, or should we support U.S. space projects? Where are this Government's priorities?

• (1425)

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, just to put the record straight, I will quote Dr. Kerwin who said: "We are still Canada's largest and strongest general purpose research agency and do intend to go on into a period of expansion".

[*Translation*]

CUT-BACKS IN TOXICOLOGY RESEARCH—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, among the areas that unfortunately will suffer cut-backs, we find the ecotoxicology section at the National Research

Council, which tells Canadians how they can combat the toxicity of pollutants.

I want to ask why a Government that says it is trying to fight pollution has decided to axe the toxicology section at the National Research Council. Is that an acceptable priority?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I have not had the chance to examine in detail the reallocations that were made. I wish to take this opportunity to assure the House that there will be no injury to public health, to public safety, or to the environment. If the programs from which the reallocations are intended to come are not already carried out in another Department of the Government or in a university, I shall not be signing the Estimates which have to be produced for next year.

SCIENTISTS' POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is also directed to the Minister of State for Science and Technology. Would he tell us who among the NRC, the Science Council, representatives of any scientific organization in the country, any industrial scientists, or any of the hundreds of academic scientists who have written to him and various Members of the House, recommended the savaging of the NRC for space research or any of the other hare-brained cuts or reallocations in scientific research support the Government has perpetrated?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I could cite hundreds of examples, letters, and recommendations which I have received from all the associations to which the Hon. Member referred, telling me of the need to readjust our priorities, to ensure that we have the necessary highly qualified personnel, to ensure that we are in a position to cope with the new society in terms of strategic technologies which underpin our industrial capacity, and to ensure that we are in a position to stay in the fast current which will lead us into the next century. That is what these people are telling me.

GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, of course the Minister has not answered my question. Perhaps he can answer the following one. For a Government for which trust is a problem, how does it expect scientists whose advice has already been ignored to believe now that they will have any impact at all upon government policy by participation in the so-called four point program to strengthen science announced in the Throne Speech?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Throne Speech is quite explicit. If there is one area where the Government has identified a clear priority, it is in the area of research and development and science related activities. This is why we have identified $1 billion of new money for university funding, and this is why we have attempted through industrial subagreements to allay regional disparity through science and technology and all other programs inherent in the Throne Speech.

[*Translation*]

ESTABLISHMENT OF ELECTROCHEMICAL RESEARCH CENTRE IN MAURICIE

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. My region of central Mauricie is recognized as one of the cradles of the electrochemical and electrometallurgical industry in Canada.

Following the 1984 election, the Government announced that an electrochemical research centre, planned for central Mauricie, would not be built, but that it was negotiating the conclusion, the content and the administration of an agreement for a research program with the IREQ. Since then, nothing.

In view of the importance of this research centre for the economic recovery of our region, could the Minister tell us what he is planning to do to expedite these negotiations? Will he have the guts to reconsider his decision and decide to build a centre separate from that of the IREQ, as suggested and wished for by the NRC?

• (1430)

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I want to congratulate the Hon. Member on his first question in the House. The project to which he is referring has nothing to do with any involvement of the National Research Council but would come about as a result of the subagreement we have with Quebec. Let me tell the Hon. Member that there is perhaps a greater sensitivity in the Province of Quebec for science and technology, and that is why we have a $100 million science and technology subagreement with that province. I will do whatever I can to examine the Hon. Member's concern.

[*Translation*]

REQUEST FOR CLARIFICATION OF AGREEMENT BETWEEN IREQ AND HYDRO-QUEBEC

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I would like to ask the Minister if he could indicate the terms of the agreement between the IREQ and Quebec Hydro concerning the centre and the possibility for NRC people to do research at the IREQ centre?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the initiative has come from the Province of Quebec. Question Period would not lend itself to permit me to give the Hon. Member every detail of the initiative, but I will undertake to procure it and communicate it to him in another fashion.

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Deputy Prime Minister. The Prime Minister two weeks ago announced that there would be $1 billion for grain farmers across Canada. Will the Deputy Prime Minister confirm, as farm groups have told us today, that the federal Government has no specific proposals to make to the farm groups that are meeting with the various Ministers this afternoon?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can only repeat what the Prime Minister and what the Minister of Agriculture have said in this House on previous occasions, namely, that a meeting was held with the provincial Deputy Ministers of Agriculture. Today, I believe, a meeting is being held with representatives of farm organizations.

This Government does not choose to outline its programs in a unilateral manner but seeks co-operation and the goodwill of the producing community and the provinces to put together the best and the biggest farm aid package ever put together in the history of this country.

REQUEST FOR SPECIFIC PROPOSALS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister. This is not a new problem. The problem the grain farmers face has been known for many, many months. Why is it that the Government does not have any specific proposal? Why after all this time are there not specific proposals about which these farm groups can be consulted?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is too bad the Hon. Member does not pay attention to what goes on in the agricultural community because on August 27 the federal Minister of Agriculture and his provincial counterparts did meet to lay out a strategy for assistance to those producer groups affected by the price war in commodities, namely, grain and other commodities affected in the international marketplace. That is precisely what is going on. At that time a figure of around a billion dollars was outlined. This Government has responded indicating a willingness to support the farmers of Canada to the order of approximately a billion dollars. The details are now being worked out.

Mr. Murphy: The banks got better treatment than that.

[*Translation*]

UNEMPLOYMENT INSURANCE

POSSIBILITY OF GOVERNMENT MAKING CUT-BACKS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration and concerns the changes to the unemployment insurance system recommended by the Forget Commission.

Can the Minister tell us whether he was informed at his meetings with Mr. Forget that the Government should reduce its expenditures by $2.37 billion on the backs of seasonal, temporary and part-time workers who work less than six months a year?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, as he did yesterday and the day before, the Hon. Member for Montreal—Sainte-Marie has referred to the recommendations of the Forget report. I have to tell him that, when the Government establishes a Royal Commission, it must then wait for the Commission to table its report officially. It will do so on November 30, 1986.

POSSIBILITY OF MAKING CUT-BACKS IN RELATION TO CERTAIN GROUPS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, did the Minister learn in his two meetings with Mr. Forget that, according to the recommendations of the Commission, the Government should take away 40 per cent from the group of workers with an income under $200 a week while the cut-back will be 22 per cent for those with a weekly income over $400. Is the Minister aware of that?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have said many times that it is wrong to quote what a report might say to try to put fear into the minds of Canadians. This is an example of such a practice.

[*English*]

COMMISSION'S REPORT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is also for the Minister of Employment and Immigration, a Minister who wants us to believe that he hears no evil, sees no evil, and refuses to speak evil of the recommendations of the Forget Commission.

Some Hon. Members: Order.

Mr. Tobin: Does the Minister not realize that he can no longer ignore those recommendations simply because the final report has not been presented to the Government? Is he prepared to respond fully if I provide him today with yet another detailed oral briefing on the contents of the report?

An Hon. Member: Are you the commissioner?

Mr. Tobin: I have got the report.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, when I last heard about it, the Chairman of the Commission was Mr. Forget and not the Hon. Member for Humber—Port au Port—St. Barbe.

[*English*]

EFFECT OF POSSIBLE RECOMMENDATIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, it is obvious that I am not the chairman, otherwise the report would be radically different. Will the Minister not agree that the contents of this table that come straight out of the report, which I am sending to the Minister along with the minutes of the meeting of the Commission at the end of August, indicate clearly that the Commission's recommendations will damn Canada's poorest citizens to a life of increased welfare dependence? The Minister now has those tables in front of him.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is referring to certain documents, but I do not know where he got them. As all the Members of this House who have much more experience than either the Hon. Member or myself will agree, when a Government asks a Royal Commission to table a report, the Government must then await reception of this report before commenting how it will be applied, whatever the Opposition may say. This is what I am trying to do.

* * *

[*English*]

FINANCE

LEADED AND UNLEADED GASOLINE—REQUEST FOR EQUALIZATION OF TAXES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, given the final report of the Royal Society on lead in the environment, and given the report's confirmation of the need to get lead out of the environment as soon as possible, could the Minister of Finance consider in his next Budget, if not sooner, equalizing the taxes on leaded and unleaded gasoline so that there would at least be no encouragement to Canadians to use leaded gasoline over unleaded gasoline?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am pleased to respond on behalf of the Minister of the Environment that the Commission, having released its report, endorses the Minister's decision to eliminate leaded gasoline by December, 1992. That objective still remains the objective of the Minister and this Government.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, if the Hon. Minister had paid attention to the conference this morning he would have noticed that Dr. Hare said he stood by the Royal Society's original recommendation that the switch-over be made by 1990 and not 1992. The Minister, however, has not answered my question, Mr. Speaker. Will the Government, whether it sticks to 1992 or not, consider in the meantime equalizing the taxes on leaded and unleaded gasoline so that there is no encouragement to Canadians to use leaded gasoline over unleaded gasoline? That is a question for the Minister of Finance and one that he can answer.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am glad to be advised by the Hon. Member what questions I can or cannot answer.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): What I can say to him is, yes, we have reviewed that recommendation. We tried to see whether there was a possibility of putting it into the last Budget, but we were advised by experts on this particular question that it would not have had any major effect at all on the production of leaded gasoline. For that reason we decided against doing so.

Mr. Blaikie: It is the use of it.

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CROWN CORPORATIONS

SALE OF DE HAVILLAND—POSSIBLE EXISTENCE OF LAWSUITS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. It is a very serious question. Yesterday the Minister told the House "no information was kept secret" about the huge lawsuits the Government could face from de Havilland's secret Texas deals. How does the Minister explain that there is no mention whatsoever in committee records of these lawsuits for false dealings when the previous Minister had full knowledge of them for six months?

• (1440)

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, my friend did not do his homework yesterday so I will do it for him today. On January 28, 1986, my colleague, the former Minister said: "As you can see, we have narrowed down the Government's ongoing obligation to something exceeding $500 million, compared to the $1.5 billion I indicated was our ongoing obligation at the present time." Once again, Mr. Speaker, this Government dealt appropriately with the matter.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, once again this Government is just not being upfront with the Canadian people. I have in front of me the document to which the Minister refers. Why has he attempted to persuade the Canadian people that this outline of liabilities, which is very precise and has nothing to do with the possible lawsuits I have talked about, has any relevance with respect to this question? The points on this document do not deal with this issue.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, we did not have to persuade Canadians of the necessity of selling this company. It had already lost $1.2 billion. We dealt with a company which provided technology in Canada. We made sure that the jobs here were secure. That is exactly what Canadians expect us to do and that is what we did.

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CANADIAN BROADCASTING CORPORATION

ACCOUNTABILITY FOR GOVERNMENT FUNDING

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Acting Minister of Communications with whom, incidentally, I and six other Members were first elected eight years ago today.

Some Hon. Members: Hear, hear!

Mr. McCrossan: Last year the CBC spent $57 million which it cannot account for. Can the Minister guarantee to the House that none of this money was misappropriated or, indeed, stolen?

Hon. David Crombie (Acting Minister of Communications): Mr. Speaker, the Minister of Communications is out of the House on business. The Hon. Member may or may not be aware that the Auditor General is continuing to work with the CBC to reconcile the differences. I also gather that the CBC has established a task force with respect to this matter. It may well be that the Hon. Member may want to raise the question with the Minister when she returns on Monday.

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MULTICULTURALISM

MANDATE OF CANADIAN MULTICULTURALISM COUNCIL

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Multiculturalism and concerns a confidential report written by the Vice-Chairman of the Canadian Multiculturalism Council and addressed to his Government. It says that all council members are committed supporters of the Conservative Party of Canada, reflect advice from a selection of the Government's principal supporters, and are committed to the Government's survival beyond the next election.

Why has the Minister's Government changed the mandate of this national advisory body and given it over $350,000 in public funds to safeguard and satisfy the political interests of the Conservative Party of Canada?

Hon. David Crombie (Secretary of State): Mr. Speaker, I guess a couple of points are probably in order. First, I have not had a chance to read the report. Secondly, the Hon. Member will appreciate that this is something which his Party established two years ago and we are simply carrying on the mandate.

I met with the executive committee of the council and will be meeting with the full council at the end of the month. In my meeting with the executive committee they did not raise the report. I have no idea whether these people are Conservatives, Liberals, or New Democrats. If the Hon. Member says they are, he might want to ask them because some of those people—

Mr. Marchi: Your Vice-Chairman says they are.

Mr. Speaker: Order. The Hon. Member for York West.

REQUEST FOR RESIGNATION OF COUNCIL'S VICE-CHAIRMAN

Mr. Sergio Marchi (York West): Mr. Speaker, if the Government wants partisan advice—

Some Hon. Members: Question!

Mr. Marchi: —the Conservative Party should pay for it, not the taxpayers of Canada.

Will the Minister put an immediate end to the scandalous manipulation of the multicultural program and begin by asking for the immediate resignation of the Council's Vice-Chairman, and initiate an immediate investigation into the affairs of that council?

Hon. David Crombie (Secretary of State): Mr. Speaker, members of that committee were chosen two years ago on the basis of their knowledge of their community and their willingness to make a contribution to this country. The Hon. Member may want to impugn their integrity but he ought to be careful before he does. That is why I say to him that he should remember that their contribution is to this country and they should not be asked to contribute to the Hon. Member's politics.

Oral Questions

CANADA POST CORPORATION

REMOVAL OF MAIL BOXES FROM TORONTO STREETS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the post office. Right now the post office is in the process of taking 700 mailboxes off the streets of Toronto. How can the Minister square this reduction with his often-stated intention of improving service at the post office?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I have said on several occasions that Canada Post officials must administer their appropriations as efficiently as possible and constantly monitor deliveries to make sure they offer the best service at the lowest cost possible. This is their commitment. Corporate decisions are made and we intend to abide by them.

INQUIRY WHY GOVERNMENT DOES NOT GIVE PRIORITY TO NEED FOR SERVICES

Mr. Cyril Keeper (Winnipeg North Centre): A supplementary, Mr. Speaker. What is the Minister's rationale for concluding that savings due to the smaller number of mailboxes will exceed the revenue loss resulting from more service delays? Is cost his only consideration? Why not consider the need to provide services?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think I just answered this question as well. I am saying that Canada Post must try to provide the best service possible at the lowest cost. It constantly monitors services to achieve this goal.

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HUMAN RIGHTS

APPOINTMENTS MADE BY GOVERNMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Deputy Prime Minister. Again it has to do with the matter of patronage on the part of the Conservative Government. Is the Deputy Prime Minister aware of the fact that one-third of the applicants selected among those who submitted *résumés* to our human rights committee indicated that one of the major reasons why they were chosen is that they belong to the Progressive Conservative Party? For instance, does he agree with Mrs. Marie-Thérèse Landry who stated in her summary: We had good years, Mr. Léon Balcer was Minister of Transport in the Diefenbaker Government. Is this the way applicants are selected—

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the appointments which the Hon. Member impugns are appointments to the Human Rights Tribunal where the Government's role is to appoint members representing a cross-section of Canadian society. I do not know if any of them happen to have an allegiance to the PC Party, but surely if one-third of them did, that would not be too high. Even in the present polls, one-third of the Canadian public support us. By the time of the next election it will be two-thirds.

Some Hon. Members: Hear, hear!

APPOINTEE'S QUALIFICATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is not only we in the Opposition who disagree, it is human rights advocates across this country who realize it has been turned into a mockery.

Does the Minister believe that the qualifications listed, like those of Mr. S. Charles Facey—

Some Hon. Members: Order!

Ms. Copps: —who lists among the reasons for his appointment the fact that he contributed to the Robert Coates defence fund, does that make him a good government representative on the Human Rights Tribunal?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, apparently the Hon. Member does not think that Conservatives have any human rights or any interest in human rights. She is completely wrong. Why does she impugn Goldie Hershon of Quebec, Maria Teresa Domaradzki of Quebec, Peter L. Bortolussi of Ontario, Jenny C. Wong of British Columbia—

Mr. Speaker: Order!

Mr. Crosbie: —and Ronald Lou-Poy of British Columbia with these attacks on their merits and qualifications to accept these posts which are voluntary and which will help the people of Canada? It is a dastardly attack on these good people.

Mr. Speaker: Order!

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR PRESIDENT'S IMMEDIATE SUSPENSION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, yesterday, the Auditor General of Canada announced that $57 million had disappeared into thin air. No one knows what it was used for. If this had happened in a public company whose shares are traded on the stock exchange, an investigation would have been ordered right away and the books seized. This is happening at a Crown corporation. Is the Secretary of State, who today is replacing the Minister of Communications, prepared to make a commitment to immediately suspend the President of the CBC and place the CBC Board of Directors under

trusteeship, pending an appropriate and urgently needed inquiry?

• (1450)

[*English*]

Hon. David Crombie (Secretary of State): Mr. Speaker, the primary interest of the Government is to ensure that the financial situation is cleared up. The Hon. Member may want to make his representation with regard to personnel directly to the Minister.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION ORDERING REIMBURSEMENT OF BELL CANADA SUBSCRIBERS—THREAT OF APPEAL

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in the absence of the Minister of Communications I will direct my question to the Minister of Consumer and Corporate Affairs. Bell Canada has threatened to retaliate against consumers, its own telephone subscribers, as a result of the CRTC decision. Will the Minister tell us what action the Government will take to protect consumers if Bell Canada follows through with this threat?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that question most probably should be directed to the Minister of Communications who is responsible for the CRTC which, in turn, is responsible to ensure that consumers of telephone services are protected from any such action.

TELEPHONE CHARGE ROLLBACKS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I will direct a supplementary question to the same Minister who does have responsibility for consumer affairs. Will the Government at least undertake not to cancel the rollbacks in telephone charges which the CRTC announced, irrespective of whether Bell Canada appeals to the courts? Will the Government at least undertake that it will not cancel the decision made by the CRTC on Tuesday?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I hope the Hon. Member will allow due process to proceed. It would be most improper to decide the matter in advance of an appeal to the courts. That would be to say, in effect, that we do not care what the courts do with this appeal, that we will make our judgment regardless. I do not think that would be responsible on our part. I can assure you that I share concerns for consumers which are at least as genuine as those of the Hon. Member.

BANKS AND BANKING

TAKEOVER OF CONTINENTAL BANK

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance and concerns the takeover of the Continental Bank by British-owned Lloyd's Bank by a method which avoided the need for parliamentary approval. Since the Government was involved in all the negotiations will the Minister tell the House if he advised the bank to bypass Parliament?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, we all know that Lloyd's is a world-class bank. It has substantial resources and has the intention to pay off the Bank of Canada. All of this was very good news for the people of Canada. I will be explaining, as much as I can, the point of view of the Government in the committee which will be reviewing this issue in a couple of weeks.

REPAYMENT OF BANK OF CANADA ADVANCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, although the purchase agreement calls for repayment in full of Bank of Canada advances of $2.5 billion on the closing date, October 31, a bank spokesman has said that in fact paper will be issued on October 31 to pay off the amount in the next few months. Did the Minister approve this arrangement?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the fashion in which the line of credit with the Bank of Canada will be paid back is subject to negotiation. It will be decided in the next few weeks.

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ROYAL CANADIAN MOUNTED POLICE

EMPLOYMENT OF FRANCOPHONES

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the President of the Treasury Board. There is a report in the press today that the Government has approved the lowering of the percentage of Francophones for the RCMP. Is that allegation correct?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I just want to inform the House that today's newspaper reports do not in any way reflect a Government decision. Apparently, there was some discussion on the subject among officials, but the circular issued by the Royal Canadian Mounted Police certainly did not have the approval of Treasury Board.

[*English*]

INDIAN AFFAIRS

REPORTED DELAY IN PAYMENT TO CREE OF QUEBEC

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the President of the Treasury Board. The Department of Indian Affairs and Northern Development, in a letter to the Cree of Quebec, stated last week that it could not make the final payment due under the Cree-Neskapi Act giving as justification the fact that Supplementary Estimates have not been passed and that another agreement had used up existing funds.

Is it satisfactory to the President of the Treasury Board that signed legal agreements of the Government of Canada are allowed to be dependent upon the passing of Supplementary Estimates?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to thank the Hon. Member for having sent me notice of the substance of his question a few minutes ago. I would be very happy to look into the allegations and discuss them with my colleague, the Minister responsible, and I will endeavour to have an answer for the Member in the very near future.

GOVERNMENT'S OBLIGATIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, is the President of the Treasury Board considering the institution of a unit which will ensure that all signed legal agreements of the Government of Canada are paid when due, in full and on time?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think it is very well known that this Government, the only Government for which I can speak, has always respected its engagements and will continue to do so.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REDUCTION OF FRANCOPHONE EMPLOYEES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to get back to the matter of the RCMP and direct my question to the Solicitor General, the responsible Minister.

In a publication called *Pony Express*, it was made very clear that the RCMP has adopted a policy of reducing the number of Francophones within the corps.

Was the Government consulted? Did it give instructions to the RCMP about this policy to reduce the percentage of Francophones from 20 to 14 per cent?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, there were some discussions between officials of the RCMP and officials of Treasury Board. The circular to which the Hon. Member referred appeared following these discussions, discussions that never received the approval of the Treasury Board or Cabinet. It is to be regretted that the directive was issued, but it is certainly not Government policy.

POLICY RELATING TO OFFICIAL LANGUAGES—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I can therefore assume that the Government rejects the document and that the present 20 per cent will be maintained.

Could I ask the Solicitor General who can use his executive powers to inform the RCMP that we have no inclination of starting discussions of this kind at a time when a review of the official languages policy is imminent?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as the Minister responsible for the application of the Official Languages Act in the Public Service, I can inform the Hon. Member that we review the proposals from each department, which must be submitted to Treasury Board and approved by Treasury Board before being approved as Government policy. And that is exactly what is going to be done in this case. The same procedure will be followed.

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[*English*]

AGRICULTURE

USE OF ARABLE LAND IN SASKATCHEWAN

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Deputy Prime Minister. Friday last the NDP asked if the Government was giving up on prairie grain farming through a LIFT type program. In the meantime the NDP leader in Saskatchewan was quoted as saying, "If we were far-sighted and able to do it, we would be taking land out of production".

Would the Deputy Prime Minister leave the land in production as requested by the Member for Yorkton—Melville, or would he take it out of production as requested by Mr. Blakeney?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I thank the Hon. Member for being very observant. That is a very incisive question. It is certainly the New Democratic Party in Saskatchewan, and Mr. Blakeney in particular, that has talked about taking land out of production, land banks, and government ownership of land. We in this Party choose to support the production efforts of farmers and that is what we are in the process of doing.

VIA RAIL

REPLACEMENT OF ROLLING STOCK

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. Canadians have been waiting for years through two Governments to hear whether we are going to get replacements for the ancient VIA Rail rolling stock. Can the Minister advise this House whether he has finally obtained funds from Cabinet for the replacement of that VIA Rail stock?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I was asked a similar question the other day by the transportation critic for the hon. gentleman's Party. I gave him a succinct and, if I might say so, brilliant answer at that time.

TIMING OF GOVERNMENT DECISION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, perhaps the Minister can advise us and all the people of Canada exactly when a decision will be made, or do we have to go through this like a long-running epic which is years in the making and costs billions?

• (1500)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I have that matter before my confrères now and, before too many suns or moons have passed, I hope to have an answer for the hon. gentleman.

Mr. Speaker: The Hon. Member for York Centre. One question, please.

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THE JUDICIARY

NEWFOUNDLAND SUPREME COURT VACANCIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Acting Minister of Justice. What possible excuse is there for allowing a 20 per cent vacancy in the Supreme Court in Newfoundland? The Government should be appointing judges because 20 per cent of the spaces are vacant. There is a backlog of cases. What is the excuse for that?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the backlog of cases has nothing to do with any shortage of judges. Newfoundland amended its legislation in the past year to require the appointment of three more persons to the Court of Appeal. The present Court of Appeal already has four and is in perfect order to function. Newfoundland passed legislation to provide for two more District Court judges. They have now been amalgamated with the Supreme Court. There is no emergency at the moment with respect to the number of judges in Newfoundland and we are considering, long and well, who we appoint to ensure that people of the highest quality are appointed to those positions.

PRIVILEGE

QUESTION PERIOD—ALLEGED PRACTICE OF IMPUTING MOTIVES AND CASTING ASPERSIONS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I want to rise on a brief question of privilege. I noted in the media this morning that Members of Parliament on all sides of the House are approaching Question Period on a different basis and I think we are providing a better product and, for the Opposition and the Government, a better Question Period.

There were certain aspects of Question Period today which caused me concern and I want to raise a brief question of privilege so that you might take the time to review the "blues" and see if you are in agreement with my point.

I am concerned about offences against Beauchesne Citation 359(7) with respect to Members of Parliament imputing motives or casting aspersions upon persons within the House or out of it. I am speaking specifically with respect to appointments to the Human Rights Commission. The Government has taken great strides, with the co-operation of the Opposition, to make sure that appointments are reviewed by standing committees of Parliament. It does this House no good and does the appointees no good to have their reputations slandered in the House by Members, whether inadvertently or not. I would ask you to review that citation in Beauchesne and take what happened today into account.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to draw to your attention, and particularly to the attention of the Parliamentary Secretary to the Government House Leader (Mr. Lewis), that Citation 359 in Beauchesne are only the guidelines that were set down some ten years ago by a previous Speaker who described to the House how that Speaker would use his discretion during Question Period. These guidelines have been superseded by others, most recently the guidelines set down by the previous Speaker, the Hon. Member for Don Valley West (Mr. Bosley).

I suggest, with the utmost respect, that Citation 359 is not a citation that is binding on the House or on Mr. Speaker. In any event, whatever this citation says, the kinds of questions about which the Parliamentary Secretary complains were asked over and over again, without complaint, by his own Members when they were in opposition.

I repeat what I said before, when we saw an attempt by the Government to impugn the efforts of the current Speaker to do his duty, that it does not sit well for Members on the government side to make this kind of comment when they refused to follow this course of action when they were in opposition.

The facts speak for themselves. Mr. Speaker, I leave this matter in your hands.

Mr. Rod Murphy (Churchill): Mr. Speaker, I believe in keeping with the attempt to reform the House of Commons, that these issues should not be brought up at the end of

Question Period. I think there has been an honest attempt by all Parties in the House to try to resolve these differences. Question Period has been going much smoother. In future, I hope that the Parliamentary Secretary would bring these issues to the opposition Parties, if he has any legitimate concerns.

Mr. Speaker: I want to thank the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis), the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Churchill (Mr. Murphy) for their interventions. Of course, I will review the "blues" and report back to the House when it is appropriate.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the customary question of the Government House Leader as to the business he intends to call for the balance of the week, which I trust will not contain the kinds of questionable points of order raised by his Parliamentary Secretary today.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member might find a point of order about the order of business which he can raise if he so wishes.

Today we will be continuing with Bill C-11, as well as tomorrow. There seems to be much interest in this Bill. It is very popular and we will continue with it.

On Monday we will proceed with Bill C-11 if it is not completed. Once completed, it will be followed by Bill C-4 standing in the name of the Minister of Communications (Miss MacDonald). If time permits, we will call Bill C-2 in the name of the Minister of Agriculture (Mr. Wise).

On Tuesday we propose to introduce second reading of the Bill standing in the name of the Minister of State for the Canadian Wheat Board (Mr. Mayer) concerning the Prairie Grain Advance Payments Act.

I expect that Wednesday will be designated as an allotted day.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-11, an Act to amend the Income Tax Act, be read the second time and referred to a legislative committee.

Mr. Speaker: The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has the floor. I want to advise the House and the Hon. Member that he has five minutes remaining in his speech.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, in my final comments on Bill C-11 I want to address the need for substantial action in the area of family benefits. The decision to prepay the child tax credit partially has been generally supported in the House, including myself. However, there are aspects of the child tax credit which, in future, will all too much resemble many other government programs, specifically the partial indexing of the cost of living after 1989. It resembles the gradual decreasing value of the family allowance which was deindexed last year and has the effect of gradually reducing the amount of real income for people for supporting their families. As well, the expenses which families must pay are not only affected by the normal inflationary aspect which tends to prevail in the business community, which is used to match costs and increase the profits of enterprises; they are affected by the various tax changes imposed by Government.

I focus particularly on the increase in sales taxes which the Conservative Government has, in several steps, increased very much. I think of the tax on construction materials which was increased by a percentage point, increased once more to 7 per cent in the fall of 1984, with an additional percentage point being put on. In this respect, we are seeing a 50 per cent increase in taxes.

While it is true that an increase of two or three percentage points on higher taxes is proportionately less, the cumulative effect of these sales and excise taxes is increased costs which are borne by all, including the poorest families in the middle range of income and the wealthy. Of course, it is the poorest and those in the middle-income range who experience the effects of these taxes most seriously. Their incomes are smaller and they must pay as much per purchase as someone with a far larger income. These various effects have been recognized by the Government in part because there was a provision in last spring's Budget, which we shall be legislating one of these days, for a refundable sales tax credit. That offsets it to some extent, but the fact remains that families in the middle range of income, average Canadians, are paying more for less as these taxes take effect. They find the refundable sales tax credit and the child tax credit doing very little, if anything, for them.

• (1510)

What is most serious is that there are more and more Canadians who find themselves in those situations. The skilled workers in Collingwood who lost their jobs with the closure of the Collingwood shipyard a month ago are sad examples of those Canadians who had good incomes and did not have to

worry too much about these increases but who found themselves, when pushed out of work, looking for jobs in Lord knows what areas. The difficulty employers have finding employees in retail and service areas must surely be because the kinds of incomes people earn there are simply not adequate. That is where the decision of the Government to put some money towards the neediest does nothing for these people. They are paying money in taxes, losing income and seeing no effort on the part of the Government to offset that. There is the challenge to the Government to do something far beyond a prepayment of the child tax credit to ensure that families have the kinds of incomes they need.

Ms. Mitchell: Mr. Speaker, I would like to ask the Hon. Member, since I know his personal commitment to the health of families and family benefits—and if we extend the money paid, we have to find a way of paying for the extra expense—if he has any suggestions from the point of view of tax reform or any other measures which would justify the Government giving more priority to support for families?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I thank my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), whose dedication to the cause of families and concern that their needs are met is highest of all in our caucus and, I believe, in this House.

The answer to what could be done in the way of tax reform to provide the resources to meet those needs is very important. A cartoon was published in the daily paper in Thunder Bay on Tuesday. It probably ran in other papers as well. It portrays two bedraggled men talking. One is tempted to use other terms given the stereotypes suggested in the cartoon. However, one bedraggled man is saying to the other: "The thing that really worries me is that the national finances are in even worse shape than we are". In that particular cartoon is one of the deadliest suggestions which could be made about our national social and economic policy.

The decisions of Governments in years past to use various tax inducements in order to produce prosperity has clearly not worked. The result of all those tax breaks has been an increase in deficit to a very significant amount. That high level of deficit, of course, is the utter preoccupation of the Minister of Finance whose review of social programs is surely designed to do one thing, and that is, to reduce the amount which actually goes out.

It is imperative that we have tax reform which ensures the tax system is fair, and that means ultimately achieving a far better balance between individuals paying income, sales and excise taxes and other sources of revenue. It is clear from statistics on corporate profit-making that there are very successful enterprises which do nothing to support the Government directly in maintaining social programs. That is the imperative need.

The Speech from the Throne talks about achieving a better balance between personal income and other taxes. I am really concerned that what we are going to see is an increased burden, or at least no lightening of the burden on individuals, because there will be a business transfer tax, I fear, used to replace the existing sales taxes. That will be used to reduce the income tax somewhat, but what that will do is to make the tax system even more regressive, even worse for the low and middle-income range income earners. The result will be no improvement at all. It would be a worsening of their lot.

What we need is a return to the progressive principle applied to both corporate and personal income taxes in order to ensure that the Government is taxing fairly and has the resources it requires. Having done that, we would then have the resources to maintain social programs and to bring child benefits up to the level at which they should be.

The Acting Speaker (Mr. Paproski): If there are no further questions and comments, I will recognize the Hon. Parliamentary Secretary to the Minister of the Environment (Mrs. Browes).

Mrs. Pauline Browes (Parliamentary Secretary to Minister of Environment): Mr. Speaker, it gives me a great deal of pleasure to be recognized today as the Parliamentary Secretary. Thank you. It also gives me a great deal of pleasure to participate in this very important debate on Bill C-11 and to speak once again on the improvements made by this Government in Canada's system of child benefits.

The last time I had an opportunity to discuss the child tax credit was some 10 months ago. I noted then that the Leader of the New Democratic Party (Mr. Broadbent) and the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) agreed that our child benefit measures provide great assistance to low-income families. The Leader of the New Democratic Party said: "If one looks at the specific changes the Government is making, there is improvement". The Hon. Member for Grand Falls—White Bay—Labrador added his Party's support by reluctantly admitting: "It may be true that for a while there is going to be some sort of net benefit". Both Hon. Members of the opposition Parties recognized the tremendous benefit the increase in the child tax credit has on low-income families. Both Hon. Members, as well as all government Members, recognize the justice in decreasing the child tax exemption which proved to be more of a benefit to upper-income Canadians.

When the Government came into office over two years ago we committed ourselves to expanding and enhancing Canada's system of social benefits. We were not prepared to continue social assistance measures which actually offered greater assistance to upper-income earners. We were not prepared to introduce more inefficiency or complexity into federal social policies. What we have resolved to accomplish and, indeed, what we are accomplishing is to direct more assistance to those in our society who most need it. It is not just for the sake of economic efficiency but to truly help those in need.

Improvements to the child tax credit represent one example of the measures we are taking to fulfil this commitment. The child tax credit provides direct financial help to nearly three

million low-income families. It is a simple, effective and important form of social assistance.

• (1520)

The Government has acted to improve the child tax credit in several key ways. First, it has been increased. This year the child tax credit has been increased by $70. It will go up by another $70 in the next two years, and by 1988, the maximum amount to be received will be $524 per child. We also decreased the child tax exemption which, until we acted, actually provided more assistance to upper-income families.

Second, we addressed the problem of tax discounting. Tax discounting has literally robbed thousands of low-income families of their child tax credit benefits. In fact, in 1984, nearly one-half of all money retained by tax discounters was made up of child tax credit payments. Furthermore, one in five single mothers with an income below $2,000 and claiming the child tax credit used the services of a tax discounter. The Government acted to decrease the amount of money discounters could collect. Bill C-83, which was passed in the first session of this Parliament, capped the maximum discounter charge at 5 per cent on any amount over $300.

These actions represent the importance the Government attaches to improving family benefits. They also fulfil the commitment we made in the Throne Speech to defend and strengthen the institution of the Canadian family. Improvements to the child tax credit provide the kind of family support the Government is proud to initiate.

I think all Hon. Members would agree on the importance of the family unit in our society. Indeed, it has been said that if things go well with the family, life is worth living; when the family falters, life falls apart.

I was pleased to be a member of the Standing Committee on Health, Welfare and Social Affairs when it reviewed the issue of child benefits. The committee's report of April, 1985 recommended a prepayment of the child tax credit, and I know that all members of the committee are pleased to see that the Government has taken action on that recommendation. Bill C-11 offers effective and needed help to low-income families. It also furthers the positive social justice measures the Government is taking to benefit all Canadians.

Yesterday in debate, the Hon. Member for Vancouver East (Ms. Mitchell) called the increase in the child tax credit a token. I can assure the Hon. Member that low-income families from my riding of Scarborough Centre do not consider $140 per child in extra benefits to be a token amount. I can also assure the Hon. Member that low-income families in my riding do not regard the new sales tax credit, the extension of the spouse's allowance or the increase in the disability deduction as being token gestures.

Together with improving the social safety net, the Government is offering low-income families new hope through a more dynamic economy and through meaningful job-creation programs. Low unemployment, low interest rates and low inflation all benefit underprivileged Canadians and offer new opportunities for full participation in the economy by all Canadians.

I think it is important to point out that as a result of this legislation introduced by the Government, total spending on income-security programs will go up substantially. This includes some $200 million in extra benefits as a result of the extension of the spouse's allowance. The Government's family benefits policy reflects the commitment we have made to strengthen our social safety net and to encourage new economic opportunities for low-income Canadians.

On behalf of the families of Canada, I am proud of the excellent initiatives in this Bill. I applaud both opposition Parties for resolving to pass Bill C-11 in good time.

Mr. Keeper: Mr. Speaker, I would like to applaud the Hon. Member for the majority of her comments. Obviously the existence of a child tax credit is a positive move for low-income families.

I wonder how the Hon. Member squares the move on the part of the Government to have a child tax credit and give money through the tax system to low-income families with the over-all nature of the tax system in Canada which is generally conceded to be regressive. Over the last 20 years, the taxation burden has moved from corporations to individuals so that individuals are paying more by way of taxes. As well, the ideal that those who earn more must pay more has been eroded over the past 20 years. How does the Hon. Member square the fact that, on the one hand, the Government takes some positive actions in terms of the child tax credit while, on the other hand, it has left the over-all taxation system with low-income families having to continue to bear an unfair share of the burden?

Mrs. Browes: Mr. Speaker, I thank the Hon. Member for his question and also for recognizing the positive aspects of this legislation. He joins with the Leader of his Party in publicly endorsing in this Chamber the positive effect of this initiative on Canadian families.

In the social envelope, we have made some savings in those areas dealing with people with higher incomes. We have directed those amounts of money to those people who need it the most. By the end of this year, there will be an additional $200 million put into the social envelope for the social benefits we are directing to those persons who need it the most.

I believe that the comments made by the Hon. Member concerning the tax burden are valid ones. The Minister of Finance (Mr. Wilson) recognized this some months ago when he stated the need for the review of the entire tax system. We are awaiting the White Paper the Minister of Finance will be submitting to the House for discussion with the public so that we may look at those aspects of tax reform that are recognized and required.

• (1530)

Mr. Keeper: A child tax credit gives more money to people who have low income rather than people who have a high income. Does the Hon. Member see the contradiction between the Government supporting a child tax credit and supporting the $500,000 exemption for capital gains? Does the Hon. Member see the contradiction between giving a large tax gift to wealthy people in this country and at the same time having a progressive tax measure which helps the poor? Would she not recommend to her own Government that it eliminate the $500,000 tax gift to the upper-income people?

Mrs. Browes: Let me begin by saying that the buoyancy of the economy and the confidence of Canadians right across the country will help all Canadians at all levels of the economy. Some months ago I put forth a questionnaire to businesses in the riding of Scarborough Centre asking them if in the next 12 months they were planning to increase, decrease, or keep the number of employees at the same level. Ninety per cent of the businesses in the riding of Scarborough Centre responded that they intended to increase the number of employees in their businesses and manufacturing companies. That speaks mountains for prosperity in the country, particularly in this riding, but it is catching on across this country. I believe with those kinds of initiatives taking place more people will be working, more people will be paying taxes, and that buoyancy in the economy will be very good for low-income families. It will make a great contribution.

Let me just mention the child tax credit in particular. This Bill is going to be very helpful, especially to single parent families. Having $300 per child available in the latter part of this year; just before Christmas, just before snow suits and boots, and all of those things that are so much required for children, is going to be a very positive aspect, and families will be very appreciative. I applaud the Minister for bringing this forth so quickly so that we might be able to get those cheques in the families' pockets to help the children of Canada.

Some Hon. Members: Hear, hear!

Mr. Lewis: I am pleased to have this opportunity to ask the Hon. Member what effect she thinks will be the effect of this Act on her constituents.

Mrs. Browes: Thank you for that question. My background has been in working with the Department of Health for the City of Scarborough as Chairman of the Public Health Board. I have had the opportunity of going into subsidized housing and areas of low incomes to work with single-parent families. This initiative is one that is welcomed and praised. When the Christmas tree is lighted, the children are around that Christmas tree, the parents are happy, the gifts and snow suits are there, and they are going to say, this is a great Government that we have in Ottawa.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Mazankowski: Mr. Speaker, I think there would be a disposition on the part of all Members of the House to seek unanimous consent to revert to Statements by Ministers so that the Hon. Minister for International Trade (Miss Carney) can make a statement relative to the softwood lumber issue.

Mr. Murphy: It certainly is our intention, because of the importance of this particular issue, to agree to reverting to Statements by Ministers. I assume we will follow the usual rule that a Member from each of the Parties will have the opportunity to respond. I assume also that the time will not count, or will count, after six o'clock in respect to Government business?

Mr. Gray (Windsor West): There have been consultations and, as I said during those consultations, we will be happy to revert to Statements by Ministers to hear the Minister for International Trade (Miss Carney). I would also like to confirm that the rules of the House pertaining to Statements by Ministers will be in application for this particular purpose.

The Acting Speaker (Mr. Paproski): Am I then to assume that we will have a statement by the Minister, a response by the Opposition, a response by the NDP Party, and that there will be no extra time tacked on this evening?

Some Hon. Members: We don't need extra time.

The Acting Speaker (Mr. Paproski): All right. I agree that we do not need extra time.

ROUTINE PROCEEDINGS

[*English*]

TRADE

U.S. COUNTERVAILING DUTY ON EXPORTS OF CANADIAN SOFTWOOD

Hon. Pat Carney (Minister for International Trade): The U.S. Department of Commerce has just announced that it has made a preliminary subsidy determination which could result eventually in the imposition of a countervailing duty on exports of softwood lumber from Canada. The preliminary determination is a 15 per cent subsidy.

[*Translation*]

I deplore the measures taken today by the United States. We believe it was not the right decision to make.

[*English*]

This decision cannot be justified either under U.S. law or GATT rules. I am deeply disappointed that Secretary of Commerce Baldrige has decided to reverse the decision he made in 1983 in the previous countervailing duty investigation involving softwood lumber. Stumpage does not provide a

subsidy to Canadian lumber producers. We are going to fight this all the way.

Some Hon. Members: Hear, hear!

Miss Carney: Political leaders cannot stop the process of industries petitioning to restrict imports under existing U.S. trade laws. This is why it is so important that we pursue our bilateral trade talks with the United States. Today's decision is a graphic illustration of how protectionist pressures in the United States impact on Canadians and Canadian jobs. That is why we are at the table. Canadians need a trade agreement with the U.S. to secure our access to U.S. markets and to deal with trade disputes. This Government is vigorously pursuing these objectives because it is in Canada's best interest to do so. That is why the Prime Minister (Mr. Mulroney) launched this historic initiative a year ago.

I want to emphasize that today's decision is not the end of the road, it is a preliminary decision. It is just another step in a long quasi-judicial process. We will pursue all avenues available to us to argue against this determination. We have already invoked GATT dispute settlement procedures. The U.S. Commerce Department must now verify its determination and make a final decision by late December. Even if the preliminary decision is confirmed, countervailing duties would not be applied unless the United States International Trade Commission finds injury in its final determination due in mid-February. If either of these rulings is in Canada's favour the case is terminated. In addition, both sides have the right to appeal the outcome in the U.S. courts.

It is important to note that today's preliminary determination does not result in any duty being imposed on Canadian lumber. Canadian exporters will be required to post bonds until there is a final disposition of the case. This will be a burden to Canadian softwood lumber exporters and represents a potential liability. Today it is lumber; tomorrow it could be any number of issues. Uncertainty prevails. This is not the way to conduct business between the world's largest trading partners. There must be a better way. We must change the rules in order to stop the harassment of U.S. interest groups against competitive and fairly traded Canadian exports.

• (1540)

We have worked closely with the provinces, industry, and labour throughout this investigation. Early next week we will be meeting to review in detail the basis on which Secretary Baldrige has reversed his earlier decision and to plan our strategy for the next phase of this investigation.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I thank the Minister for making a prompt statement to the House. On behalf of, I expect, everyone on both sides of the Chamber, I say that this is a sad and tragic day for the Canadian economy, particularly for the forest industry which is a supplier of so many jobs.

[*Translation*]

The consequences are many and far-reaching. In the short term, this will create instability in the forestry industry, the existence of smaller businesses will be threatened and consumers and industry will have to absorb substantial costs.

[*English*]

There is an old saying—I told you so. Last spring when the Prime Minister (Mr. Mulroney) rose and said that there was a clean launch and that there were no attachments to his grand design for free trade negotiations, we said that there was a price to be paid. Today we know what the price is.

Some Hon. Members: Oh, oh!

Mr. Axworthy: It is 15 per cent on our forest products. It is a $600 million additional cost to the Canadian industry. That is the price this Government is forcing Canadian industry to pay.

Miss Carney: This Government?

Mr. Axworthy: There was no clean launch. The fix was in at that time, and now we know what is the cost to Canadians. There is no way that the Government can evade that responsibility. That is the cost we have to pay and the bill is now being put on the table. The bungling or mismanagement of trade negotiations which we have seen in the last several months is deplorable. The Government cannot manage its way out of this Chamber, let alone into difficult negotiations with the United States.

It is incredible to think that now the Minister will say "we will fight in every avenue" when only three weeks ago she was prepared to surrender and to try to make a deal which would have provided even more serious consequences for the Canadian industry. It is no wonder that they made a decision when we telegraphed a message weeks ago that we were not prepared to give in. It is no wonder that our case before that tribunal was compromised. The Canadian Government was already backtracking for days and weeks and saying: "Please accept it; we will try to work something out". If it is a quasi-judicial process, as the Secretary of State for External Affairs (Mr. Clark) said last spring, why did the Minister change her mind and change the position of the Government and thereby weaken our position?

The fact of the matter is that this decision goes far beyond the implication of immediate cost. That is bad enough. There is no doubt that the addition of a 15 per cent import duty is a very severe blow. As a spokesman for the industry said in a recent report, 20 per cent would be a disaster. I can say that 15 per cent is just short of a disaster. It will have a crippling effect upon the economic capacity of the industry. However, far more important, the United States is now establishing a very dangerous principle of international trade. It is saying that it now has the right to determine the prices of natural resources in other countries. That is contrary to every international rule of trade, that is contrary to the spirit of the Quebec

Summit meeting, and that is contrary to every rule we have followed in dealing with that country.

Unless the Government is prepared, at least for once, to stand up to the United States and say very clearly that it can go no further, that kind of precedent will be used on sulphur, potash, and other lumber products, to the point where our natural resource industries will be threatened across the board. Lumber is just the beginning. The Americans know that they have us on the run on this one because the Government has caved in so often in the past.

The initial statement and initial reaction by the Government and by all Canadians must be that we will not accept this decision, that we will not only fight them in their own courts but take it to the international body—

Some Hon. Members: We have already done it.

Mr. Axworthy: —which they have undermined and weakened up to now. They have undermined the international process. They have undermined our position in GATT by temporizing and compromising up to this point in time. However we must continue that fight. Furthermore, before any further decision, we request at this point in time a proper and full debate in the House so that we know exactly what the Government will do, so that it will not make decisions behind closed doors, so that all Canadians and all members of this Chamber will have an opportunity to say what our trade policy should be.

Some Hon. Members: Hear, hear!

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, there are perhaps 20,000 jobs across the country threatened by this decision. That threat hurts people, communities, the future of small businesses, and the whole fabric of society, especially in British Columbia.

[*Translation*]

It is a decision that is very problematic for the entire country. It is problematic for Quebec, for Ontario and for the other provinces.

[*English*]

I have to say that it is something which I personally feared very much when the decision came from the Senate finance committee last spring. Hon. Members may remember that I predicted at that time that the first price we would pay would be a cost on our lumber in the order of 15 per cent to 20 per cent. Fortunately it is 15 per cent, not 20 per cent. As the Minister said, this is a preliminary decision. Unfortunately with preliminary decisions, they can go up as well as go down.

I think the entire House feels a sense of regret, of unhappiness, and of having been badly used by the process in the United States. That process does not even permit lumber producers in the United States to have the subsidies they receive assessed against any subsidies which they claim we receive. I think I speak for the House when I say that that process is simply unacceptable. In respect of the Government's own approach to the issue, I must say that we have had a series of missteps, a series of mistakes, a series of ridiculous turnarounds which have badly damaged our case up to now and which I fear will badly damage our case in the future. For instance, we finally heard the statement from the Minister today that we would fight this all the way and that stumpage does not provide a subsidy to Canadian lumber producers, coming just two weeks after the same Minister in fact took a public position which completely undermined our position in respect of the very points she is now making.

• (1550)

We have to look as well at this bizarre, ridiculous attempt to justify the U.S. free trade talks on the basis of yet one more disaster into which these trade talks have led us. We were promised in the special committee that the free trade talks would keep us secure from American retaliation. In fact, since then we have been attacked on issue after issue, whether it be fish, shakes and shingles, lumber, possibly potash, brass or possibly steel. This has happened since September when the Prime Minister (Mr. Mulroney) said he was going to take us into free trade, and that was going to be our protection. Instead we have been hammered again and again. That hammering has today reached the final stage with this heavy 15 cent tariff on our lumber.

My last point is to say that the Minister should surely, as her office was suggesting earlier this week, have come to the House today with suggestions of what the Government intended to do about it. Instead the Government intends to sit and to talk, a final ignominy, of which I think this Government should be ashamed.

The Acting Speaker (Mr. Paproski): I regret to advise that the Hon. Member's time has expired. Am I to assume that the 14 minutes will not be tacked on this evening and we will just carry on with Orders of the Day? Is there unanimous consent for that to occur?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-11, an Act to amend the Income Tax Act, be read the second time and referred to a legislative committee.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it seems, I suppose in some small measure that rather than a diversion we have had a statement by the Minister for International Trade (Miss Carney), which has come not as a shock to a lot of us,

but it has certainly taken our minds off the main issue for discussion today, the issue of the child tax credit. I would like to take a few moments to address some of the Government's arguments in trying to move this Bill quickly through the House.

We have heard a number of government speakers on the issue of the child tax credit say that it is important for us to move very quickly because we are getting money into the hands of those people who need it most, those with an income of $15,000 a year or less. On the surface we in the Opposition definitely agree with that position. We agree that any move that can appease the level of poverty facing people and those families living on and earning $15,000 a year or less should be taken. But in the process I do not think we should be hoodwinked. I do not think we should be bamboozled by a Government which on the one hand giveth and on the other hand taketh away. It is giving in the form of a refundable tax credit, not the full amount of the child tax credit but merely a portion thereof. We will be introducing some amendments that will address certain inequities.

While the Government is saying to the poor people: "We are going to give you an immediate child tax credit rebate of $300 before you actually have to file your income tax return", it is wreaking havoc in the pocket-books of poor and middle-income Canadians because of its tax grabs. According to the Canadian Council of Welfare, for the first time this year we will see people in the $15,000 income group paying taxes. That tax burden will increase over the next four years as we see the effect of the Wilson Budget on low-income Canadians in particular. Only six years ago, in 1980, a two-earner couple with two children living at the poverty line were paying just under $1,000 in tax. That was already too much, but they were paying $1,000. From 1984, that tax load, which was under $1,000 in 1980, was increased to reach $1,600 in 1986. By the year 1990 a two-earner family living at the poverty line will be paying almost $2,000 in tax, amounting to an increase in tax of over 70 per cent in only one decade.

I do not think the Government can take much solace from the fact that today it is asking all Members of Parliament to pass the child tax credit bill which will put $300 quickly into the hands of families, which we support, when at the same time the same Government which is preaching equality, self-sufficiency and talking about getting people out of poverty will be taxing people at the poverty level almost $2,000 by the year 1990. The situation is equally dismal for the family earning about $20,000.

Those of us who have constituents in our ridings will know that for a family in 1986-87, $20,000 in annual family income is not a large amount. Those families are struggling to make ends meet. The family living at the poverty line will pay over 70 per cent more taxes in 1990 than in 1980. The family that earned $20,000 in 1980 will be paying 40 per cent more taxes over the next decade and the family that earned $30,000 will be paying 25 per cent more in income tax. The moot point and the point this Government has failed to address is that a family earning $50,000 will be paying only 17 per cent more in taxes. A family, however, that earns $80,000, which can best be described as living in the lap of luxury, will pay only 7 per cent more in taxes.

What has gone wrong with the system which says to a family living at the poverty level that its tax burden will go up by 70 per cent while it tells a family earning $80,000 that its tax burden will rise by only 7 per cent? Is this the equity which the Minister of Finance (Mr. Wilson) was talking about when he said he wanted to re-establish tax reform? Is this the kind of equity that the Government has been talking about in Throne Speeches in which it says the child tax credit is a great progressive measure and that this Bill should be passed? Of course this Bill should be passed, Mr. Speaker. This Bill is a good piece of legislation, but it does not go far enough. There are a number of shortcomings and I would like to take a few moments to outline those shortcomings.

[*Translation*]

About the $15,000 level, Mr. Speaker, in 1986, a family with an income of $15,000 and living in Toronto or Montreal is already $5,000 or $6,000 below the poverty line. I am thinking of a Liberal amendment that would raise the cutoff point for the child tax credit to $22,000 or $23,000. This would be acceptable, because if, for instance, the cutoff point is raised to $23,000 as we in the Liberal Party are suggesting, at least we will be taking in everyone living below the poverty line in Canada. If the $15,000 is maintained, there are still thousands of single-parent families, and thousands of families with two parents who both work, that cannot live on an income of $15,000 to $23,000. Mr. Speaker, that is why one of our amendments proposes to raise the cutoff point for the child tax credit from $15,000 to $23,000.

Another problem, Mr. Speaker, and Canadians who receive the child tax credit know, they know that if they have no other income, the tax credit this year will be about $454. This means that Canadians without sufficient income from other sources will receive a cheque for $454 for each child.

In the Bill, the Government proposes to give an advance payment of $300 to each family, per child, which leaves $154 to be given when income tax returns are filed.

Mr. Speaker, instead of leaving it up to the Department of National Revenue to pay the difference, the $154 to these families, in other words, instead of bringing in legislation to provide for advance payment of $300 this year, why not give the whole $454, and say: You are entitled to advance payment of the full child tax credit, and should changes be required, they can be made subsequently.

Mr. Speaker, what happens with this kind of Bill is that it adds to the bureaucratic process which has to produce two cheques instead of one, while single-parent families and poor families have to apply for the $154 that should have been included with the first cheque.

• (1600)

[*English*]

We are proposing a number of serious amendments which we believe would improve this Bill. One amendment is that, in order to be fair to all Canadians living below the poverty line, all families with an income below $23,500 should be covered under this Bill. As Members of Parliament we know there are many families scraping to make ends meet on incomes which fall in that grey area between $15,000 and $23,500. That is one of our amendments and it is a good and supportable amendment.

The second amendment deals with the bureaucracy involved. The Government came to power suggesting that it was going to clean up a bureaucratic mess. Most of the families covered under this Bill, those with $15,000 or less in annual income, will be eligible for the full tax credit of $454. Why has the Government decided to send out one cheque for $300 and then another cheque for $154 when the appropriate papers are filled out? This doubles the bureaucratic paperwork. It would be far easier to say to these people, we know you need the money before Christmas, we know you do not want to be taken advantage of by tax discounters, so we will send you the full amount of $454 before Christmas. Those families with incomes above the level of $15,000 or $23,500 can apply in the normal way. To do otherwise is to duplicate the bureaucratic effort.

As well, the provisions covering an overpayment are extremely complicated, as you know. If by accident the Government sends Mrs. Jane Doe a cheque for $300 and she was only eligible for $200, then after Christmas, when she has spent the money on presents or winter clothes or necessities for her children, or even food for the table, she is going to hear a knock on the door from the taxman who will say we sent you $300 but it was an accident. We were only supposed to send you $200. Could you please give us $100 plus interest. All Hon. Members who work in their constituency offices will know what getting an unexpected bill for $100 means to a family with an income of $15,000 a year or less. What does it mean to a Member of Parliament to get a bill for $100? I do not think it is going to send us to bankruptcy court. However, when a family trying to support a couple of kids, perhaps a single-parent family, gets a bill for $100, money they have already spent, they are going to be put in a very difficult position.

We also suggest that no interest should be charged on overpayments, but we could simplify matters by simply sending out the $454 in total. However, we are very concerned about the overpayments which will put poor families in a very difficult position, and we think that only the excess should be recovered and it should not be subject to interest.

As I mentioned before, we do support the motion, but we feel the $300 payment is not sufficient, it should be $454. The ceiling for eligiblity should be raised from $15,000 to $23,500, to better reflect the reality of Canadians living in poverty. However, I do not think we can agree with the Government's premise, as we have heard in speech after speech after speech in the House, that it is somehow knocking itself out to help poor and needy families. Frankly, this is a pittance, a crumb; a very shallow measure in the fight against poverty. That is particularly so when you consider the figures of the National Council on Welfare which outline the increasing tax burden on families, the working poor, and those families earning less than $30,000 a year. All the tax measures introduced by the Conservative Party since 1984 show that families with two children earning only $15,000 are going to be paying $355 more in taxes. We have Santa Claus Mulroney and his friends dropping $300 in the basket of the poor and needy in November of this year, but when the taxman cometh next April, that same family is going to have to pay $355 more in taxes which leaves them with a net loss of $55.

Our figures show that the percentage tax increase for families earning $15,000 is the same as for families with two children earning $100,000. The Government talks about sharing the tax burden fairly, so I ask is that fair? I think all Canadians would agree that when it comes time to increase taxes, those increases should be paid by those who can most afford to pay, not those who can least afford to pay.

One of the things which has made us unique as a society is that all political parties have the philosophy of helping those who are least able to help themselves. Unfortunately, the reality of Conservative policy is reflected, on the one hand, in the giving of the $300 child tax credit, which is laudable and should be appreciated, but on the other hand taking $355 away this year alone in tax increases. As well, that increase is cumulative and over the next four years that same family will experience a tax increase involving hundreds, if not thousands, of dollars.

We should also be aware of one other issue. I am not sure how much time I have left to address that, in that we have had such a long break—I am losing my voice, heaven forbid. In any case, I think what prompted the Government to introduce this legislation in the first place was our desire to prevent the gouging which often occurs when people with very modest incomes need money for the purchase of winter clothes or major appliances and they end up going to a tax discounter. As we know, that service will cost them 15 per cent of the first $300 and 5 per cent on anything over $300. I think the facts will bear out that most people who use tax discounters are classified as either working poor or people of very modest means. In 1985 half a million Canadians who sold their child tax credits to tax discounters had incomes of less than $8,000. It is quite clear that the tax discount business has been directed toward those people who are least likely to be in a position to come up with ready cash flow. According to government estimators, discounters received over $20 million in child tax credits in 1984 and they kept more than $41 million of the 1984 tax refunds in general.

• (1610)

One way of dealing with the issue is by giving part or all of the money in advance, as is being suggested in this legislation. There is another method which I think we should look at for the longer term, that is to specifically prohibit the sale of child tax credit returns to discounting companies. We have done that with old age pension cheques and family allowances because we do not think that poor people should be penalized by 15 per cent or 5 per cent on money which should be going to them alone. The Government does not pay these benefits to make the coffers of tax discounters swell by $20 million or $40 million, depending upon which figures you use.

One way of dealing with the problem of tax discounting would be for the Government to introduce specific legislation to prohibit the sale of child tax credit refund applications to tax discounters. This is one way of dealing with the problem. I urge all Hon. Members to consider, as a bare minimum, the two Liberal amendments. One deals with increasing the ceiling of eligibility from $15,000 to $23,500 in order to keep pace with the level of poverty in Canada. The second amendment says that the people receiving the tax benefit should not receive only the $300, which is only a portion of the tax credit, but should get the full amount. The $454 should be mailed out to them before this Christmas so they can get the paperwork over with and do not have to worry about the bureaucracy. That would simplify it. It is a better system and I think it is supportable. As I know how much the Conservatives talk about the simplification of the tax system, I urge them to support this amendment.

Mr. James: Mr. Speaker, I am very concerned about the statements which this speaker just made. I think she was attempting to cause concern for the very people who are going to benefit by $300 per child by mentioning that there will be interest charged. There certainly will not be interest charged on those funds unless income tax returns are filed late next year. The point which she raised causes concern, and I want to ensure that it is clear on the record that that is not the case. I cannot help but think that it is talking out of both sides of one's mouth to say that some people may be overpaid. I suppose that could happen in some cases, but I am sure that if you asked the people whether they would want to receive those moneys with the possibility of having to send some back if their income increases dramatically from the previous year they would opt for the provisions of this Bill.

The previous speaker also spoke of prepayment. I do not recall that the past Government initiated a prepayment proposal. I think the Hon. Member has sincere concern for the poor people of our country. However, I do not think she should be causing them concern. They could very well use the $300, $600, $900 or $1200 in November for snowsuits or Christmas. I hope she does not mean to take away from this very important development in Canadian history. The Government, hopefully with the support of the Opposition, wants to put money in the hands of the people who need it most in our country today.

Ms. Copps: Mr. Speaker, I am sorry if the Member for Sarnia—Lambton (Mr. James) misunderstood my comments. I think I specifically referred to the fact that, according to the legislation as it is currently tabled, if an overpayment was assessed the full amount of it plus interest would be charged back to the family from the date that the overpayment was received. One of the amendments proposed by the Liberal Party suggests that if there is an overpayment through a change of circumstances, or simply an administrative foul-up, the amount to be repaid should be restricted to the amount of the overpayment and that any interest to be charged should be calculated only 60 days following the receipt of the notice of overpayment.

I do not want Canadian women to be in a situation next April of receiving a notice from the tax department that they accidentally received $300 extra which they have to repay and that they are being charged interest on the amount of the overpayment retroactive to the date of receipt of the money they have already spent, not knowing that it was an overpayment. That is the intent of the Liberal amendment. I think it is quite clear and I hope the Member will support it.

With regard to the historic step which the Member mentioned, I will only say that for the $300 which will be paid out in advance to poorer taxpayers this year the Government will collect about $354 through the tax system, so they are still in a net loss position of $54.

[*Translation*]

Mrs. Bertrand: Mr. Speaker, I listened very closely to the argumentation of the Hon. Member for Hamilton East who, I am sure, is genuinely interested in the well-being of destitute families in her riding, just as are all Members of the House.

Still I noticed a certain inconsistency in her presentation. On one hand she does not seem to be overly enthusiastic about this outstanding piece of legislation we have introduced, on the other hand she blames discounters for taking advantage of the situation in the past.

That is precisely what we seek to avoid through Bill C-11. The fact is that those families which are in dire need of their money at a certain time of the year are forced to deal with discounters.

Now then, why does your Party blame us today, and why in those days—you were not here, but the others were—did the Liberal Party fail to take that step, namely pass legislation as we did with Bill C-83 to set a ceiling on the interest which discounters are allowed to charge and, at the same time, give such advance payments to families as advocated in Bill C-11?

Ms. Copps: Mr. Speaker, I think I did say at the outset that it was a good Bill, that I agreed with it, and that I would support it. I said so in the House. I said that the Bill as drafted might be amended, for instance to provide for a payment of $454 instead of $300, which would still not be the total tax credit. Other changes might include raising the ceiling for people eligible for payments, families with an income ranging from $15,000 to $23,000. Such adjustments would improve this measure which is good to begin with.

The Bill as drafted is good. One thing I should like to point out to the House and to all Canadians is that at the same time as we introduce this good Bill which will allow Canadian families to get $300, the taxman will recoup $354. It is said in the Bible that what the right hand gives the left hand takes away. You represent the right hand, you give $300 to families, but your tax department and Mr. Wilson represent the left hand. Unfortunately, they are the ones who will take away the $354.

• (1620)

[*English*]

Mrs. Collins: Mr. Speaker, I wanted to clarify something to which the Hon. Member alluded that caused me some concern. She seemed to imply that if there was an overpayment because the mother or family had earned more than $15,000, the family would have to repay that amount with interest. She talked about people knocking on doors and I want to assure her that that is not the case. People will not be knocking on doors. In fact, if there should be an overpayment there would be no interest charged until after April 30 of the following year.

When people file their income tax and find that they have earned over that amount, they would have to send it back, but there would be no interest charged unless they were late in filing the income tax return itself. I believe it is important to make that point, because we certainly do not want people to be fearful that if the amount they are receiving is not quite right they will have to pay it back plus interest. That certainly is not the case and I want to draw that to her attention.

Ms. Copps: Mr. Speaker, I think we could probably get some of the details from the Parliamentary Secretary. However, it is the impression of the Liberal Party that the interest which will be accruing will be from the date of the delivery of the cheque, as opposed to April.

There is another difficulty that may be considered. I remember filing my income tax return at the beginning of March. After yelling and screaming loud enough for my return, I finally received it in September of this year. If I had been a recipient of a child tax credit—although obviously I am in a position where I am not receiving a child tax credit—some months would have elapsed from the time at which I would have been responsible for repaying that amount, even though I had filed within the required time and the Government was just slow in processing the income tax return.

Mrs. Collins: I want to assure the Hon. Member that with the tremendous changes that have taken place in the last two years—

Ms. Copps: It was this year.

Mrs. Collins: —since the Government has come to power the Minister of National Revenue (Mr. MacKay) has made changes so that people are getting their income tax returns very quickly. I really do not think that it will be a problem at all.

Ms. Copps: Mr. Speaker, I have a very quick reply because I know that my time has lapsed. My nightmare with the Income Tax Department was this year. It related to the fiscal year 1985, so I think the Government can beat its breast quite a bit, but there are still many Canadians who must wait a long time to get their returns.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) have a short question?

Mr. Wilson (Swift Current—Maple Creek): I have a short question for the Hon. Member. I appreciate her view that this is basically a good Bill. I wonder about the purpose of the amendment she has suggested which would increase the threshold to $23,500. In fact, this means that all of those people who might potentially receive the child tax credit ought to receive the prepayment. By so doing, would this not complicate matters to the point where indeed the potential for overpayment and the problems of collection would be drastically increased? I do not think the concern is so much a matter of interest, but of getting the original money back. I can envisage that there would be many problems in collecting money where it has gone out perhaps erroneously or accidentally. Would the Hon. Member not reconsider that amendment, seeing that perhaps it might cause more problems than it is worth?

Ms. Copps: Mr. Speaker, the Hon. Member is no doubt aware that there is a partial tax credit that also goes to families with incomes between $23,500 and $31,600. While the Government has used $15,000 as an arbitrary cut-off point, the reason we feel it should be raised to $23,500 is that if one takes most norms for establishing poverty into consideration, including the Senate Report on Poverty, Statistics Canada and the various national indicators of poverty, $23,500 is the figure at which every Canadian family living in poverty will be entitled to the tax credit in advance. Those people living above the line of poverty but still receiving the tax credit will wait for the child tax credit income tax return in the normal course.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to Standing Order 66, it is my duty to inform the House that the questions to be raised tonight at the time of

adjournment are as follows: the Hon. Member for Lévis (Mr. Fontaine)—Agriculture—Creation of national marketing board for incubated eggs—Government position; the Hon. Member for Eglington—Lawrence (Mr. de Corneille)—Education—Post-secondary education—(a) Statement attributed to British Columbia Minister (b) Funding of student loan program.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-11, an Act to amend the Income Tax Act, be read the second time and referred to a legislative committee.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, it gives me pleasure to take part today in the debate on this excellent initiative to provide for the prepayment of the child tax credit to help low-income Canadians. This initiative is part of the changes made last year to the child benefit system.

Hon. Members will recall that, last year, to provide more assistance to low-income families, our Government undertook a restructuration of child benefits. First, we amended the indexing formula for family allowances. This measure, which came into effect in January 1986, provides that family allowances will be indexed only by the amount of the yearly increase in the Consumer Price Index which exceeds 3 per cent. Any increase over 3 per cent of the inflation rate is fully compensated by indexing.

I feel compelled to point out that, in spite of the scarcity of our resources, we have maintained the universal character of family allowances. We have also enhanced the child tax credit provided selectively to low-income families. For this year, the maximum child tax credit payable in the spring of 1987 will amount to $454 compared with $384 in 1985. This represents an increase of $70. The child tax credit will continue to increase by $35 both in 1987 and in 1988 to reach $524 per child in the 1988 fiscal year. On the other hand, the point at which the child tax credit begins to decrease has been brought down this year to a family income of $23,500 from the 1985 level of $26,330. This new ceiling will also be indexed annually on the basis of any increase in the Consumer Price Index over 3 per cent.

Finally, the exemption for dependent children will be reduced over three years beginning in 1987 to reach a level equivalent to family allowances in 1989.

Mr. Speaker, the initiatives I have just described will allow us not only to improve the equity of our child benefit system, but also to focus our resources better in this area. The May 1985 Budget increased the child tax credit and improved the position of low income families. The Budget of last February provides for the prepayment of the child tax credit and it is in this regard that this Bill innovates. Prepayment of the child tax credit will allow eligible families to shorten by several months the waiting period for receiving their money as well as avoid the need for them to go to the tax discounters. In 1986, the prepayment of child tax credit will amount to $300 per child and will be made in late November or early December to eligible people whose family income was $15,000 or less in 1985. The prepayment represents approximately two-thirds of the $454 maximum credit which otherwise would be payable only in early 1987, after the beneficiary has submitted his income tax return.

Mr. Speaker, I hope sincerely that through the co-operation of all Hon. Members, some 725,000 Canadian families will benefit from this prepayment. From now on, these families will no longer have to use the services of tax discounters who, more often than not, greatly abused these families' precarious financial situation.

Mr. Speaker, it is true that this program is directed only to the families whose income in 1985 amounted to $15,000 or less. The reason we have limited this program's eligibility stems from the fact that these very low-income families are more likely to use the services of tax discounters. Moreoever, because of the limited financial resources of the State, the Government must strive above all to improve the situation of the most needy in our society.

Mr. Speaker, I should like to emphasize that, contrary to what the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has stated on a few occasions, and also the Hon. Member for Hamilton East (Ms. Copps), the people who are not eligible to prepayment of the child tax credit are not penalized. As in the past, these people will get their child tax credit when filing their income tax return. I stress the fact, Mr. Speaker, that those people will not be subject to any reduction in the child tax credit they are entitled to, they will not be subject to any penalty.

I am also happy about another proposal contained in Bill C-11, which is to extend the child tax credit in respect of a child deceased in 1986 but who would have been eligible for family allowances in 1987, had he lived. Currently, no child tax credit is paid for the year in which the child has died. According to my information, some 3,000 families would benefit from that proposal.

Last week, Mr. Speaker, from October 6 to October 10, for the second year in a row the National Family Week was held. During that week dozens of organizations and agencies from all across Canada joined their efforts and pooled their ideas to make the public aware of the importance of the family cell in our Canadian society. Let me take this opportunity to commend Family Services Canada for that initiative.

While recalling a wide range of happy social events usually experienced by people who live together, such as births, birthdays, marriages, these social partners do not forget that there are other day to day events of a painful nature. Family life sometimes involves disappointments and sorrows, and difficulty to make ends meet. This Government, and especially our Prime Minister, are well aware of those facts, that is on the one hand the importance of the family in our society and the other hand our social commitment to them.

In his first Christmas message to the Canadian people, in December 1984, the Prime Minister said the following, and I quote:

> To me, the family is, and shall always remain, the primary source of unity in our society. It forms the basis for all the elements that bring us together, including national unity.
>
> However, as is the case for so many of the benefits we enjoy, we may be too inclined to take our family ties for granted and not be as aware as we should of the pressures to which they can be exposed. These pressures are a threat to the continued existence of the family unit as the foundation of our society.
>
> In recent years, governments have taken a number of measures, both legislative and otherwise, to try and attenuate the consequences of family break-up.
>
> However, the question arises whether we have directed as much energy and concern toward ensuring that the family unit remains the cornerstone of our society.

And last week, during the National Family Week, the Prime Minister said:

> The family is such an intimate part of our existence that sometimes we hardly realize how enormously it influences our lives.
>
> It is the crucible in which our most basic values are formed, a source of confidence and support that gives meaning to our existence.

Mr. Speaker, at a time when demographers, social workers and parents are thinking about problems such as the falling birthrate, the structure of our tax system, poverty, broken relationships and unemployment, it is imperative that the Government play a major role in helping to remedy the situation. However, that does not mean society as a whole can afford to shirk its responsibility.

I felt these comments were particularly apt, considering the Bill before the House today, a measure designed to provide some financial remedy to our neediest families. They are the ones that need help first of all, and that is indeed the purpose of this legislation. Too often, as past experience has shown, parents who were short of money or wanted to be able to make some major purchase would rush to the tax discounter, to get their cheques in advance. Now, 725,000 families in Canada will receive their advance payments around the end of November or the beginning of December, without having to pay the exorbitant interest they were charged in the past.

Mr. Speaker, in concluding I would like to say again how delighted I am that the 725,000 Canadian families who are to benefit under this legislation will include some 1,400 families in my riding who will be able to take advantage of Bill C-11, a positive step towards re-structuring our social policies.

Mr. John Parry (Kenora—Rainy River): First of all, Mr. Speaker, I want to congratulate the Government for its decision to allow families who have lost a child to receive the child tax credit for the year during which the child died.

I should like to ask the Parliamentary Secretary whether her Department has forecasts about the amount of tax credit discounting reduction which will occur thanks to the prepayment amendment.

Mrs. Bertrand: I have not checked yet, Mr. Speaker, but I could do so within the next few minutes and reply to my hon. friend in a little while. But something is sure, and it is that tax discounters were asking a 15 per cent interest on the amount borrowed, which was enormous for low-income families.

• (1630)

[*English*]

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, it is a privilege to rise and comment on Bill C-11. It is an exceptional Bill and certainly indicates the direction in which the Government is going in tax reform, which is something all our constituents, indeed all Canadians are looking forward to.

As outlined in the Speech from the Throne, fairness will be one of the guiding principles in all reform we make in taxation. This has to be considered as very fair. From the comments made by Opposition Members today and yesterday I am sure they also believe it is very fair and that it is a measure which all Canadians will welcome. Low-income earners in Canada deserve assistance and this is one way the Government can provide that assistance and at the same time correct inequity in our tax system. Consistent with the reform of the tax system involving lower personal tax rates, this is another measure which will be effective. Changes in the tax system of the United States have made it mandatory for us to rely less on personal income tax and look toward other areas of corporate income tax and sales tax to bring in revenues.

• (1640)

The child tax credit is very timely. The payment will come before Christmas at a time when families will require the money most.

Some 1.3 million children will be affected by this new Bill. The $300 per child will be very useful for people with lower incomes and will assist them at a time when requirements for money for clothing will be the greatest.

I have already received some calls from my constituents indicating that they are very supportive of what we are doing. Of course, they look forward to receiving that cheque in November. I am sure as all Canadians become aware of this legislation, they too will be anticipating that cheque in the mail which will assist them in the shopping they normally do at that time of the year.

The elimination of the need for tax discounting services is also very positive. Many people were losing a substantial portion of their tax refund and, of course, the requirement for the services of a tax discounter will now be not nearly so great as it was in the past.

This Bill is just the beginning. There will be more tax reform legislation which the House will be reviewing in the upcoming months. The Finance Committee will have a very

busy year. We not only anticipate a large number of Bills from the Department of Finance, we anticipate a very busy year as tax reform becomes much more of a concern for us.

Tax reform in the United States has had a considerable impact on the American personal income tax system and we must continue to remain competitive with the United States, our very close neighbour. Workers have a certain amount of mobility in that they are able to move back and forth between Canada and the United States. Particularly for those at higher income levels, a great imbalance in the tax system might sway professionals and highly paid people to move to areas with lower personal income taxes. The Finance Committee looks forward to dealing with this problem in much more detail.

In the spring we looked at tax expenditures, a fairly complex area. We found that many of the tax expenditures did serve a good purpose but at the same time added to the complexity of the Income Tax Act.

As we strive toward fairness in the tax system, unfortunately we create a more difficult tax Act. At the present time, the tax act is so difficult that very few people can actually understand it in its entirety. As we move along with tax reform, we will look not only at fairness but hopefully at ending up with a much simpler, less complicated and less involved Act, with less need for tax advisers, tax discounters and many of the people who make a living off the complexity of the tax Act. Perhaps these people will be better employed in more productive areas.

I mentioned earlier the importance of the reform of the personal income tax system in the United States. This is something we have to monitor and study carefully, because many of the initiatives that have been taken there will have to be considered here. One area where the Americans found substantial revenue was in the area of tax expenditures. They eliminated quite a few things with which we may have problems in Canada.

Fairly soon the Auditor General will be bringing out his report. It is expected that he will have comments to make on tax expenditures, comments which could prove to be quite interesting to the Finance Committee, the Department of Finance and all those who will be reviewing the tax Act with the idea of a fairer, more useful tax system which will still provide for initiatives that will allow regional development and assistance for communities that have been provided initiatives through the tax Act.

There are many factors involved in reviewing a tax Act. We want to have something that is fairly simple and understood by a great many people. As well, we want a system which will work for all Canadians. I am quite pleased that this particular piece of legislation is very fair and targets those who need assistance most.

I am sure all Members of the House will join with the Government in supporting the Bill. I know that all Canadians who will be recipients of the $300 per child will be very thankful when they receive their cheques in November.

Mr. Caldwell: Mr. Speaker, I understand that the Hon. Member for Stormont—Dundas (Mr. Warner) represents a sizeable rural community. I wonder what effect he thinks this new tax change will have on the rural area he represents.

Mr. Warner: Mr. Speaker, I am sure it will be very well received in all the rural areas across Canada. At the present time, as the Hon. Member knows, many rural constituents have experienced considerable problems, particularly farmers who have been very badly hurt by the drop in commodity prices and the very difficult times they are now facing. They would certainly appreciate receiving that cheque at a very timely moment next November.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would like to congratulate my colleague, the Hon. Member for Stormont—Dundas (Mr. Warner), on his very excellent contribution to today's debate. The Hon. Member has listened, as I am sure have other Members to the debate today, and has heard comments by members of the Opposition along the lines that this is a good Bill and basically worthy of support, but that the Government should be doing more for those disadvantaged in our society. I am sure the Hon. Member shares our desire to be able to do more. Considering the kind of financial inheritance this Government received from its precedessors, I am wondering how the Hon. Member would propose to better assist the needy in this country without raising taxes or getting rid of programs. Does the Hon. Member have any ideas along those lines?

• (1650)

Mr. Warner: Thank you very much for the question. Yes, there is a way, and it is something that should be shared by all Members of this House, namely, the creation of new jobs. Fortunately, in Stormont—Dundas the small businesses and the employers have been able to create in excess of a thousand jobs in the last two years, and this trend continues. Traditionally and historically we have been an area of high unemployment. It is very gratifying to see companies locating in our area and continuing to locate in our area. What this Government has done in stabilizing our economy, in making efforts to deal with the deficit, and indicating to the international financial community that we have a stable economy and that we are going to deal with our deficit, has allowed us to have lower interest rates, which in turn has stimulated our business and industrial community, and created a considerable boom in home building in our area.

In dealing with our economic problems and problems facing the Government, job creation is one other area which we can all work at and deal with very successfully. I hope the trend will continue in my area and will spread throughout Canada into some of the areas that have been less fortunate than Stormont—Dundas.

The Acting Speaker (Mr. Paproski): Since there are no further questions or comments, I recognize the next speaker.

Mrs. Mary Collins (Capilano): As did my colleague, I would like to say how welcome this Bill will be in British Columbia. I would like to commend the Minister of State for Finance (Mr. Hockin) for introducing this measure so quickly in this new parliamentary session. This particular measure is certainly in accordance with the four pillars which form the basis of our Government's policy, particularly the one of promoting social justice.

When I had the opportunity of speaking in reply to the Speech from the Throne, I talked about the goal of this Government. We want to enlist all Canadians in the pursuit of this common goal of a modern, tolerant, and caring nation in which our citizens are secure and prosperous. The measure that we are discussing today, Bill C-11, is certainly an important step toward achieving that goal. It shows that we are a modern society, that we have the technology which enables us to send out these payments in advance. It shows that we are a caring nation, and that we certainly care about that part of our society which needs help the most and that we are going to make every effort to ensure that they are well looked after. Ultimately, we want our citizens to be secure and prosperous. As much as possible we want them to have the opportunity for employment. But certainly at the minimum we want to ensure in every way we can that we provide economic security. The prepayment of the child tax credit will certainly move a very large segment of our society toward a greater sense of security.

This legislation is one further step in helping those in our society most in need. The measure promised in the February Budget earlier this year puts money in the pockets of those who need it when they need it. It is such a simple concept I find it amazing that no one ever did it before. Perhaps they did not have the technology. But we have it now and we are going to use that technology to meet those needs.

As we have heard already, this measure will provide for the interim payment of $300 per child in November this year to those families who are eligible. It will be two-thirds of the total child tax credit which amounts to $454 for 1986. They will receive the $300 by cheque in the mail in November of this year.

As my hon. colleague from Scarborough Centre (Mrs. Browes) discussed earlier today, at this time of year with the onset of winter—I know as a mother of three children myself—we are aware of some of the costs that are associated with the onset of winter. The way kids grow these days, they need new winter boots, new winter coats, and there is Christmas. We all want to be able to do something special for our children around Christmas time. This payment will really be welcome because it coincides with a time of year when expenses are often a little higher than normal.

Canadian society is a dynamic society. It is also changing very rapidly. One way it is changing is in the family structure. Our challenge as a Government is to take into consideration these changes and to formulate social policy to respond to them and to help those who need it.

We are aware of the rising divorce rates, the sad fact of desertion, and the great number of single parents with a lot less support than that received by extended families which perhaps existed to a greater extent in our society in the past. As a result there is a growing number of single mothers who are single-handedly raising their children, often without any other kind of financial support. One of the very sad facts still in our Canadian society is that many of these families are poor. In fact, 42 per cent of families with a female head live below the poverty line. This legislation recognizes the plight of those low-income families and provides them with money at a time when it is needed the most. Seven hundred thousand recipients will be eligible for this prepayment. In my own Province of British Columbia we estimate there will be 67,000 families with a total of 119,300 children. That is a lot of children. The average prepayment of $535 will go a long way in helping them to meet their needs over the next few months.

One of the other facets of this Bill that has been discussed and I think it is very important given the discussion we had in this Chamber earlier this year, is that it is going to reduce the attractiveness of the services of the tax rebate discounters. Child tax credit recipients account for half the clientele of the tax rebate discounters. With the prepayment of $300 of the child tax credit in November, parents will no longer have to seek out tax rebaters to cash in on their forthcoming tax credits. That service has a cost. This innovative move will put money directly into the hands of a parent at the time when they need it. They will no longer have to wait for the money or pay a higher interest rate for the early use of this money. I should add that Bill C-11 complements our Government's tougher controls on tax discounters. What is important is that in addition to those tougher controls, we are going to do away with the need for a very large part of their services, particularly on the part of those we feel can least afford to pay for those services.

Another interesting aspect of this program is that it is in accordance with the Government's commitment to eliminate and reduce red tape. That was also part of our commitment in the Throne Speech. People do not have to apply for this payment, they will not have to fill out application forms, and we will not have to hire more people to process forms. This year it will be sent automatically and will be based upon the 1985 tax return. By paying out the child tax credit to families with incomes below $15,000, we are getting the money to those who need it in the fastest and most efficient way.

• (1700)

The advance payments will be made to the recipients of family allowances who in most cases are the mothers. A mother of three children who is eligible for prepayment will receive $300 per child for a total of $900.

There was a point raised earlier in the debate by an Hon. Member across the floor. I should like to point out again that obviously in some cases there will perhaps be some discrepancies between the amount of money a family might have earned

in 1985 and what they might earn in 1986. There may be some overpayments in some cases. They may receive the $300 and, based upon their income tax, they perhaps are not eligible for it. In that case, when they file their 1986 income tax return, in March or April of next year, they will have to deduct the overpayment. There will be no interest on the overpayment until the end of April of next year. If they file their income tax returns on time, in compliance with the law, there will be no interest payable. For the interest of Hon. Members opposite, I point out that that is based upon Section 164.1(3).

We cannot look at Bill C-11 in isolation. It is really part of a total package of programs we have put forward during the past two years and will put forward in the coming two years, to help those most in need, particularly women. I look back on the work we did in the Enforcement of Maintenance Act in conjunction with the Divorce Act. The House will recall that new measures were brought forward which created for the first time a national system to track down and try to ensure that a spouse who owed money on behalf of an estranged spouse or divorced spouse and dependent children paid that money. We all know of the horrible history of the past. I think up to 80 per cent of spouses were in default of maintenance and support payments. That measure will also help to ensure that many of these same families—and in most cases women lead these families—will have access to greater economic security.

Of course we are aware of the increases in the child tax credit. They will be increasing each year as well. Our commitment does not end with social programs. Hand in hand with these programs are policies which promote economic renewal. I am sure Hon. Members opposite will agree that an excellent way to ensure fairness and to break the cycle of poverty for low-income families is to provide them with meaningful job opportunities.

Since the election—and we have heard these figures often—595,000 jobs have been created, with 271,000 having been created in the past year. The unemployment rate in September was 9.5 per cent, compared with 11.7 per cent in September, 1984. More than 75 per cent of the jobs which have been created are full time. It is an impressive record. Since women are the bread-winners for a considerable portion of single-parent families, I believe it would be enlightening to provide the House with a breakdown of statistics which indicates the Government's record in respect of job creation for women. There are 328,000 more women working today than there were in 1984. The unemployment rate for women has fallen by 2.3 per cent since the election, from 12 per cent to 9.7 per cent. As a result of the economic policies pursued by the Government, there have been instances across the country where single mothers have been able to obtain meaningful employment and many other cases where mothers in two-parent families have been able to go to work to add to the family's income. This has had the effect of breaking the cycle of poverty for many Canadian families and has provided them with opportunities of which they could only have dreamed a few short years ago.

As well, under our job training programs, I know from my own experience in my riding of Capilano, some exciting and exhilarating results have occurred for women. I should like to cite one—a project carried out by North Shore Continuing Education under the Job Re-entry Program which is part of the Canadian Jobs Strategy Program. It involved a number of single women who were out of the workforce. Many of them were on social assistance, many of the women we will be targeting with the child tax credit prepayment. They had the opportunity of an 11-month period of training, partly in the class-room and partly on the job training with a variety of employers. I visited those women during the first week of the program, and again about half way through. I also had the honour of being invited to their graduation. A tremendous change had occurred in those few short months. Women whose outlook was of hopelessness, who saw themselves with no future, who had little sense of self-respect, had turned into women of spirit, high regard, and optimism. Almost all of them already had job offers at the time of graduation. I checked again recently and found that about 80 per cent are still in those first jobs and that many of them have even started their own businesses.

Those are the kinds of programs and commitments which the Government is undertaking. They are helping women from Capilano right across to Newfoundland. A tremendous change is occurring in the country.

The Government will continue to foster policies which will help with economic renewal, just as it will continue to implement policies that further social justice. We are looking forward to the report of the Special Committee on Child Care because its input will be important to Canadian women and Canadian families. We are a compassionate, caring Government. When we see an opportunity to improve one of our social programs so that it better addresses the needs of Canadians, we act on it.

In respect of Bill C-11, we are improving the delivery mechanism of the child tax credit so that money is put into the hands of Canadian parents at a time of the year when they need it most. I believe this is a measure which Hon. Members on both sides of the House will support and applaud. It will certainly have a tremendous impact upon 700,000 families in November of this year.

Some Hon. Members: Hear, hear!

Mr. Keeper: Mr. Speaker, I should like to ask a question of the Hon. Member who described her Government as being compassionate and concerned about low-income people. How can she square the action being taken by the Government in terms of the prepayment of child tax credits with the continuation of the $500,000 capital gains exemption which gives a tax gift to the very wealthiest people in the country? If the Government were to rescind that tax giveaway, could it not then increase benefits such as the child tax credit for people with low incomes? If the Government is really compassionate, why does it not take this further step?

• (1710)

Mrs. Collins: I am pleased to respond to the Hon. Member's comment. It concerns me somewhat that there has not been enough discussion about the measure on capital gains, introduced some time ago. I think it is totally consistent with the four pillars of our Government of economic renewal and social justice. I might just remind the Hon. Member that people talk about the measure being up to $500,000, meaning you have to be wealthy to take advantage of it. But this measure also applies to many middle, even lower-middle class people who have small investments and who buy a few shares in a company. If they get a little gain, they will be able to keep that gain tax free. The measure is certainly helping many people that I know in the middle-income level with a piece of property. They are encouraged to buy some property because they know they can get the benefit. This is the very measure that we feel is helping to create a positive environment for individuals to take risks and create wealth. It encourages investment, particularly in Canadian companies across the land. I just wish more Canadians would invest. I think the possibility that they can make a capital gain without it being taxed is just the kind of incentive they need. We need to talk about this more to encourage people to take advantage of the opportunity. What we are doing is providing opportunities for Canadians to participate in the growth and the wealth of Canada.

Mr. Parry: Mr. Speaker, I would ask the Hon. Member to take a longer term look at child benefits and compare them with the present measure which, as I and my Party have said, is one that we support. Will she compare the impact of this prepayment with the erosion to the real value of child benefits which will occur if the 3 per cent peg is kept in place, the peg which the Government has instituted?

Mrs. Collins: Mr. Speaker, as the Hon. Member knows, the amount of child tax benefits will be increasing each year. Given the excellent economic policies of the Government, we have also been able to keep inflation at a very low level, so there will be some growth, certainly in the benefit received by families, in the child tax payments which are planned over the coming years. There is a good sense of proportion there.

Mr. Cochrane: Mr. Speaker, I have just a comment or two on my colleague's statements, the Hon. Member for Capilano (Mrs. Collins). The thing that perhaps excites me the most is that this measure it takes away the unsavoury side we saw accompanying the child tax credit, namely, the tax rebate discounters. When families have a limited amount of money, and certainly these families do, it is encouraging to see the Government taking action which will keep as much of that money as possible in the hands of the recipients.

The Member's comments with regard to British Columbia would also apply to my constituents and other constituents throughout the Province of New Brunswick. We would have proportionately a larger number of people in that income group affected positively by the change. I want to echo the same comments from the East Coast that my friend has echoed from the West Coast, that this measure is beneficial to all Canadians.

I too have seen some of the effects of our caring Government and some of the positive effects of the Job Entry Program. Once again I would like to add to what the Hon. Member has said in that it has changed attitudes of people who have had the opportunity to take part in these courses. Personally I have gone to six graduations, and over 80 per cent of the graduates have found work in our communities as a result of the extra experience and work-related activities they have enjoyed through that program. It is not just a West Coast phenomena, the effect will be enjoyed by Canadians across the country. On behalf of my constituents I am most excited and enthusiastic about the initiative taken by the Government in Bill C-11.

Mr. Caldwell: Mr. Speaker, I would like to ask a very brief question of the Hon. Member for Capilano (Mrs. Collins). I know of her concern regarding women's and children's issues. I was pleased to hear her say that she felt this move by the Government would cut down on the number of tax discounters now in operation. Does she feel that tax discounters will be on their way out or will there simply be fewer in number? Is there any possible way that tax discounters could get hold of this money?

Mrs. Collins: They are not going to be able to get hold of this money, Mr. Speaker. This money will go in a cheque directly to the recipient delivered by Canada Post. There is no problem about that part. We looked at this issue of the future of tax discounters last year. We discussed whether they should be outlawed entirely, but we are a free society. If there is a demand for certain services, I am not sure we should be saying they are not allowed if people want to use that service and are prepared to pay for it. As the Member will recall, we have limited the rates they can charge so the rates cannot be usurious. I think Members will find, as I mentioned, that about 50 per cent of tax discounters' business in the past has been dealing with this child tax credit. Obviously that business will decline. Some may not stay in business at all. Many are also involved in helping to prepare income tax returns. Probably those that are well respected in their communities and are providing a service in some other areas will continue in business. Others may not be able to.

The Acting Speaker (Mr. Paproski): Are there any other questions or comments? Does the Hon. Member for Winnipeg North Centre (Mr. Keeper) have a question?

Mr. Keeper: No, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Debate. The Hon. Member for Winnipeg North Centre.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I was just curious as to whether the Chair preferred a question to a speech.

The Acting Speaker (Mr. Paproski): I always look forward to the Hon. Member's speech.

Some Hon. Members: Oh, oh!

Mr. Keeper: I welcome the opportunity to address this legislation. I must begin by saying that I think the notion of prepaying the child tax credit is worthwhile. I think it will have some beneficial impact and the Government deserves credit for taking the action that it is taking.

Some Hon. Members: Hear, hear!

Mr. Keeper: The problem with the action the Government is taking though is that it does not quite go far enough. While this prepayment of the child tax credit reduces the problem, it leaves in place the practice of tax discounters. I wonder why the Government wants to take this meliorated action to reduce the problem but does not go all the way. Why not eliminate the problem? Why not have a ban on tax discounters? Has the Government given serious consideration to that proposal?

Mrs. Sparrow: This is a democracy.

• (1720)

Mr. Keeper: I hear someone on my right saying that this is a democracy. I guess the implication is that if we do not allow poor people to be ripped off by large tax discounters we are somehow undermining the basic notions of democracy. I would point out that tax discounting is banned in the U.S. Surely members of the Conservative Party would not want to imply that the American system of government is anything but democratic.

I ask why the Government does not go all the way and simply ban tax discounting. I have to speculate that the reason has to do with the ideological commitments of the Conservative Party. The Conservatives are wedded to the notion of a free market and therefore find themselves unable to take effective action in this area. They are unable to bring themselves to say that tax discounting is immoral, wrong, a rip-off and should not be allowed, because tax discounters are private business people and the Conservatives are committed to the free market. That is a narrow point of view and a sad misapplication of Conservative philosophy.

I also have to believe that the Government has chosen to put in place a prepayment of the child tax credit rather than banning discounting because they were lobbied by the tax discounters. It is a lucrative business and these people have obviously been able to gain the ear of the Government. Certainly much more so than those who are concerned about the continued existence of tax discounting and the rip-off of the poor which it implies.

Perhaps some elaboration on just what exactly tax discounting is would be of assistance. Let us say that you file your income tax return and you expect a refund. Since it takes so long for Revenue Canada to process refunds, people in need of the money will go to a tax discounter and in effect sell their refund at a discount so they can get the cash in their hands right away. Two-thirds of those who use tax discounters have incomes of less than $8,000. Clearly it is those who live below the poverty line, the poorest in our society, who use discounters and are in turn exploited by them.

With specific reference to this legislation before us today, it is worth noting that the amount of money from child tax credits which has gone into the hands of tax discounters, rather than into the hands of the poor for which the money was originally intended and allocated by the taxpayers and Parliament, was in the order of $20 million. These companies are actually benefiting from the existence of poverty and the compassion of Canadians. Canadians, because they care for their fellow countrymen, have put in place policies to aid the poor. These tax discounters come in like wolves and ravage the poor.

My point is that while what the Government is doing today is worthwhile and deserving of credit, I really must question again why the Government did not go all the way and ban tax discounting. It is already banned in the United States, a country dedicated to the free enterprise system and headed by a man who is the darling of the private sector.

Another approach the Government might take to cut discounting would be to ensure an effective and timely administration of tax refunds. Why should it take months to receive a tax refund? If Revenue Canada were organized in an efficient way there would be no reason for people to use tax discounters.

We have this legislation before us not only because of tax discounters, but because we have a large number of poor people in Canada. It is before us because of the existence of poverty. While this measure will deal with one specific problem from which poor people suffer, I must say that I hope to see the Government do more for the poor, do more to see that their basic human needs are met, do more to reduce if not eradicate the existence of poverty in this wealthy land. I have heard statistics over the last few months which indicate that the gap between the rich and the poor is growing, that the number of people living in poverty is increasing. A great percentage of those who are poor are women. They are often single parents and have to stay home to look after the children. As a result of the loss of the other parent and the loss of income, they end up in poverty. If the Government were concerned about poverty, it would look at the situation in which poor single parents find themselves. The Government would see that it is possible to move people from poverty to a decent standard of living. Many of these women, given training, the opportunity for job experience and social support, could move from below the poverty line to a reasonable standard of living. This has been demonstrated through special training programs which offer the income support, counselling and social support people need to make a success of the training programs.

• (1730)

I call upon the Government to take significant action in the area of policy which affects poverty in the country. The Government should consider the notion of a guaranteed annual income. A guaranteed annual income assures people that they will have the income to meet their basic human needs of food, clothing and shelter. It also encourages people to work. A guaranteed annual income is structured in such a way that if you had a job and made some money you would not lose that income by having it deducted from your income support. You would be able to keep a significant portion of it. This gives people an incentive to work because the money they earn will not be deducted from their social support.

It is time that Canadian governments took a serious look at a guaranteed annual income. Perhaps as part of that re-examination we could find a new name for the policy. Guaranteed annual income has a ring that leaves some people with the impression that it just encourages people to be lazy, or that people do not have to contribute to society. Perhaps we need a new label for this policy.

Rather than bringing in piecemeal, band-aid measures, why does the Government not bring in a significant measure that would have a real impact on poverty? The other way in which the Government could have such an impact is through the pursuit of a full employment policy. One of the reasons we have increasing levels of poverty in the country is that there are more and more people unemployed. According to official statistics, over one million people in the country are unemployed. Such a high level of unemployment naturally leads to an increase in poverty and suffering.

We need a serious commitment by the Government to put in place a network of policies with employment its highest priority. All citizens should have the right and opportunity to work. All citizens need the opportunity to contribute to society and to have a reasonable income to meet their needs in order to enjoy life and be a part of our community. While I applaud the Government for having taken a worthwhile step today, I think the step should be seen in the larger context of the level of poverty in the country and the alternative measures which the Government could be undertaking in order to demonstrate to Canadians its compassion and concern about the disadvantaged and poor people.

Tax discounting raises an issue regarding the way in which our tax system is administered. We have created the child tax credit, a system of taxation which benefits poor people more than those who are affluent, which is a good social policy. Then along come some wolves who seek to take advantage of the social policies. While the child tax credit does benefit the poor and adds to the progressiveness of the income tax system, if you stand back and get a wider view of the situation the inequities stand out. Today we are trying to enforce some of the equitable aspects of our tax system. We are trying to salvage a good tax policy.

While the Government deserves some credit for taking a worthwhile step, we must ask why it did not go further.

[*Translation*]

In conclusion, Mr. Speaker, I want to say that the Government has done something good today. But if it really cares about poor people, I suggest it could do more. Other things must be done, and the measure we are dealing with today is good, but the gouvernment must do more.

[*English*]

Mr. Ravis: Mr. Speaker, I must first applaud the Member for Winnipeg North Centre (Mr. Keeper) for complimenting the Government on its move in Bill C-11. I join with him in that. I think it is a great piece of legislation. In particular, it demonstrates that the Government is not only fiscally responsible but also very compassionate. I say that because the NDP tends to think it has the exclusive right to compassion in the country. The Government, through this and many other pieces of legislation, is showing that it too cares about the people who are having a difficult time, whether they be single women or families with young children who, not necessarily through their own fault, need a helping hand. I recognize this need in my constituency of Saskatoon East; all of my Conservative colleagues recognize that need throughout the country. I think this is a good piece of legislation and the Member for Winnipeg North Centre certainly agrees with it.

The NDP is trying to grab a piece of the action on tax reform. The message to come down from the Minister of Finance (Mr. Wilson) very soon will demonstrate to that Party that this is a priority with the Conservative Government and that it will be taking the lead on that issue. These are things which the Liberals did not attempt in the last 20 years. There are new initiatives which can be taken in order to broaden the tax base and reach the people who are having difficulty in the country today.

Mr. Keeper: Mr. Speaker, I have never claimed that New Democrats have a patent on compassion. However, I believe that this Party seeks to speak out for fairness in Canadian society. I would claim as well that we have a history of speaking out in the interests of ordinary people. The Hon. Member indicates that his party is a compassionate party. I ask him why his compassionate party, in the last two Budgets, increased taxes for ordinary Canadian families by approximately $1,000? He talks about tax reform. We have been pushing for tax reform.

• (1740)

The Government mentioned in the Throne Speech that it would lower the rate of income tax. I would caution him that if on the one hand the Government moves to lower the rate of income tax, while on the other hand increases taxes by way of a hidden taxes, I will want to look at the bottom line to see whether taxes have gone down or have increased. I would hope that a compassionate party and a compassionate Government

would not, in the name of tax reform, end up increasing taxes even more for ordinary families in this country.

Mr. Ravis: Mr. Speaker, I want to make a supplementary comment. I know that we are not here to ask each other questions, but I want to make a statement concerning increased taxes, and it relates to that old expression we have heard a thousand times in the House and throughout the country, that there is no such thing as a free lunch. In other words, after one has given away so much, as the previous administration did over the last 12 to 15 years, there comes a time to face up to the debt. That is precisely what we are trying to do. I get very frustrated when members of the New Democratic Party fail to realize that perhaps it is necessary to face up to the debt, that we just cannot continue to send out blank cheques. Taxes are not raised because people get a kick out of raising taxes. They are raised because somebody has to meet the expenditure of the Government today, whether it is for social programs or economic programs. I am stating the obvious. I just have to say that I get a little tired of continually hearing about how the Government has raised taxes. I think somebody should be standing up to say that the Government finally had enough guts to face up to the issues in this country.

Mr. Keeper: Mr. Speaker, the Hon. Member mentioned that he and his party do not get a kick out of raising taxes. I am sure they did not get a kick out of raising taxes, but something they will get from it is the boot. Canadians will boot them out of office because they continue to raise taxes on ordinary families in this country.

The Acting Speaker (Mr. Paproski): Questions and comments have terminated. Debate.

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, this is my first opportunity to speak in the second session of this Parliament and I want to take the opportunity to congratulate you on your reappointment to your duties as the Deputy Chairman, as well as to congratulate you for a record that you and I hold. Each time I have spoken in the House you have been in the chair. I saw you rush back with wild anticipation to make sure that you did not break that record.

I also know that my good friend, the Hon. Member for Prince George—Bulkley Valley (Mr. McCuish), has been waiting patiently all day. The hour is getting late, so I am pleased to have this opportunity to speak in support of this Bill.

I sat on the Legislative Committee that dealt with the tax discounters legislation and had the opportunity to become interested in this Bill. The Government stated in the Throne Speech that it is committed to the preservation and reinforcement of the family institution. This Bill is part of that program, because bringing forward the child tax credit at this time will help to strengthen families and lessen economic problems in low-income families. In addition, it follows our theme that social justice demands that those in the greatest need should be helped the most. Both of those themes are being followed in this Bill. It is important that the Government has decided to put forward $300 per child for low-income families earning less than $15,000 a year.

When I was on the committee dealing with Bill C-83, the Consumers' Association of Canada made a presentation which clearly describes the impact this Bill will have on tax discounters. They state that the statistics reported in chart 5 of the consultation paper indicate that almost two-thirds of the discountees reported an annual income below $8,000, and that 84 per cent of the female discountees claimed a child tax credit. This Bill will eliminate the majority of these instances with tax discounters and will put the money into the pockets of the families in need. I have always believed that it is far greater to have the family bread-winner working than throwing his or her hands up in disgust and saying: "I am going to go on welfare". The approach we have taken with the child tax credit for those in need follows one of my beliefs.

I might say that when I was Minister of Community Services in the Province of Manitoba I had the opportunity to institute a program that follows the belief that we should keep the family together by having the bread-winner working rather than on social assistance. I introduced a program called the child-related income support payment that gives $30 a month per child to low-income families in Manitoba. That program has worked very well. I am pleased that the Government is following this approach to provide funding to those families in the greatest need.

What does Bill C-11 mean to Manitoba? When we consider that over 700,000 families will benefit from a payment of $300 per child in November, we are probably talking about 30,000 families in Manitoba who will benefit from this Bill. I represent a cosmopolitan type of riding, Winnipeg—St. James, with part of the riding in the core area of Winnipeg. I know that many low-income families will benefit from the Bill we are discussing today.

I also believe that the time of year we are providing this prepayment is important. While the weather may not be the same in Vancouver, those who live on the Prairies, in Newfoundland and other parts of Canada and experience extreme winters know the cost of providing clothes for children, particularly when they are growing rapidly at certain stages in life.

Another fact in Manitoba that probably increased the use of tax discounters in the past is that the auto insurance payment comes due in February. That is approximately the time when tax discounters would be approached under the old system to see if a family could borrow money to pay for the insurance, if they owned a car. Again, the time of this prepayment is very important.

I believe the Hon. Member for Winnipeg North Centre (Mr. Keeper) said that we should eliminate tax discounters. I can tell the Hon. Member that the changes in the tax discounters act has greatly affected the opportunity for people in that business to get access to this money from the child tax rebate system. We have changed that considerably so that a portion

of that money that would have gone to tax discounters will never be received by them. I compliment the Government for taking this approach in the Bill and for the timely manner in which it has done so.

I have heard it said, particularly by the New Democratic Party, that we should give more hand-outs and provide more social services. Unfortunately, those Hon. Members do not have to try to balance the books. Whether or not they are aware of it, right now when we pay personal income tax federally, $80 out of every $100 collected goes to pay just interest on the outstanding debt. If we did everything the NDP would like us to do, I am sure that in no time 100 per cent of our tax dollars, not 80 per cent, would go to pay the interest on the national debt. I think Hon. Members of the New Democratic Party should be reminded that money does not grow on trees. Governments do not have their own money. Governments get their money from businesses, through sales tax and from the people.

• (1750)

I would like to comment on the approach we have taken for economic renewal. I have always believed that if one wants to reinforce the family unit, the best way to do it is to have the father and mother working and bringing money into the house. There is then pride in the mother and father and that pride grows, builds the family unit and keeps them together. I think the approach we have taken to try and create jobs and economic growth is as important as the provision of services about which we are talking today. I believe the heads of families feel much more proud to be out working and receiving benefits from these other programs than receiving social assistance. I hope this Bill will be passed without delay so we can get this money into the hands of the low-income families in order that they can benefit from it this coming winter at Christmastime.

Mr. Caldwell: Mr. Speaker, I wonder if the Hon. Member for Winnipeg—St. James (Mr. Minaker) would correct some information I gathered from the previous speaker who indicated the unemployment situation in the Hon. Member's riding and in Canada was getting worse. In my area unemployment has dropped from somewhere around 11 per cent in 1984 to around 5 per cent. Are things getting worse in the Winnipeg area? Are our programs not working in the Hon. Member's area?

Mr. Minaker: Mr. Speaker, I think I am correct in saying that Manitoba, not just my particular riding, is one of the lowest in terms of unemployment in Canada. I believe unemployment dropped by .6 per cent this last month. So I believe our economic programs to create jobs are working very well in Manitoba. I cannot be precise about certain parts of my riding, but I would presume, because it is a cosmopolitan kind of riding, that if unemployment has dropped within the province it would have dropped within my riding as well. I am encouraged that what we are doing in trying to create jobs and pride, getting people to work with the tax incentives we have given small business, is working very well.

Mr. McKenzie: Mr. Speaker, I want to congratulate my colleague, the Hon. Member for Winnipeg—St. James (Mr. Minaker) for his excellent statistics. He is quite right in stating that the federal Government's job-creation plans for Manitoba have really paid off. They are worthwhile projects, not like the projects of the previous Government, paying people to learn karate in church basements and that sort of thing. I would like to point out that there are more jobs available in Canada today than there have ever been at any other time. One just has to look at any major newspaper to see pages and pages of help wanted advertisements. We know the Liberal Party when it was in government destroyed the work ethic in this country with the ridiculous unemployment insurance scheme it introduced in the early 1970s. We are taking positive action to deal with it. Our Minister of Employment and Immigration (Mr. Bouchard) has introduced the increased interview activity plan. From the information I have to date, 75,000 unemployed have been called in so far to find out why they are not taking jobs which are available. We have found jobs for 25,000 of them already. I understand that many of the people who are called in for the interviews are not showing up because they know we are calling them to find them a job.

I have written to the Minister of Employment and Immigration today asking him to have his UIC officials go to these missions which have soup kitchens and are feeding the unemployed and discuss with these people the reasons they cannot find a job. Perhaps we can assist them in that regard. I am not saying this is the case in every part of Canada. However, it certainly is the case in Ontario. In British Columbia which has a 15 per cent unemployment rate, it was interesting that they could not find enough census takers to do the recent census. They were being offered $7.50 an hour.

There is another serious problem in this country. The head of the Labour Congress in the Province of Alberta has told the unemployed not to take the jobs, to stay on unemployment insurance benefits or welfare. Is that not a great attitude to take?

The Government is taking positive action to try to restore the work ethic which was destroyed by the Liberal Party. We have a pretty good record to date. We will be interviewing a million persons across Canada and I am sure we will find work for a lot more Canadians in the future.

Mr. Parry: Mr. Speaker, I rise on a point of order. I would like to test your interpretation of the rule of relevance to discover what connection there is between the vicious verbal assaults on the unemployed we just heard and the terms of Bill C-11.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg—St. James (Mr. Minaker) has the floor.

Mr. Minaker: Mr. Speaker, I would like to thank my good friend and neighbour, the Hon. Member for Winnipeg-

Assiniboine (Mr. McKenzie), for his comments. I think what the Hon. Member was indicating is that there is work out there for the potential breadwinners of families which was not there before. The Hon. Member's comments link very closely to my remarks, that we must get the breadwinner working and bringing income in. If that income is not adequate, the Government and the taxpayers can help. If we can keep him or her working, we have a good thing going. I believe the Hon. Member for Winnipeg—Assiniboine was showing that there is potential for someone to go out and get a job as the breadwinner of the family.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

AGRICULTURE—CREATION OF NATIONAL MARKETING BOARD FOR INCUBATED EGGS—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, yesterday in this House I asked the Minister of Agriculture (Mr. Wise) for details on the official recognition of a national marketing board for incubated eggs.

I would like to bring forth additional information on that issue of major importance to Canadians in general and to people in my constituency in particular. I would like to remind the Minister how important it is that a decision be made soon by Cabinet, because what is involved is a very important proclamation, in view of the fact that the market is gradually desintegrating under the feet of our incubated egg producers. It must also be emphasized, Mr. Speaker, that producers of incubated eggs employ some 2,000 people here in Canada, either directly or indirectly.

This industry has a turnover of well over $100 million and, in addition, it provides the chick producers of Quebec with the eggs they require for their final production.

I feel I should also include details as to the status of that industry in Quebec, where some 30 per cent of all incubated eggs are produced.

Quebec producers get 80 per cent of their supplies from eggs incubated in Quebec. The industry is very seriously threatened by American competition, and I must stress that between 1983 and 1985 there have been alarming increases in the levels of American egg and chick imports. They have increased by 59 and 829 per cent respectively, going from 39.6 to 63.3 million eggs and from 2.1 to 19.8 million chicks. Those data, illustrating as they do the trend in our Canadian incubated egg production, is a very bad omen indeed, and it is urgent that we take steps to stop that trend. Our producers will find it increasingly hard to survive and hold their own on a competitive market where inequality and inadequate organization would prove very costly to Canadian producers. Canadian producers do not expect preferential treatment from the Government, they are simply asking for a specific measure which is consistent with the existing law, namely that their marketing board be duly acknowledged. They do not advocate the expenditure of public funds. The producers are seeking a formal structure so that they will be able to exercise self-discipline and avail themselves of existing provisions in Canadian law. They did not spare any effort and were in regular contact with the office of the Minister of Agriculture who, last August 13, brought the issue of incubated eggs to the attention of his Cabinet colleagues. Their decision was to refer the matter to the trade relations departmental sub-committee for an assessment of the impact which the creation of a new board might have on the Canada-U.S. bilateral discussions on freer trade. The producers are worried about possible delays and they would like the Government and the Department of Agriculture to set a deadline in the near future just so they can be sure their marketing board will become operative. It is in that sense that I urge the Minister of Agriculture to intervene and establish the marketing board. I am asking this because it is important to Canadian producers, including those in Quebec, Mr. Speaker, first because it means a lot to most incubated egg producers in my riding, and a large number of industries are related to chicken farming, egg production, and so on. I hope that the Minister of Agriculture will be able to provide an appropriate answer and I know that he will be well represented in this House by his new Parliamentary Secretary, the Hon. Member for Champlain (Mr. Champagne), whom I wish to congratulate on his appointment as Parliamentary Secretary to the Minister of Agriculture, which appointment he certainly owes to his active interest in the fields of agriculture and wheat transport in relation with the Crow rate. Today, the Hon. Member for Champlain has an opportunity to assert officially his desire to help Quebec producers.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first, I want to say that it is a pleasure to see our Quebec colleagues, such as the Hon. Member for Lévis (Mr. Fontaine), take an active interest in agriculture, particularly as concerns an issue which has been the subject of special attention these last few months and weeks.

First, I would like to remind the Hon. Member that the Farm Products Marketing Agencies Act allows for the establishment of an agency when there is a certainty that the majority of producers of a farm product or of each farm product in Canada are in favour of creating such an agency.

As you are aware, Mr. Speaker, in recent years, the Canadian Association of Egg Producers has worked to establish the provincial organizations required to create a national supply management agency.

Mr. Speaker, what I would like to impress upon the Hon. Member for Lévis is that in 1976, and to quote from the

answer given yesterday by the Minister of Agriculture (Mr. Wise) to the question raised by the Hon. Member in this House:

> However, let me indicate to the Hon. Member that it has been the position of this Party since 1976, is the position of this Party today, and will remain its position, that the producers themselves will determine what system of marketing best suits their own needs.

I think the position of the Minister of Agriculture on that matter is direct, clear, and unequivocal. Clearly, Mr. Speaker, when reference is made to putting in place a system as imposing as the one now being proposed, it involves discussions and negotiations, and of course when the matter comes before Cabinet, the latter must consider some of the recommendations and look at the situation as it exists in that industry.

This is why I am telling all incubated egg producers in Quebec and Canada—and I referred to Quebec because my colleague for Lévis raised the issue, knowing full well that the Vice President of the Canadian Incubated Egg Association comes from his constituency— what I would like to emphasize to the Hon. Member is that the matter is proceeding. And the matter is proceeding because it has come before Cabinet, and since a Cabinet decision is to be taken in the coming days or weeks, it is my view that the Hon. Member for Lévis can tell his constituents that the matter is proceeding and going forward and that, as stated by the Minister of Agriculture, we will provide the majority of egg producers with the marketing boards, the systems of marketing they will want to have established.

• (1805)

[*English*]

EDUCATION—POST-SECONDARY EDUCATION—STATEMENT ATTRIBUTED TO BRITISH COLUMBIA MINISTER (B) FUNDING OF STUDENT LOAN PROGRAM

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, on Friday last, October 10, I asked the Prime Minister (Mr. Mulroney) what the Government is going to do about the appalling situation many young people are facing in getting post-secondary education. I called to his attention the fact that the Minister of Education for British Columbia had the audacity to advise young people that they should "re-examine their priorities and consider putting off their post-secondary education if they are unable to afford it".

I asked the Prime Minister what he will do about this tragic situation. Specifically, I asked if he would end the freeze on the level of student loans which, because of inflation, jeopardizes the future of students who do not come from wealthy families. The Prime Minister did not answer that question. In fact, I suggest he did not give the reply that it deserves. What he did volunteer was that his Government is committed to investing in the youth of our country, evidenced, he said, by the increase of some $25 billion directed to those areas over the next five years.

He knows, and I believe every Member of this House knows, that the $25 billion of which he speaks refers to federal transfer payments to the provinces, and will over five years only barely equalize inflation at 5 per cent, which is not a real increase at all. In fact, it amounts to a cut-back on the promises which the Prime Minister made to the people of Canada as to what the formula would be for the actual increases which are needed to maintain our educational system. All in all, he knows that in other areas of support for post-secondary education his Government is financially cutting back and strangling our colleges and universities, more particularly our students and faculty members.

• (1810)

One must ask why the Government has twice changed those individuals responsible for post-secondary education over the past two years. We now have our third Secretary of State (Mr. Crombie) and our third Deputy Minister in two years. Is it because they were all incompetent? Was it because those Ministers and Deputy Ministers were embarrassed by the Government's betrayal of our youth and our country's future and, in the face of this grave crisis, were humiliated by their impotence and had to be replaced?

The crisis in Canada grows daily more acute for our universities and colleges. University presidents in British Columbia resigned last year in sorrow and in protest. They knew they could not deliver, and they did not want to deceive anyone. Students have held rallies across the country. The Chief Justice of the Supreme Court of Canada dared to comment, so grave is this crisis, and called upon the Governments of Canada to do something about it. Just today, universities and colleges in Toronto were closed down in protest by administrators, faculty members, and students alike.

Our national task force on post-secondary education, appointed by the Leader of the Opposition (Mr. Turner), is going across Canada for the next three weeks to pinpoint immediate steps the federal Government could take to rectify the grave crisis in the field of post-secondary education.

Does the Government have anything creative to offer to the more than one million students and teachers in our colleges and universities other than cuts to the transfer payments formula, 40 per cent cuts in community colleges seats for training, a freeze on the level of student loans, savaging the budget of the Minister of State for Youth (Mr. Charest) to a point where it is now nothing more than a ceremonial office, and proposing to call yet another conference to stall off federal action? I suggest that this reply by the Government of yet another conference, of calling people together, is not action in the face of a grave crisis which has been ongoing for two years.

I hope that tonight the Parliamentary Secretary will give a reply which indicates some kind of action. What does this Government, devoid of creativity or initiative, have to offer? It cannot act or in this case even react in time to save our post-secondary educational infrastructure.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister responsible for Multiculturalism): Mr. Speaker, I wish also to congragulate you, because it is the first time I have risen in the House since our return for this second session of the 33rd Parliament as the new Parliamentary Secretary to the Secretary of State and Minister responsible for Multiculturalism, as announced yesterday by the Prime Minister.

• (1815)

I want to congratulate you also for your good performance at the time the House elected its Speaker, as well as your appointment as Deputy Chairman of the Committees of the Whole House.

A few days ago, Mr. Speaker, and again tonight, the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) expressed his concerns about the ability for young Canadian men and women to have access to post-secondary education and wondered about the Government's intention concerning young people's access to college and university education, whatever their financial status.

The Prime Minister indicated then in the House the Government's intention in this area by emphasizing the principles indicated in the Speech from the Throne and mentioning the increased contribution of the Federal Government to this area.

If I may, I should like tonight to give the House some indications concerning the access to post-secondary education for young Canadians and remind the House of some very concrete steps the Government has taken.

I suggest it would be improper to try and make political gains on the future of our young people, because what we are doing for our young men and women is for the future of the country. There is a principle with which not only this Government, but all concerned parties and the Canadian society as a whole agree, namely, that all students with the necessary qualifications should have access to post-secondary education. It is in the light of this universally accepted principle that the Government is directing its efforts, taking into account the fact that education is a provincial area of competence.

When we refer to the education of young people, we are not thinking only of the rich, those whose parents can afford to pay, but all young people who have talents to develop and want to study, including those who are handicapped or are financially disadvantaged. That is why the Government is putting so much emphasis on this aspect of the question.

First, as concerns education and health, the Government will be making available to the provinces during the next five years an additional amount of over $25 billion to allow them to live up fully to their responsibilities. This represents an annual increase of about 5 per cent in the federal contribution.

The expenditures of the federal Government in relation with the student loans program will increase from $285.5 million in 1984-85 to $304.2 million this year, in 1986-87. Moreover, the number of students who benefit under this program has increased from 226,000 to 235,000 over the same period. More Canadian students benefit from this program than before.

Do I have to remind you that this program is meant to help, with the co-operation of the provinces, qualified but needy students undertake post-secondary studies.

It is a good thing to review periodically the aid given in that area. You are aware of the fact that the Council of Ministers of Education has recently agreed to set up a federal-provincial advisory committee whose task it will be to review some of the programs and to suggest means to strengthen the co-operation between both levels of Government.

As for the handicapped, I should like to remind this House that last year the Government set up a $16-million fund to improve the condition of handicapped people.

Beside this fund, there are particular programs that, unfortunately, I cannot review in detail. I wanted to give this information to my colleague, Mr. Speaker, because it shows that we are successful in our efforts to give young Canadian men and women, whether they are physically or financially handicapped, better access to post-secondary education.

The Acting Speaker (Mr. Paproski): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.19 p.m.

HOUSE OF COMMONS

Friday, October 17, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ST. LAWRENCE SEAWAY

MOVEMENT OF GRAIN ON TIME

Mr. Allan Pietz (Welland): Mr. Speaker, the St. Lawrence Seaway, and the Welland Canal in particular, have been receiving some negative attention as a result of the grain handlers' strike in Thunder Bay. I would like to dispel some of the rumours. Every ship available, including ships that have been out of service for over a year, have been called into service to meet the requirements of the Canadian Wheat Board. One hundred and fifty to 200 ships are needed to move the grain. I have the assurance of Mr. Bruce McLeod, Vice-President of the St. Lawrence Seaway Authority, Western Region, in my riding of Welland, that customers will be very satisfied with the Seaway's handling of the additional traffic. There are no bottle-necks along the Seaway as a result of the strike. The wheat will be delivered on time.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

REDUCTION OF FRANCOPHONE EMPLOYEES—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, according to an article in *The Globe and Mail*, the Royal Canadian Mounted Police intended to put a ceiling on the number of Canadian men and women, whose official language is French, to be allowed in its regular forces.

According to the article, the RCMP even received the Conservative Government's approval for reducing representation in the RCMP of Canadians whose official language is French from 20.8 per cent to 14.1 per cent.

How can the Government approve this unfair decision which goes entirely against the official languages policy, and does it feel no embarrassment about this policy that will affect nearly 800 Canadian men and women? At a time when this Parliament is preparing to amend the Official Languages Act—a formal commitment was made by the Government in the Speech from Throne—why doesn't the Government show some real leadership with respect to official languages and give clear and specific directives to the RCMP, to the effect that it is not to change the rules of the game before the Parliament of Canada has decided on the amendments to be made to the Official Languages Act?

* * *

• (1105)

[*English*]

STATUS OF WOMEN

PERSONS AWARDS RECIPIENTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on the fifty-seventh anniversary of Persons' Day I take great pleasure in standing to honour Elizabeth Carr, Hon. Muriel McQueen Fergusson, Denyse Bélanger Rochon, Berenice Sisler and Helen Yeo. We thank them for their tireless efforts on behalf of equality for women.

This year I would also like to recognize many other brave women who are struggling to survive, the women who live the inequities that this year's Persons Awards recipients are trying so hard to correct. These are the single parent mothers raising their children on incomes below the poverty line, the women working for 60-cent dollars and no benefits in the female job ghettos, and the older women left in poverty after a lifetime of service in the home and in the paid labour force.

On behalf of these women, Mr. Speaker, I ask the Prime Minister (Mr. Mulroney) to take concrete action to close the male-female gap, to enact mandatory enforcement of affirmative action, and to ensure prorated benefits for part-time workers.

* * *

ENVIRONMENT CANADA

SIZE OF DEPARTMENT'S BUDGET

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the 1984 estimates of Environment Canada, the budget was $886 million. In 1986 the budget of Environment Canada is $745 million, a reduction of $141 million or about 16 per cent with respect to 1984. In addition, because of the loss in purchasing power caused by inflation, in the order of 4.2 per cent per year, the 1984 budget should have increased by $37 million in 1985

and by $38 million in 1986 to a total of $962 million. At a time when Canadians are expecting a stronger role from government in the environment, Environment Canada has suffered over the past two years, due to inflation and the deficit reduction policies of the Government, a total loss of $217 million.

In the House of Commons on October 10, 1986, the Minister of the Environment (Mr. McMillan), as reported at page 289 of *Hansard* said:

> Indeed, instead of slashing the budget of Environment Canada, the Government has in fact increased it.

How can the Minister say that? How can he claim to be—

Mr. Speaker: Order, please. The Hon. Member for Matapédia—Matane (Mr. Joncas).

* * *

[*Translation*]

MATAPÉDIA—MATANE CONSTITUENCY

PROPOSED BOUNDARY READJUSTMENT

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, with respect, I would like to point out to the House that the proposed revision of the electoral boundaries of the electoral district of Matapédia—Matane, which I represent, is seen by the people concerned as irresponsible and unthinking.

I realize it is only a proposal, Mr. Speaker. Nevertheless, before this proposal acquires a more formal and imperative character, the brains behind the proposed revision would do well to re-think this operation, because today, it is clearly seen as an unprededecedented carving up of the electoral map, by both the communities that will be included in the riding and those that are being rather unceremoniously displaced.

I can only hope, Mr. Speaker, that at the next decision-making session, common sense will be allowed to prevail. The people concerned will see this at least as proof of the Government's civility and intelligence, if not as a token of its respect.

* * *

[*English*]

FINANCE

NON-PAYMENT OF INCOME TAX BY SCOTT PAPER COMPANY

Mr. Rod Murphy (Churchill): Mr. Speaker, to underline the need for an equitable, just, and fair tax system for everyone in Canada, the winner today of the great untaxed corporation award is Scott Paper. This is the fifth company in as many days to receive this award. This company has earned this award because successive Liberal and Conservative tax measures have given Scott Paper Company the right to pay no taxes and, in fact, to receive tax credits in 1982, 1983, and 1984 on profits in excess of $28 million.

Had our tax system been fair and had Scott Paper been required to pay a tax rate of 25 per cent on its profits of $28 million, average Canadians would have paid $7 million less in tax because of this one company. We ask the Conservative Government to take serious and immediate action to provide genuine tax reform.

* * *

• (1110)

TRADE

UNITED STATES DUTY ON CANADIAN SOFTWOOD LUMBER

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, four months ago Canadian forest producers were subjected to a five-year, 35 per cent duty on cedar shakes and shingles by the U.S. For the most part, however, the industry has been able to overcome this horrendous trade barrier and is getting back on its feet. Yesterday's announcement of a 15 per cent duty on softwood lumber clearly is an offensive abuse of U.S. countervailing duty powers under the General Agreement on Tariffs and Trade. This so-called "win" by U.S. lumber producers was at a very high cost with respect to the principles upon which everyone's prosperity depends.

Three years ago Canada successfully defended itself against charges of unfair competition in lumber before the same U.S. tribunal. Today we have a challenge which must be met by various responses. More than ever, yesterday's action indicates that political leaders cannot stop the process of industries petitioning to restrict imports under U.S. trade laws. That is why it is so important for us to pursue our bilateral trade talks with the U.S. One would certainly hope that those talks continue and that a satisfactory arrangement can be concluded.

* * *

MULTICULTURALISM

CRITICISM OF GOVERNMENT POLICIES

Mr. Sergio Marchi (York West): Mr. Speaker, Canadians have been treated to the Conservative Government's real philosophy concerning multiculturalism and immigration policies. In two leaked reports, one prepared by Toronto Conservative MPs and the other by the Vice-Chairman of the Canadian Multicultural Council, we witnessed scandalous partisan attempts to manipulate these programs for the political benefit of the Conservative Party. That is an immoral and uncaring display of Tory indifference and confirms the deep suspicion harboured by many Canadians, particularly

those from Canada's multicultural community, about the Conservatives' attitude toward this sector of Canadian society.

The Government has to learn that our multicultural community is not for sale. Those people are not pawns to be used in a Tory chess game. As Canadians, they have real and significant concerns which must be urgently addressed. There are important issues which can only be solved by a serious and strong multicultural and immigration policy which must have as its first priority the welfare and enhancement of all Canadians regardless of their cultural origins. It is a lesson which the Tory Government, sadly, has yet to learn and, regrettably, may never learn.

* * *

CROWN CORPORATIONS

SASKATCHEWAN POLL FAVOURING SALE OF CROWN CORPORATIONS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the CBC in Saskatchewan recently conducted a comprehensive survey. One of the questions asked of 1,400 people was whether or not the Government is justified in selling Crown corporations. Understandably so, 53 per cent were in favour of this policy, while 30 per cent disagreed. This is an indication that the people of Saskatchwan support the Government's initiatives to privatize Crown corporations. The previous Saskatchewan Government purchased potash mines and pulp mills which have not been an economic success. A Government cannot expect to tie its hands in managing these companies at the risk of economic failure.

The previous Liberal Government in Ottawa gave only lip service to privatizing corporations. You can be sure this Government is not taking the same lackadaisical approach, as it is obvious there is a consensus among Canadians opposing government ownership of Crown corporations. However, our object is not to maximize the sale price because we have an obligation to maximize the economic and social benefits of each sale for all Canadians.

The federal Minister responsible for privatization is taking many steps to create the best possible future for these companies and their employees. Clearly we are not solving sorry mistakes of the past but—

Mr. Speaker: Order. Sixty seconds.

* * *

PORTS

MOVEMENT OF GRAIN THROUGH THUNDER BAY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, seven days ago the Port of Thunder Bay went back to work. During those seven days more grain was moved than has ever been moved through that port or any other port in North America, if not the world. Yes, we in Thunder Bay have proven once again that our port is the most efficient grain-handling operation in the world. Nearly 900,000 tonnes of grain were moved in only seven days. That record was set because everyone pulled together: grain handlers and grain companies; railroaders and railroad companies; inspectors and weighers; ship crews and shipping companies; the Lake Shippers' Clearance Association and the Grain Transportation Agency. They all deserve our thanks for a job well done.

The one month strike/lock-out we endured demonstrated clearly just how important Thunder Bay is to the economy of the Prairies, Ontario, Quebec, indeed of Canada as a whole. It also showed that no matter what was tried there was no realistic and economical way of by-passing that port. What we must do now is reduce the barriers to using the Port of Thunder Bay and the St. Lawrence Seaway. Discriminatory rail rates must be changed. User tolls and fees must be abandoned. Let us keep the Port of Thunder Bay moving. It is important to all of us.

* * *

[*Translation*]

LIBERAL PARTY

USE OF FUNDS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, to show my open-mindedness and my solidarity with my Liberal colleagues in this House, today, officially, I want to give my moral support to the Hon. Members for Winnipeg—Fort Garry (Mr. Axworthy), York South—Weston (Mr. Nunziata) and Cape Breton—East Richmond (Mr. Dingwall), who are justifiably concerned about the disastrous financial position of the Liberal Party of Canada. Understandably, my colleagues have some serious questions about how the funds of the Liberal Party are being used. For instance, there is the annual salary of $80,000 given to Judd Buchanan, bagman of the Liberal Party of Canada, and this is not his only source of income, Mr. Speaker.

Yes, we want to help our Liberal colleagues put some order in their financial affairs, because for all practical purposes, nearly 75 per cent of the money they are wasting comes from the Canadian taxpayers.

* * *

THE ECONOMY

SITUATION OF ATLANTIC REGION RESIDENTS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the Prime Minister (Mr. Mulroney) went yesterday

to New Brunswick to attend the opening of a paper mill which will create some 160 jobs.

This time, the workers did not throw their hard hats at him because they are proud of this project which was launched and implemented by the previous Liberal Government.

Following the speech of the Prime Minister, today's newspapers had the headline: "The Maritimes must fend for themselves". This is what the Prime Minister said.

This confirms what we already knew, namely that the Conservative Government has no regional development policy. The Conservative Government is simply abandoning the Atlantic region.

The Prime Minister has confirmed the comments made by his Minister of Transport (Mr. Crosbie) to the effect that the people of the Atlantic region cannot have the same aspirations as other Canadians. They are to be compared with people in the third world, not in to the rest of Canada. Such an attitude by the Prime Minister and his Minister of Transport is not good enough.

* * *

• (1115)

[*English*]

PUBLIC SERVICE

PROPOSED PENSION CHANGES—EFFECT ON EMPLOYEES IN NORTH

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, many northern public servants have fears over possible changes to the Public Service Superannuation Act which might mandate a locking in of contributions after two years—instead of the present ten year plus age 45 provision—similar to the rules for private pensions plans laid out in Bill C-90 passed last session.

While these proposed changes might be popular in the South, not too many northerners contemplate a lifetime career in the Public Service. Rather, they plan to work for five or ten years, then withdraw their superannuation contributions as a lump sum to buy a house or use for some other purpose. If a two-year lock-in is legislated, many intend to quit rather than lose the opportunity for a lump sum withdrawal.

Therefore, if changes are made to the Public Service Superannuation Act lock-in, opting-out provisions ought to be incorporated, at least for current employees who have made their life plans under the old rules.

ORAL QUESTION PERIOD

[*English*]

TRADE

UNITED STATES DUTY ON CANADIAN SOFTWOOD LUMBER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I suppose my first question, after looking at the benches opposite, should be whether someone has declared a new government holiday.

Mr. Waddell: They're all in Saskatchewan.

Mr. Axworthy: Instead, I would like to direct my first question to the Minister of International Trade. It is a very simple question. How can anyone believe the Government? Last spring the Government went along with President Reagan's sell-out to the U.S. Senators on the lumber issue. Only three weeks ago we compromised our position by trying to plea bargain our case on the trade issue before a U.S. judge. Now the Government says it will fight to the very last step.

How can we have any trust that the Government will not cave in again, that there is not some kind of sweetheart deal in the making with the U.S. administration on the U.S. lumber duty?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I will first advise the House that the Prime Minister is in New Brunswick where he is having a very successful tour.

In answer to the Hon. Member's question as to who believes the Government, I will list just some of those who believe the Government on the stand it has taken. The Hon. Pierre MacDonald, Liberal Minister of Resources of Quebec, Mr. McCambly of the Canadian Federation of Labour, Jack Munro of the IWA, Premier Vander Zalm of the B. C. Social Credit Government, Premier Hatfield, the Conservative Premier of New Brunswick, and Mike Apsey who represents the industry. All agree with our position. All of the parties affected in this dispute support the position of the Government of Canada. I am ashamed of the fact that the Liberal Opposition does not.

• (1120)

Some Hon. Members: Hear, hear!

Mr. Axworthy: What I should make clear to the Minister is that the Liberal Opposition stands for standing up for Canada and not caving in as you have been doing.

CONTINUATION OF CANADA—UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, yesterday the Minister said that the reason for continuing the free trade talks is to "change the rules in order to stop harassment by U.S. interest groups". How can she make that statement when she knows full well that President Reagan, in his April 24 letter to Senator Packwood, said that

the U.S. countervail laws would not be altered by any free trade negotiations? Why does she continue this farce and fantasy? Why does she continue to try to fool the Canadian public—

Mr. Speaker: Order. I think that the exchange so far illustrates the difficulty we get into when perhaps not as much constraint is used in the language as is appropriate. The Hon. Member had put his question. I think it will be noted by all Hon. Members that, after having put the question, he went on to argue it. I would ask Hon. Members to please restrain themselves if they find they are impelled to proceed in that fashion.

By the same token, I would ask Hon. Ministers to concentrate their minds on the question and concentrate their answers on that question. Thank you.

Mr. Axworthy: Mr. Speaker, I will repeat my question since the Minister apparently did not hear. Why does she continue making those statements when it clearly has been stated by the President of the United States that the countervail laws of the United States are not part of the free trade negotiations?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, if the Hon. Member is trying to allege that there is a fix in and that the Government of the United States is in some way corrupt, he should say so in this Chamber. That is not our position. Our position is that we are negotiating a free trade agreement with the United States which will deal with measures to give us some long-term security of market access and long-term security of jobs. That position has wide support. That is the position we are advancing at the negotiation table. To suggest that we walk away from the talks because times are tough is the action and the mentality of a wimp.

Mr. Axworthy: To use the old cliche: "It takes one to know one".

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Yesterday the Minister said again that the Government does not intend to take any retaliatory action because it is not allowble under GATT. Article 23 of the GATT rules clearly allow retaliatory action when a foreign Government uses unfair countervailing powers. Why has the Government forgone the use of a very important tool? Why are we not continuing to stand up for this particular area and removing what could be a very important standard that we could raise against this unfair action by the United States?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member should surely be aware by now that we have taken this action to GATT in accordance with GATT rules. A meeting on it has already been held.

[*Translation*]

INQUIRY WHETHER PROMISES OF U.S. PRESIDENT WERE PART OF SECRET AGREEMENT CONCERNING FREE TRADE NEGOTIATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in order to prevail upon the American Senate to enter into free trade negotiations with Canada, the American chief negotiator Mr. Yeutter wrote the following to Senator David Pryor on April 17, 1986, and I quote: "We will get timber fixed", in other words, we will solve the lumber problem.

On May 8, the President of the United States, in a letter to Senator Packwood, stated:

[*English*]

"I intend to press for an expedited resolution of this problem independent of the comprehensive negotiations".

[*Translation*]

My question to the Minister is this: Were the promises made by the President of the United States and by Mr. Yeutter, to settle the issue of Canadian lumber exports to the United States, part of a secret agreement with the Canadian Government to enter into free trade negotiations?

[*English*]

Hon. Pat Carney (Minister for International Trade): No, Mr. Speaker.

[*Translation*]

MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, how can the Hon. Minister answer so curtly, when it was clearly stated in the letter that the lumber problem would be settled independant of free trade negotiations? How can the Minister explain that today? One thing is sure, thousands of jobs are involved in Quebec.

I would ask the Minister what she now intends to do. There are 25,000 jobs involved in Quebec, tens of thousands in Canada. What does the Minister intend to do to solve that problem, to help workers in Quebec and elsewhere in Canada?

• (1125)

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, a long question is not necessarily more truthful than a short answer.

Mr. Garneau: But you didn't answer it at all.

Mr. Gauthier: That is arrogance, boy oh boy!

MINISTER'S STATEMENT ON STUMPAGE FEES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the most Alice in Wonderland part of the Minister's statement yesterday was: "Stumpage does not provide a subsidy to

Canadian lumber producers". If the Minister truly believes this, why did she suggest stumpage was a subsidy by admitting guilt and offering publicly to raise those fees just two short weeks previously?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, because the affected parties, the Governments of Ontario, Quebec, Alberta, and British Columbia, the IWA and the forest industry asked me to do so.

Mr. Langdon: Well, there is a Minister for International Trade. The Minister should look in the mirror. She has some responsibility, too.

CANADIAN POSITION

Mr. Steven W. Langdon (Essex—Windsor): Is the Minister blaming the provinces, the unions, and industry for what she now recognizes was a foolish public step to have taken?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I don't think the Hon. Member understands what a grave situation Canada and the forest industry are in by asking that question. We took the opportunity provided for under the countervailing procedure to stop the clock and attempt an out-of- court settlement. That is provided for in the procedure. Unfortunately, we were not successful, although the resulting tariff was very close to our offer. What I am surprised about is if the Hon. Member had read the decision handed down on the subsidy issue, he would be just as shocked as we are.

Mr. Langdon: Mr. Speaker, I thinks it takes tremendous gall to say that we don't recognize what a grave situation it is when it is the incompetence of the Government which has gotten us into this situation.

MINISTER'S RESPONSIBILITY

Mr. Steven W. Langdon (Essex—Windsor): Will the Minister herself through her Government not take responsibility for her own decision, which she announced and which she must now admit failed dismally?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, whether or not it failed is a matter of conjecture considering the fact that the tariff was 15 per cent in the preliminary determination. But in terms of taking responsibility, may I remind the Hon. Member that we took the responsibility of attempting an out-of-court settlement. We have taken the responsibility to fight this action which may affect other industries in Canada.

EFFECT OF UNITED STATES ACTION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister for International Trade. Speaking of wimps, we should remember it was only a few weeks ago that the Minister in effect stood before you, Mr. Speaker, as judge, and said: "I am innocent. I didn't do it. But I am willing to serve 10 years". I know she is shocked at being sentenced to 15.

Does the Minister realize that her incompetence, and the incompetence of the Canadian Government, have established a regime whereby the United States, if allowed, will set prices for Canadian natural resources like lumber, newsprint, potash, fish, steel, and farm products?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the issue of incompetence, I think, is incredible when raised by that former Government, that opposition Party, on this issue.

Mr. Berger: Look at the polls.

Mr. Axworthy: Who won the case in 1983? We didn't get a tariff in 1983.

Mr. Berger: Look at what the Canadians are saying.

NEWSPRINT EXPORTS TO UNITED STATES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister should realize that Canada's newsprint industry exported seven million tonness of newsprint to the United States last year for a value of $4.7 billion. That represents 85 per cent of our export market in newsprint. Is the Minister aware that using exactly the same stumpage system as a basis for complaint, the Americans, if they are allowed to succeed, are now in a position to set a 15 per cent tariff against newsprint, a tariff that could cost that industry over $700 million?

• (1130)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, that is precisely why the Government is seeking a long-term binding treaty with the U.S., to protect Canadian industry and Canadian workers from this type of trade harassment. I have said that consistently. That is what the Prime Minister has said. That is now what the opposition Party is supporting.

MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is also for the Minister for International Trade. I would like her to clarify her position. Is the Minister really saying that Premier Vander Zalm and the other people whom she named are to blame for this so-called compromise settlement which puts Canada's sovereignty in jeopardy and which undermines Canada's whole case?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I fail to understand the Hon. Member's reference to a compromise settlement. There has been no settlement with the U.S. on this issue. That is why we are faced with a preliminary decision. I fail to understand what this compromise position is about which the Hon. Member speaks.

What I have said before, and I will say it again, is that the situation we have experienced as a result of this decision is the reason why the Government feels we must pursue to the utmost comprehensive trade talks with the U.S. to protect Canadian industry, Canadian workers, and secure market access to the U.S.

If we do not have that type of a long-term treaty then, under the existing rules of the game, we will be exposed to this type of harassment in a number of industries.

EFFECT OF UNITED STATES DUTY ON CANADIAN WORKERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to put a question to the Minister which perhaps the woodworkers who occasionally drink in the Cecil Hotel in the Minister's riding would put. What will she do to protect their jobs which they will now lose? What will the Minister do to get their jobs back? What type of retaliation will the Minister take against the Americans who are pushing British Columbia workers around, many of whom live in the Minister's riding as well as in my riding?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member obviously knows more about the Cecil Hotel than I.

What we are doing to protect the jobs of workers is to strive for a long-term agreement with the United States to protect those jobs. That is what the Government is doing.

UNITED STATES DUTY—CANADIAN POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is also for the Minister for International Trade. We know that the Minister left the energy sector in chaos—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Johnston: —with tens of thousands of unemployed. Having listened to the questions asked this morning and the answers of the Minister it is inconceivable—impossible—to believe that the conduct of these negotiations by the Minister and her colleagues in Government could be as incompetent as they appear to be. My question is simply—

Mr. Speaker: Order, please. I think all Hon. Members are aware that there is a great deal of room for argument on this issue. However, that is properly a matter for debate. I ask that questions be put as directly as the Hon. Member asking them can put them. I think all Hon. Members are aware that the issue that forms the subject matter of questions this morning is a very serious one for the entire country. I ask that the questions be clear and direct and that the answers correspond accordingly.

Mr. Johnston: Mr. Speaker, despite the bluster and feigned outrage, was a deal cut behind the scenes at 15 per cent?

Hon. Pat Carney (Minister for International Trade): No, Mr. Speaker.

MINISTER'S AWARENESS OF DUTY

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, we heard the Prime Minister say, "Watch her carry the ball". She makes Chuck Hunsinger look good. The Minister remembers Chuck Hunsinger, and so do we.

When did the Minister first learn that a 15 per cent duty might be decided upon?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, at approximately 2.07 yesterday afternoon.

OFFER OF CANADIAN TARIFF

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the same Minister. I think it is obvious that the Minister undermined her position that stumpage is not a subsidy by offering a 10 per cent tariff to the Americans. In retrospect, does the Minister now regret that she responded to pressures from Premier Bill Vander Zalm in the heat of an election with an action that undermined tough negotiations for Canada? Is this the approach that we can expect in future trade negotiations?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can only assure the House that the actions of Premier Vander Zalm, all the other Premiers concerned, and the actions of the industry and the union involved were very helpful to me. They have been very supportive.

I am glad to see that the tariff is less than the 32 per cent which was asked for by the U.S. producers and that it is close to our offer. But that is not the issue. The problem we have before us is that the nature of the decision which has been brought down in this case, and which reverses an earlier decision on a whole different set of rules and regulations, can place other Canadian industries in jeopardy. The only way we can deal with this issue is to sit down at the trade talks table and negotiate a long-term treaty that will prevent these types of flip-flops.

MINISTER'S APPROACH TO NEGOTIATIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister knows that the tariff may well be increased beyond 15 per cent, which is on top of the 35 per cent that is already in place on shakes and shingles, and which is making people in her province suffer.

Since Premier Vander Zalm said, "We went hat in hand to Washington," does the Minister think that Americans respect this type of humble approach? How can she now be tough in future negotiations on behalf of Canada?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I thought that the Hon. Member was addressing the issue before us. We have said that this is a deplorable action.

We have said that we will fight it on the basis of the decision—and I want to be clear here—even if the provinces decide to settle this issue as they are allowed to do, to take the money and run. The problems that the decision gives Canada, Canadian industry and workers, will still be with us. We have to sit down at the table. I urge the Hon. Member to read the decision which will enable her to understand my concern. We have to sit down at the table and draw up a new set of rules to protect Canadian industry, workers and citizens from this type of trade harassment.

* * *

SCIENCE AND TECHNOLOGY

FUNDING OF UNIVERSITY RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister of State for Science and Technology I direct my question to the Minister of Finance. Yesterday, in a feeble attempt to defend his savaging of the National Research Council, the Minister of State for Science and Technology said that the Government was putting $1 billion more into university research over the next five years. Will the Minister of Finance not admit that the Government is putting up less than $700 million, and only if it is matched by the private sector? Will he admit that there is no commitment from the Government to put up $1 billion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member has understood the clear philosophy of the Government which is to involve the private sector to a greater extent in research and development efforts. What we are trying to do with this new proposal which I announced in the last Budget is to bring a greater degree of integration into a matching grant formula so that the projects which are brought forward in research and development by the private sector, in partnership with the public sector, will be much closer to the needs of the market-place. Surely that is the direction in which we should be going in terms of research and development.

AMOUNT OF GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, the Minister of State for Science and Technology misled the House yesterday. I am asking the Minister of Finance to correct—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the Hon. Member did not mean to put his concern in quite the words he used. I invite the Hon. Member to rephrase his question in such a way that there is not an implication of intentional misleading.

• (1140)

Mr. Berger: Whom does the Finance Minister think he is fooling with this phantom $1 billion? Would he table the document which shows that the Government is putting $1 billion into university research? Where is it? Would he show it to the House and to Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is quite clear what we have said. We have put forward a proposal to the private sector whereby we will match grants to the initiatives taken by them, in consultation and in co-operation with the public sector, the result of which will be $1 billion new financing for research and development projects. This will be done in a way which will produce projects that will be much more applicable to commercial reality. That is the direction in which we want to go in research and development. The Hon. Member should know that it will be very, very effective.

* * *

[*Translation*]

TRADE

FREE TRADE—MEASURE TAKEN BY UNITED STATES—GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a question for the Minister of International Trade.

If the Minister did not even blink when she heard of the American position, how is she going to react to the statement made by the head of the Quebec Wood Manufacturers Association who has come to realize that the tariff represents an amount greater than the profit margin of the whole industry? Is that not provocation enough to terminate these discussions on free trade?

[*English*]

Hon. Pat Carney (Minister for International Trade): No, Mr. Speaker, it is not sufficient provocation to end these discussions. If we walk away from the table, we simply expose other sectors of that industry to the same kind of attack. That is the point I am trying to make. So long as we have the existing system which allows the U.S. to reverse its decision on important trade items like softwood lumber, our industries are put at risk. We need to get new rules in a new treaty which is binding and will resolve our problem over the long term. Walking away or running away will not solve anything.

[*Translation*]

ESTABLISHMENT OF A BILATERAL COMMISSION—GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a supplementary question. If the Minister will not stop playing Russian roulette with jobs not only in the lumber industry, but also in a whole series of other industries, will she tell the Americans that the only point remaining on the agenda for these discussions is the establishment of a bilateral commission to solve such problems, deal with such programs, and stop such harassment of Canadian producers?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I welcome the Hon. Member's suggestion, but I would point out that it would be a very, very narrow view of a trade talk to deal only with the establishment of a bilateral commission. Not even the Canadian Federation of Labour, which has suggested such a commission, would restrict it to that item. The Canadian Federation of Labour has proposed a whole range of items, including adjustment assistance to affected workers, which should be part of any trade deal between Canada and the U.S. If the Hon. Member thinks through his position, he will see that, while it is helpful, it is too narrow an approach for us to take.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

PREPARATION OF POLICY TO HELP RESEARCH—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question to the Deputy Prime Minister deals with scientific research financing.

If the government policy in the area of research support is so good, why has Nobel Prize winner Polanyi just stated, and I quote: "Since the announcement of the government policy, I would not advise a young scientist to make a career in Canada"?

Why does the *Ottawa Citizen* consider this policy as suicidal, while the *Montreal Gazette* describes it as government folly?

My question to the Deputy Prime Minister is this: Would he order the Minister of State for Science and Technology to go back to the drawing board and prepare a research support policy which, this time, would not make the whole Canadian scientific community sick?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): The Minister being absent from the House on official business, Mr. Speaker, I take note of the Hon. Member's representations and will convey them to the Minister who will certainly give them the attention they deserve.

REQUEST THAT DEPUTY MINISTER INTERVENE

Mr. Jacques Guilbault (Saint-Jacques): As an engineer, Mr. Speaker, I am sometimes ashamed to sit in a Parliament facing a government which treats science in such fashion. But to return to the Deputy Prime Minister. Is he not prepared to order a change of policy to prevent the brain drain which would certainly result from the current policy. Is he prepared to stand up and take the necessary action?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Minister responsible answered this question very well yesterday. I regret to inform the Hon. Member that in the past the Government has not, nor will it in the future, take policy direction from *The Ottawa Citizen*.

* * *

MINES AND MINING

FLOW THROUGH SHARE PROGRAM

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, my question is directed to the Minister of Finance. The mining industry in Canada makes an enormous contribution to the Canadian economy. This industry has been suffering from depressed metal prices since 1981. One of the successful programs for that industry has been the Flow Through Share Program which the Government has strengthened. Is the Minister actively considering the withdrawal of this successful program?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member indicated, this program has been in place for a number of years. It has been used by a number of companies and individuals in the mining industry. It is part of the broad review which we are undertaking right now on tax policy. I have no real comments to make on it at this time. We have to wait until we see the results of the tax reform review which we are undertaking right now.

* * *

TRADE

UNITED STATES DUTY ON CANADIAN SOFTWOOD LUMBER—EFFECT ON ONTARIO

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister for International Trade. In a previous answer the Minister indicated that the Premier of Ontario was a supporter in this approach of the federal Government. Industry people in northwestern Ontario indicate that as many as 1,500 job losses in Thunder Bay and 2,000 more in northwestern Ontario will result from the interim action. Is she saying that it is David Peterson's fault that this is happening?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have made very clear that the decisions being taken are being taken by all the provinces, the industry, the union, and the federal Government. We all work out solutions, we all take positions, and we all share responsibility. That is what our Confederation is all about. This is why we will be meeting, at the beginning of next week, with the same affected groups to

discuss our position, to discuss our strategy, and to implement it. This has been a joint non-political action by a whole range of Governments of different Parties to save jobs in Canada, and I am surprised that the NDP opposes that.

Mr. Angus: The Minister knows full well that not all provinces support the action of the federal Government.

EFFECT ON WORKERS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I should like to direct to the same Minister a follow-up question on interim support for the workers who will be laid off. In answer to the Hon. Member for Vancouver—Kingsway, she inferred that there would be no assistance whatsoever. Will the Minister confirm that her Government will not take any action whatsoever in the interim to help ensure that those jobs remain in place?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, if you check the record, I think you will find that I said no such thing. It is hard to answer a question when the allegation is false. Let me again address what I think the Hon. Member is trying to deal with, that is, the job losses which will arise from the imposition of any U.S. tariff. Of course that concerns us. Of course we are worried about that. That is why we all tried to seek an out-of-court settlement. That is why we will fight this decision. That is why we are meeting on Monday to plan our strategy.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR REIMBURSEMENT OF EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister is aware that there was a surplus of $150 million in the Unemployment Insurance Fund for 1985.

The Minister is also aware that the Forget Commission is recommending that retirees be reimbursed retroactively for the benefits they lost as a result of changes introduced last year by his Government.

Will the Minister tell Canada's 50,000 early retirees that the Government is going to pay back the $30 million it stole from them?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I shall ignore the last part of the question. I just want to inform the Hon. Member there is no Forget Report yet. I believe that the Hon. Member is referring to the extracts from certain documents reproduced by the *Globe and Mail* and the Canadian press. In fact, I believe these documents confirm what I said yesterday and the day before. There has been an attempt to scare people, but today, these documents, which might well turn out to be the Forget Report's recommendations, project a far more positive view than what you have been giving us for the last two or three days. In any case, we have always said that as soon as the recommendation on the pensions issue was tabled, the Government will be quick to respond, either positively or negatively, but it will respond to the report's recommendation.

GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the important thing is, we now know there was a surplus of $150 million, and normally the Minister should know this. If that is not the case, he might as well resign, for all the good he is doing. Meanwhile, this Government has cut $30 million, so there is no need to wait for the Forget Commission's report. Will the Minister announce, without further delay, to the 50,000 people who have decided to go to the Supreme Court, that their expenses will be paid, and will he give these people the assurance that the Government is going to consider the Forget Report's recommendations? Is the Government going to treat these people as human beings and refund the money it stole from Canada's early retirees? Yes or no?

Mr. Bouchard: Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie can get carried away but he cannot alter the fact that where the administration of the Government is concerned, and especially when we are talking about the Unemployment Insurance Commission, surplus funds are managed by a commission on which both labour and management are represented, and all decisions are made at that level.

Again, whatever you may say, it does not alter the fact that we are waiting for recommendations—

Mr. Malépart: There are people who are hungry. You have a limousine—

Mr. Bouchard: Mr. Speaker, they have—

• (1150)

[*English*]

Mr. Speaker: Order, please. Questions on this matter have been extensive and lengthy. Would the Minister please answer the question briefly?

[*Translation*]

Mr. Bouchard: Mr. Speaker, provided the Hon. Member for Laval-des-Rapides will let me proceed. He doesn't usually shout like that.

Mr. Garneau: I never said a word.

Mr. Bouchard: So, just to inform the Hon. Member—

[*English*]

Mr. Speaker: Order. The Hon. Member for Humboldt—Lake Centre.

AGRICULTURE

ASSISTANCE FOR GRAIN PRODUCERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in the absence of any of the farm spokesmen, I will direct my question to the Deputy Prime Minister. He will know that both the Prime Minister and the Minister of Agriculture have said that any proposed farm aid package would be new money and would not come out of existing programs. Does that mean that such payments, when and if they are made, would not be calculated as grain income since that would reduce future pay-outs under the Western Grain Stabilization Act for western farmers and under the general Agricultural Stabilization Act for the rest of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Prime Minister and the Minister of Agriculture have indicated that this would be new money in the pockets of farmers to help support them in this very serious time of difficulty. I am advised by the Minister of Agriculture that he met with farm leaders yesterday. They had an excellent and very productive meeting. The farmers' spokesmen recognized the magnitude of the problem. They are very supportive of the initiatives taken by the federal Government and very supportive of the fact that the Government is not acting unilaterally and is recognizing the complexity of the issue. These discussions are to go on. The program will be developed in consultation with the producer groups, something that is very new and something which they welcome very much.

GOVERNMENT FUNDING

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in retrospect can the Minister explain why the Government cut initial prices last spring by $30 a tonne because at that time it argued it could not afford something like the $800 million that that would have cost, but can now in the midst of provincial elections in Saskatchewan and British Columbia promise a billion dollars?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I thought that the Hon. Member had some knowledge about the farm problems in this country and I thought he also had some knowledge about the way the Canadian Wheat Board functions. The Canadian Wheat Board sets the initial prices and, if he has any argument with that, he should take it up with the Canadian Wheat Board because those prices reflect the reality of the market-place, and the Member knows it.

Mr. Althouse: The Cabinet guarantees those prices.

FISHERIES

ACCESS TO GEORGES BANK SCALLOP STOCKS

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is for the Minister of Fisheries. The Minister will know that there have been extensive and intense industry negotiations regarding the issue of inshore access to the Georges Bank scallop stocks. Has the Minister had the opportunity to review the proposal which the industry recently worked out, and if so, would he comment?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I would be happy to respond to my colleague, the Hon. Member for South West Nova, who has been so instrumental in proposing over the past two months that we get the affected parties of scallop fishermen together to work out a compromise arrangement and management plan for fishing those very lucrative scallop resources in the Bay of Fundy and off Georges Bank. I am reviewing a tentative agreement to which all parties have agreed which would never have been reached had I accepted the advice of my officials but was reached because I accepted the advice of the Hon. Member to approach all parties to seek a negotiated agreement.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in response to questions regarding the Forget Commission, the Minister of Transport said in Newfoundland:

> As far as people's income is concerned—there won't be any changes, the only kind of change there would is if it was replaced by something better. That will be my position.

I ask the Minister of Employment, who has refused to give an opinion in this House about the Commission, since that is the stated position of the Minister of Transport, what then is his position?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member for Gander—Twillingate was not here earlier this week. That is unfortunate because we explained several times the position of the Minister of Finance, which is that nothing will be done which could harm the unemployed. I shall go a bit further today and say that, whatever the Commission recommends, all changes made to the Unemployment Insurance Plan will have to aim at improving existing programs and at making them better suited to meet the needs of the unemployed. That has always been our objective. The Commission was established to evaluate possible solutions, but once more, I am in perfect agreement with the position of the Minister of Transport, the Member from Newfoundland.

[*English*]

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister of Transport also said:

As far as I am concerned, unless there are improvements to help lower income people, or people whose jobs are very uncertain, I certainly can't support it.

In the absence of the Prime Minister, I ask the Acting Prime Minister if these rumours of cuts are substantiated in the presentation of the report, is the Government prepared to forget Forget?

Some Hon. Members: Oh, oh!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is an expert in peddling and perpetrating rumours. Today is no exception. I know that he would want us to receive the report first, to analyse it, and then take a position on it.

So far as the stated objectives of this Government are concerned, in terms of unemployment insurance or any other programs that affect the disadvantaged regions of this country, it has always been the intention to make the programs better and more effective so that the benefits can accrue to the larger number of people. What we are looking for is a better system, an improved and more effective system rather than the system toward which the Hon. Member has alleged we are working.

* * *

CANADA POST CORPORATION

PRESS REPORTS OF INCREASED CHARGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, would the Deputy Prime Minister confirm that the Government has approved an increase in Canada Post's first class mail from 34 cents to 36 cents? Can he confirm also reports in the press today that, indeed, the Government has approved extra charges for postal services to people who do not get door-to-door delivery but who want it and who are now enjoying service through the postal community boxes? Can the Deputy Minister confirm those two points?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I cannot confirm that. I am not aware of any such initiative. I will certainly check and get back to the Hon. Member.

* * *

FISHERIES

FRASER RIVER FISH STOCKS—INDIAN PEOPLE'S ANXIETY

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have a question for the Minister of Fisheries. The native leaders who live in the Fraser Valley have grave concerns as to the allocation of the fish stocks going up the Fraser River. When will the natives have an opportunity of presenting their concerns as to how the fishery is being managed?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Excuse me, Mr. Speaker. I apologize for stepping out for a moment. Could the Hon. Member repeat the question?

Mr. Belsher: Mr. Speaker, my question is for the Minister of Fisheries. The native leadership of the Fraser Valley have grave concerns on how the fishery is being managed, in particular the allocation of fish for the natives. When will they have an opportunity to make their advice known to the Minister on how this can be improved?

• (1200)

Mr. Siddon: Mr. Speaker, there are certain matters affecting members of some of the subject bands which are now before the courts. However, I am prepared to meet with members of the Sto:lo Tribal Council before the end of November and hear them out on the concerns that the Hon. Member raises today.

Mr. Speaker: The Hon. Member for Churchill, one question.

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UNEMPLOYMENT INSURANCE

BENEFITS PAID IN ATLANTIC REGION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Deputy Prime Minister. Is the Minister of Transport speaking for the Government when he says there will be no cut-backs in unemployment insurance programs for Atlantic Canada? Or is the Government willing to state that any decision it will make will do nothing to reduce the amount of money going to that region?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, once more, what the Minister of Finance said, what the Government believes and what we are going to continue to believe is simply that we must ensure that the program analysis will not victimize the unemployed.

As I said earlier, we also have to consider the objective, and as the Minister of Transport indicated yesterday, anything which can improve the quality of our unemployment insurance services will be viewed as acceptable and will certainly receive our support.

[*English*]

Mr. Speaker: The Hon. Member for Eglinton—Lawrence, one question.

EDUCATION

DEPARTMENTAL ADMINISTRATION CHANGES

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, in the absence of the Secretary of State and the Prime Minister, I will direct my question to the Deputy Prime Minister. Universities and colleges in Toronto closed down yesterday in a protest by administrators, faculty members and students alike. A Liberal Party task force is going across the country in the next three weeks to find out what can be done about this grave crisis. I therefore ask why the Government has twice replaced the individuals responsible for post-secondary education over the past two years? We now have our third Secretary of State and third Deputy Minister. Is it because they were incompetent, or because they were so embarrassed because they feel the Government has betrayed the cause of young people?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, without agreeing with the premise of the Hon. Member's question, I will take that as a representation and ensure that the responsible Minister receives it, and perhaps he can reply next week.

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[*Translation*]

PRIVILEGE

REQUEST FOR DETAILS CONCERNING AN ANSWER GIVEN DURING ORAL QUESTION PERIOD

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): On a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would not want the Minister to mislead the House and I do not think that such is his intention. However, he stated in reply to one of my questions that the commissioners could decide to reimburse the $30 million to those who have taken an early retirement. I say that such is not the case because it was the Government that decided to take away these $30 million.

I would like the situation to be clearly explained because the public could get the wrong idea.

Mr. Bouchard: Mr. Speaker, if that is what the Hon. Member understood, he is indeed right in saying that it is not what I meant. Naturally, I said that, as concerns the management of the unemployment insurance programs, a number of people at the Commission were involved, but when you said that the Commission had a surplus of $150 million and had only to take the $30 million in question, I replied that this was a matter of administrative management and that we had to take everything into consideration. If you are saying—

Mr. Malépart: The $30 million were taken away by Minister Wilson!

Mr. Bouchard: No, no. That is another matter.

ROUTINE PROCEEDINGS

[*English*]

ORDERS IN COUNCIL

TABLING OF DOCUMENTS—GOVERNMENT APPOINTMENTS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am tabling today the final few Orders in Council concerning appointments which had not been clerically processed to be forwarded to committee chairman by the time I tabled the long list of appointees yesterday. This completes the number we should have tabled.

Ms. Copps: Mr. Speaker, according to the Standing Orders our committees have 30 days in which to review these appointments. Because the House was prorogued the committees have not all been constituted. Is it possible for the 30 days to commence when the committes are actually constituted?

Mr. Mazankowski: Mr. Speaker, there is clear authority for the committees to be reconstituted. That was given this last week and that is precisely why the delay in the tabling took place, so that the full 30 days would be provided. My understanding is that most committees are in the process of being reconstituted.

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INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF SEVENTEENTH AFRICAN REGIONAL COMMONWEALTH CONFERENCE

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report on the seventeenth African Regional Commonwealth Conference held in Malawi from June 20 to June 29, 1986. Due to the change in our parliamentary timetable it was not possible to table my report before this date.

PRESENTATION OF REPORT OF THIRTY-SECOND COMMONWEALTH PARLIAMENTARY CONFERENCE

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report on the thirty-second Commonwealth Parliamentary Conference held in London, England, from September 23 to October 1, 1986.

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Mrs. Lucie Pépin (Outremont) moved for leave to introduce Bill C-226, an Act to amend the Criminal Code (abortion).

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

Some Hon. Members: Agreed.

Mrs. Pépin: Mr. Speaker, this Bill can be summarized in this way. At the present time, a woman who wants to terminate her pregnancy must submit an application to an hospital and wait until a committee, which comprises generally three to ten persons, grants authorization.

The purpose of my Bill is simply to allow this decision, instead of being made by a committee, to be made by the patient, her physician, and approved by another physician.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

CANADIAN POTATO MARKETING COMMISSION ACT

MEASURE TO ENACT

Mr. Vic Althouse (Humboldt—Lake Centre) moved for leave to introduce Bill C-227, an Act respecting the orderly marketing of potatoes.

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

Some Hon. Members: Agreed.

Mr. Althouse: Mr. Speaker, this Bill is an attempt to provide orderly marketing for potatoes across the country. The existing laws do not permit this because the national Farm Products Marketing Agencies Act prohibits potatoes from being marketed by farmers in this fashion. This Bill is an attempt to give them that permission.

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

• (1210)

CANADIAN POST-SECONDARY EDUCATION COUNCIL ACT

MEASURE TO ENACT

Hon. William Rompkey (Grand Falls—White Bay—Labrador) moved for leave to introduce Bill C-228, an Act to provide for a Canadian Post-secondary Education Council.

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

Some Hon. Members: Agreed.

Mr. Rompkey: Mr. Speaker, this Bill calls for the establishment of a National Advisory Council on post-secondary education for advising the Government and also for creating, over a period of years, a national strategy for post-secondary education in the country. As this was mentioned in the Throne Speech, I hope that the Bill will receive support from both sides of the House.

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

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MOTION TO ADJOURN UNDER S.O. 29(1)

TRADE—ACCESS TO U.S. MARKET—PROTECTION OF CANADIAN LUMBER AND OTHER NATURAL RESOURCE INDUSTRIES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask for leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and urgent motion requiring consideration, namely:

That this House condemn the Government for its failure to protect the interests of the Canadian lumber industry in its conduct of comprehensive trade negotiations with the United States, and specifically that the Government has undermined its own case for secure access to U.S. markets in lumber by conceding the U.S. argument before the preliminary determination and, further, has compromised Canada's case for control of our own natural resource pricing in negotiations with the U.S. and before the GATT.

I have written to you as the rules require, Mr. Speaker, and I hope I have done so in sufficient time. I would like to indicate briefly why this appears to be a matter of urgent and important interest.

Mr. Speaker: I am sure Hon. Members will agree that the better practice is for the Hon. Member simply to state his motion. I ask the Hon. Member to conclude his remarks very quickly. I did receive a letter from the Hon. Member. I can tell the Hon. Member that I choose not to see the clock so time will not be an issue in whatever determination I make. I propose to postpone my decision for an hour or so. Therefore, the Hon. Member may wish to say a word or two more and we will resume consideration of this a little later.

Mr. Langdon: Mr. Speaker, first, serious economic losses are involved in the tariff which was levied yesterday. Second, no government proposals have been brought to us for reaction as yet, nor indeed have they been contemplated. Third, as far as we can tell we do not have Throne Speech days available to discuss this matter. Four, clearly that the issue dominated Question Period today is a demonstration of its significance to the country. Finally, since today we are at a stage between two parts of the free trade negotiations; the first phase has finished and the second phase is not to begin until the Government makes its assessment of the first phase, it seems to me that a thorough debate of this very important decision at this time would be crucial, necessary and of the utmost urgency.

Some Hon. Members: Hear, hear!

Mr. Speaker: I thank the Hon. Member for his intervention and the concise presentation of his remarks. As I said, I will make a decision on this shortly, but not before one hour has elapsed.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Thursday, October 16, consideration of the motion of Mr. Hockin that Bill C-11, an Act to amend the Income Tax Act, be read the second time and referred to a Legislative Committee.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, this is the first time in this session that I have had an opportunity to address this House. It is, therefore, my first opportunity to congratulate you on your reappointment as Deputy Speaker. I have spoken many times in this House, but this is the first time I have had the opportunity of speaking to the House from beside the Speaker's chair rather than before it. Nonetheless, I hope the Speaker will hear me just as well from the position from which I now speak as he did when I was out in centre field as it were.

It gives me a great deal of pleasure to speak on Bill C-11 today. It is a very small but very important Bill. I would characterize it as a "good news" Bill. It is good news because it provides money to people who need it. Later in my remarks I will speak about other good news legislation which the Government has brought forward and some that it will probably bring forward in the future. For the moment I wish to speak specifically about Bill C-11.

This is an Act to amend the Income Tax Act. In the debate which has been ongoing for a day or so it has been said that this Bill puts money in the hands of those who need it most. It has been said on the other side of the House that this is not new money, that it is money these people would get anyway. I say it is new money because these people will get this money several months earlier than they would normally receive it. Anyone will tell you that that is additional funds over and above those which they would receive in the following year.

The Bill provides a child tax credit of $300 per child to any family which received income in the past taxation year of $15,000 or less. Even the Opposition has had to concede that this legislation is good news. That is why few opposition Members have risen to speak to the Bill. As a matter of fact, the Hon. Member for Winnipeg North Centre (Mr. Keeper) congratulated the Government for having the foresight and humanity to move this good legislation. Obviously the Opposition must tone down its praise, so the remainder of the Hon. Member's speech concerned the horrible practice of tax discounting. I can assure the House that this Bill will almost eliminate tax discounting with respect to child tax credits.

• (1220)

There has been some criticism that the money received in November of this year may confuse some families. They may be concerned about the purpose of these cheques and whether they should accept them. Let me assure the House that the Government will go to great lengths to make sure that these families understand what is happening.

Let me read from the information that will accompany the cheques when they are delivered to qualified families. It will state: "This is your child tax credit payment. The enclosed cheque is advance payment of the child tax credit for the 1986 taxation year".

It goes on to explain why. It states that these families qualify for this advanced payment because: one, they received a child tax credit for the 1985 tax year; two, their family income in 1985 was $15,000 or less; three, they receive or are eligible to receive family allowance for a child or children who will be under 18 years of age at the end of 1986.

The pamphlet goes on to say that the amount shown on the cheque is based on the latest information available from the Department of National Health and Welfare. It is $300 of the maximum child tax credit of $454 per eligible child for 1986.

Finally, it states that the recipient must file a 1986 tax return to establish, first, the amount of the child tax credit for

1986 and, second, the eligibility to receive a child tax credit payment in 1987. The pamphlet provides an address to which to write with any concerns.

A further explanation of the child tax credit prepayment will accompany the normal family allowance cheque. The letter sets out in great detail what will happen and I commend the Government for ensuring that this program will be understood. I am sure it will be well accepted.

Unfortunately, in spite of the great strides the Government has made to increase the economic income of most Canadians, there are many people who, particularly since the recession in 1982, still live at or below the poverty line. It has been estimated that between 700,000 and one million families will receive this payment. There are over 10,000 families in my riding who will participate in this program.

The payment will be made in November, at a time when these families experience a great deal of additional costs. While the weather in my riding is rather nice, these families must still clothe their children for the winter. Families in other ridings must outfit their children in winter clothing and this payment in November is essential. We should not overlook the added expense of Christmas. These families will find this payment a great benefit and certainly much better than receiving it at the end of the tax year.

My riding is experiencing difficulties. It is true that many areas of the country are undergoing economic growth, but, as was pointed out in the Throne Speech, the economic turnaround has not been directed evenly among all parts of Canada. There are certain sectors which have and are still suffering severely. Unfortunately, one of those is my riding of Okanagan North. I can assure the House that those qualified families in my riding will welcome the child tax credit prepayment with open arms.

The forest industry which accounts for 60 cents of every dollar in my riding has been on strike for four weeks. Consequently, the lack of money being circulated has left many small businesses in difficulty and this legislation is important to those families who run those small businesses.

Last month the unemployment rate in my constituency was 14.7 per cent and it is expected to increase to 14.9 per cent this month, compared to an unemployment rate of 10 per cent last year. Unemployment claims in Okanagan North totalled $3.4 million last year while this year those claims totalled $4.2 million. Not only are we not holding our own, we are going backwards. Through this legislation, the money that we can afford to give back to people goes to those who need it the most. In my view, people in my riding will greet this legislation with open arms because they need the money.

We now have a threat of a 15 per cent countervailing duty on the lumber industry which cannot but have an adverse effect on my riding. Therefore, it is most important that the Government carry out its intention to diversify and ensure that those regions which have not fared so well under the Government's recovery program will be able to do so. Certainly, economic diversification of western Canada is high on the Government's list of priorities. It is a major concern to all westerners because we believe that we have been the engine of growth for this country in the past.

British Columbia is a particularly resource-based province, with coal, wood and precious metals. There is a surplus of these resources around the world, which means we are feeling the burden of having to bear the impact of a decrease in demand and price for natural resources. That is why I commend the Government for this program and its intention to diversify the economy in the future. Indeed, the past performance of the Government has indicated that it will do exactly that. The $1 billion that it promised to western farmers certainly should be of great benefit.

The fruit industry in my riding has been in difficulty. My colleague, the Hon. Member for Okanagan-Similkameen (Mr. King), can confirm this because he has led the fight in the House and in our Party for that industry. We have received a great deal of encouragement and help with diversification programs, such as the grape program. I am sure we will continue to get the necessary funds from the Government to ensure that our province continues to thrive economically.

• (1230)

The only reason we are able to offer programs such as this "good news" legislation, which offers this money to people who need it, is that the Government right from the beginning has attempted to set a path which would solve, not all of the problems but most of the main problems left to us by the previous Government. We in effect have done that, although one would not know it from the reports of the Parliamentary Press Gallery in this city. However, there are other authorities who have assessed the performance of our Government and I think it is important that we hear what they have to say.

The C. D. Howe Institute, a well recognized and respected institution which has no axe to grind, said:

> The Government's policies, therefore, should be assessed in terms of their contribution to achieving the country's long-term growth objectives. Judged in those terms, says Peter Bartha, the institute's Fellow-in-Residence, the Government has made a good start in dealing with Canada's priority economic issues. The fiscal plan, the trade talks, tax reform, and the Government's search for more effective approaches in regional policies all zero in on areas where action is needed.

I say "Amen" to that. I feel that is the kind of message this good news legislation before us today should carry across the country.

The latest issue of "*How Ottawa Spends*", the publication of Carleton University's School of Public Administration, another institution which has no axe to grind, said:

> Absolutely the most important element in the Tory strategy for economic renewal is to stop and then reverse the growth of annual federal deficits.

Is that not exactly what we have been doing? Is that not exactly what the Speech from the Throne tells us we are going to continue to do? I say to you, Mr. Speaker, with those kinds of policies, we can assure the people of Canada that we will

continue to bring forward legislation such as Bill C-11, the kinds of tax measures which help the people who need it.

That is not the only good news legislation the Government has brought forward. Certainly, there are many more areas the Government has addressed. We have improved the whole retirement scheme for Canada. It has probably gone unnoticed, but in fact that is one of the biggest social changes this country has seen for many years. It will again target the money the Government has for people who need it the most.

We have introduced major changes in the law governing minimum standards for private pension plans under federal jurisdiction. These changes will be particularly beneficial for part-time workers, the people who have the most difficulty getting secured pensions. Our legislation will change all that. It will also benefit the women in the workforce and the spouses of workers with pension plans.

These changes to target help for the people who need it most will take effect in 1987. That has been a consistent policy of the Government. We strengthened Canada's basic income support program by extending the spouse allowance to all widows and widowers aged 60 to 64 years. That was something the people had asked for for many years. Thousands of people in the low income brackets will be helped. That has been a general thrust of the Government.

The Government inherited an economic mess which it has had to overcome. I have read articles which indicate the Government is succeeding in creating an economic climate in which the economy can recover and the social net which is in place can be strengthened. We are not increasing the deficit by doing that, as did the previous Government. We are accomplishing it by targeting those areas which need help the most, and we shall continue to do that.

I congratulate the Government for bringing forward this tax amendment, Bill C-11. I am sure the people of Canada will recognize what we are trying to do and will understand that we intend to continue to do it.

[*Translation*]

Mr. Robichaud: Mr. Speaker, since the Hon. Member who just concluded his speech referred to the deficit, I simply would like to ask him a question since he had so much praise for the Minister of Finance (Mr. Wilson). My question is: Will the Government honour its deficit predictions this year, and if so, by how much below or above the figure stated by the Minister in his February budget? Could he be specific as to what will happen to the deficit?

[*English*]

Mr. Dantzer: Mr. Speaker, I thank the Hon. Member for that question. He will know that the first budget of the Minister of Finance (Mr. Wilson) was the only Budget in the last 40 years to come in on target. The Hon. Member will also know that the target was perhaps missed in the last Budget for very good reasons, for example, the dramatic drop in oil revenues and difficulties with some of our major exports. However, the commitment of the Minister of Finance is clear. He intends to pursue his attack on the deficit and, because of his past record, I can assure the Hon. Member that his goals will be more closely reached than those of any Minister of Finance we have ever had in this country.

Mr. Girve Fretz (Erie): Mr. Speaker, I appreciate the opportunity to speak today on Bill C-11, the child tax credit Bill. I would like to comment on the speech of the Hon. Member for Okanagan North (Mr. Dantzer). I think he did this Chamber proud by giving us that wonderful speech. He reminded us that there will be 10,000 families in his riding who will benefit as a result of this legislation. That is the kind of message that Hon. Members in this Chamber, not just those on the Government side but those who sit in the opposition benches, should be sending out to their own constituents, because this is indeed good news.

We are living in an extremely negative world. The news media want to report that which is negative, the catastrophies, the earthquakes and other calamities, those bad things which happen to people. If it is negative, it will capture the headlines. But we have here something which will not appear in the headlines of *The Ottawa Citizen* or the *Toronto Star* tomorrow. We have good news for our constituents back home. I believe Hon. Members opposite should applaud the efforts of the Government. I almost caught a couple of Members of the Opposition nodding in agreement—almost. They wanted to and their heads just started to nod before they caught themselves.

At a time when every penny counts for many hard-working Canadians, we are on an economic tightrope which the Government inherited from its predecessors. However, in the face of reality, I would like to recite a few things we have done. The Government has slashed Government expenditures. We are bringing some financial and fiscal responsibility to this office.

• (1240)

I wish to cite just one to Hon. Members. I refer to FIRA. The name itself almost scares the living daylights out of people; it is something of which to be afraid. Investors were afraid of it. They stayed away from our shores in droves, not providing the billions of dollars which we so desperately need for investment purposes. In turn, these investment dollars can create jobs and wealth. If we are to help people we have to create wealth first. I suppose that is in opposition to the philosophy of some of our socialist friends across the way who do not understand that type of thinking.

It is refreshing to note that in a short time we will be passing legislation which will prepare the way for an early payment of the child tax credit. This is a measure directed to those who need it most, to those who will clearly benefit as a result of its enactment. I am referring to those over 750,000 Canadians—some three-quarters of a million people—whose incomes are equal to or less than $15,000 a year. As my colleagues have previously mentioned, the child tax credit currently provides

low and middle-income families with a tax credit of $454 per child. Through financial belt tightening we have continued to show since 1984 that our Prime Minister (Mr. Mulroney), our Cabinet and Members on the government side care. That is why we are here. That is why we were elected. That is why the Hon. Member for Okanagan North who just spoke so capably invests his time here. We want to show collectively that we care—and we do. I know that Hon. Members want to applaud my comments but time does not permit.

Some Hon. Members: Hear, hear!

Mr. Fretz: Previously, recipients have had to wait for their benefits until after the filing of their income tax returns in the spring. They have had to wait for months and months. We simply decided that we would change that. We decided that we would introduce legislation to change it. In the near future families will receive the $300 tax credit. Payment will start in November of this year. That is great news. Apart from the financial assistance it will provide to low-income families there will be no red tape. In fact, there will not even be any blue tape. These families will not have to wait. There will be no fuss, no muss, no bother. It is a simple formula. There will be no need for these families to register. They will not have to get into a big lineup to register for these payments. The payments will be forwarded to the recipients of the family allowance. It will be done before Christmas. Is that not great? Who could not use some hard, cold cash at that time of the year?

I ask Hon. Members to imagine just what this windfall will do for some people. I know there are all kinds of pictures being conjured up in the minds of Hon. Members. Perhaps I could illustrate a few for the House. One consists of presents under the Christmas tree, or in a stocking that hangs from the mantle. This payment will enable the purchase of new winter clothes that are so desperately needed, or perhaps a nice juicy, plump turkey. In the winter there are extra heating bills and the kids sometimes need new shoes. My kids are grown up but I do have five grandchildren. My wife just gave a cheque to our daughter-in-law to buy a new pair of shoes for one of our grandchildren. I know how much shoes cost. So this $300 will go a long way. Perhaps some of the money can be used to purchase a new set of tires for the old heap out in the garage.

What we are doing is filling needs for the people of Canada. Not only will we fill needs, but this measure will plough cash back into the economy. This will create a spinoff which continues to help the economy.

Why do we do this? Why would we do this? We do not have to do this. I am sure Hon. Members have other things they can do. The Minister did not have to bring in this measure. We did it simply because we care, because we are compassionate and because we have big hearts. There is no doubt that the family whose gross income is less than $15,000 a year is continually hard pressed to make ends meet. It is difficult to meet all of the needs. The cost of raising a child to the age of 18 has risen dramatically, as precious as they are to us. I know how much I appreciate my family. I have three grown sons who are married and who have given me five grandchildren. I love them all. Those of us who are parents are fortunate.

Aside from daycare costs, which I am sure low and middle-income families cannot afford, the costs of raising children are skyrocketing. The final financial tally amounts to somewhere in the neighbourhood of $70,000. That is a lot of dough in any person's language. I have drawn these figures from a study done in 1984. Three years prior to that, that is, 1981, the costs had increased by $10,000 for items such as clothing, food and housing, which placed pressing demands on household finances. Thus, the early payment of the child tax credit will help to alleviate a little of this burden.

Moreoever, I am pleased to point out that in 1987 the child tax credit will be increased to $489. In 1987 it will be increased to $524. This will amount to savings right on up the line.

Some Hon. Members: Hear, hear!

Mr. Fretz: The Government has committed itself to improving and assisting the financial condition of low and middle-income families. I am pleased to see the Deputy Prime Minister (Mr. Mazankowski) in the House today. When I first came to this place in 1979 the man who put his hand on my shoulder and said, "Girve, we want to welcome you into the House of Commons," was the present Deputy Prime Minister. He helped me greatly. I have looked up to him since because of the fine person that he is. It is because of people like him that we have responsible legislation today.

Some Hon. Members: Hear, hear!

Mr. Fretz: I wish to outline to Hon. Members the results of some measures we have undertaken. Through the continual efforts of the Prime Minister and of the Cabinet we now have lower unemployment in our country. This means that hundreds of thousands of jobs have been created. This means that men and women who have not worked for years and years are back to work. That is important. This means that there will be lower interest rates. What does that mean to the average person? It means lower priced homes. It means fewer dollars are being paid for mortgage interest. It means lower costs for capital equipment and investment by companies which wish to invest in their firms. This means lower inflation. It follows, then, that food costs will be lower, as will the costs of all consumer items. Everyone can appreciate that. This also means that there will be more housing starts. In some places not only is the housing industry flourishing but it is virtually booming. Such a boom creates jobs for the trades people who work in homes. I refer to carpenters, roofers, bricklayers, plumbers, electricians, furniture manufacturers, and the list goes on and on. These people are now working.

There have been strong and forceful measures to ensure that the debilitating debt of billions of dollars faced by our Minister of Finance (Mr. Wilson) can be brought under some control. I am pleased to see that the Minister of Finance is in the Chamber today to listen to my speech. This debt was caused

by the free-wheeling expenditures over the past 16 years our socialist friends across the way. Why would we bring in legislation such as this? We do it in order to establish further programs such as the early payment of the child tax credit. Just watch, there will be more legislation like this which will put smiles on the faces of Canadians. This legislation will be a boon to Canadians regardless of their political stripe, even if they are not associated with any political Party.

• (1250)

I am astounded and amazed that the Opposition would want to slow down this legislation, or that they would even take part in the debate other than to say this is one of the finest Bills that has come across our their in this Chamber. They should be applauding our efforts. It is their constituents who will be benefiting from this legislation. In fact, the House Leaders of the opposition Parties should be meeting with our House Leader and determining how quickly this legislation can be passed. We want to get it through, because we want to get the money into the hands and pockets of the people as quickly as possible.

Mr. Gauthier: We are not speaking on the subject, it's the Government. Let's get on with this.

Mr. Speaker: The Chair is very grateful for the intervention of the Hon. Member. The Hon. Member will continue debate.

Mr. Fretz: Mr. Speaker, I am grateful for that interjection. I think it is wonderful to hear from the Opposition that they want to see this legislation move through quickly. I will wind up my speech in another minute or two. We wish to have this Bill passed and moved through swiftly so we can get the money into the hands of the people.

I would like to conclude, because the Hon. Member reminded me we should move this legislation through quickly, by saying that this proves again that our Minister of Finance has a heart, that we are compassionate.

Mr. Gauthier: It's right in the centre; it should be left of centre.

Mr. Fretz: It has been levelled, it has been charged that we are the people of big business. We are the people of little business, too.

Some Hon. Members: Hear, hear!

Mr. Fretz: We want to help the little business people. We want to help all business people so that we can plough these tax dollars back into the economy, and help people with legislation like this.

ROUTINE PROCEEDINGS

[*English*]

MOTION TO ADJOURN UNDER S.O. 29(1)

SPEAKER'S RULING

Mr. Speaker: I indicated to the House that I would try not to delay, overly long, giving a ruling on the application of the Hon. Member for Essex—Windsor (Mr. Langdon) under Standing Order 29 for an emergency debate relating to the ruling of an American agency with respect to the Canadian forest industry exports.

I also indicated that while I did not receive the minimum notice required by Standing Order 29, there is, in important matters, a discretion allowed the Chair to not see the clock. I extended that courtesy to the Hon. Member, and I am sure that the House would approve that that discretion be used sparingly perhaps, but under the appropriate circumstances.

In considering an application of this kind, the Chair must take three factors into account. The issue raised must constitute a genuine emergency. The Chair used that word in the sense that it is something which is of such urgency that it calls immediately for something to be done about it. It is not enough—and I would ask that the Hon. Members understand this—that it be a matter of great importance. It is the view of the Chair that the issue is of great importance, but the issue must call for immediate and urgent consideration. The Chair must also take into consideration whether or not there will be other opportunities to debate the matter, and other opportunities within a reasonable period of time.

Under all the circumstances, while the Chair does recognize the great importance to Canada of this matter, the Chair must find that the application does not meet the requirements of the Standing Order.

I do want to thank the Hon. Member for proposing the motion and for expressing in explicit terms the reasons for that motion. I thank Hon. Members for patiently hearing the Chair's response, and also for patiently listening to the Hon. Member who presented the application.

Mr. Gauthier: Mr. Speaker—

Mr. Speaker: Because it is Friday the House might observe that the Hon. Member ought to be extremely pleased with the Chair's intervention.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-11, an Act to amend the Income Tax Act,

be read the second time and referred to a Legislative Committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): In the spirit of trying to get this legislation through, and knowing that at two o'clock we will have the Minister in the House, may I call it one o'clock.

Mr. Speaker: It being one o'clock, I do now leave the Chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I will be very brief. The legislation before the House today, Bill C-11, is strictly a housekeeping measure, and I do not think we will have much trouble adopting this Bill. First of all, it does not involve any new expenditures on the part of the Government and second, it changes almost nothing in the program introduced by the Liberals, and I am referring to the child tax credit, which since 1978 has been used to help our neediest families. This assistance is provided to help pay the cost of educating dependent children. As we know, the tax credit is paid annually and as part of the regular programs has been much appreciated.

Mr. Speaker, I have only one comment to make, and then I think we can proceed with Committee of the Whole. I just wanted to say that in the riding of Ottawa—Vanier, and I feel it must be said, we have a considerable number of single-parent families. I think this riding has been particularly affected by the rising incidence of divorce and family break-up generally, and as a result, about one-fifth of our families are single-parent families with dependent children. Most of these single parents are women with very low incomes, often below the poverty line. I would say that 20 per cent of the people in my riding are single-parent families, and these are the people who have to live on very low incomes. I would have thought the Government could have dealt with this problem by increasing the tax credit, by giving more money. I think that some day we will have to realize that our target, our programs will have to be aimed at increasing the incomes of these people who are the neediest in our society.

Mr. Speaker, one thing we absolutely must do is put a stop to the practice of discounting federal cheques and letting incredible sums totalling around $20 million annually go to the tax discounters. I think the easiest way to keep our neediest families from going to the tax discounters would be to abolish this practice, so that the 500,000 Canadians who sold their child tax credits to tax discounters last year—two thirds of whom were earning less than $8,000—so that these people can then enjoy the full benefit of what they receive from the Government.

Mr. Speaker, I will not hold up debate any further. As I said before, we see this as a housekeeping Bill which does not make any major changes or involve additional expenditures, and we are therefore prepared to expedite the passage of this Bill.

[*English*]

Mr. Mazankowski: Mr. Speaker, there have been discussions with the two opposition Parties, and I think there would be a disposition to move Bill C-11 into Committee of the Whole and thereafter move it into third reading if we dispose of committee of the whole consideration today.

If Your Honour sought unanimous consent in that regard, I believe it would be granted, and we could then get on with further progress.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

The Chairman: Order, please. House in Committee of the Whole on Bill C-11, an Act to amend the Income Tax Act.

Shall Clause 1 carry?

On Clause 1—*Eligible child*

Ms. Mitchell: Mr. Chairman, I should like to propose an amendment to Clause 1. I move:

That Bill C-11, an Act to amend the Income Tax Act, be amended in Clause 1:

(*a*) by striking out line 9 and substituting the following therefor:

"whom the individual was entitled to receive"; and (*b*) by striking out lines 12 to 14 and substituting the following therefor:

"be entitled to receive a family allowance under the *Family Allowances Act, 1973* for the greater part of the taxation year".

Very simply, the purpose of this motion is to ensure that the person who had the primary care and maintenance of the child receives the child tax credit. The guardian of the child could change during the year or during the two periods mentioned in the Act. The way it is now, the person who collected the family allowance for the month of January of the taxation year is eligible for the child tax credit. Bill C-11 changes this to read that the person who it is anticipated will be collecting the family allowance in January of the following taxation year will be issued the pre-payment.

The inequity which the amendment addresses is that it is still possible for the primary care giver of the child to be denied the child tax credit simply because for some reason he or she was not in receipt of the family allowance for the particular month of January.

Although the incidence of this inequity actually happening is not widespread, it does in fact happen. When it does happen, the appeal procedure is through the Department of National Revenue. In order to have a legitimate case for appeal, an

individual must have been the recipient of the family allowance for January and must not have had income in excess of the regulated amount, which is up to $23,500 for the full child tax credit. This is to say that an appeal on the basis of the inequity which this amendment attempts to correct is non-existent. There really is no appeal under these exceptional circumstances.

It is not the purpose of this amendment to complicate the administrative procedure for the Department of National Revenue and the Department of National Health and Welfare. It must be pointed out that eligibility for the family allowance can be changed from month to month, and that the loss of one month's family allowance for one child is a matter of $31.58. The amount of the child tax credit is now $454 per child, a very considerable amount, especially for a low income family or a single parent mother.

Most people have no idea that eligibility for the child tax credit hinges upon collecting the family allowance for the month of January, that is, next January. In the previous legislation it was the past January, quite a different circumstance.

• (1410)

We suggest that it should not be a terribly complicated or expensive procedure for the Department of Health and Welfare to exchange data with the Department of National Revenue indicating who has been the primary recipient of the family allowance for the accounting period between the beginning of the taxation year in January until preparations must begin to prepare pre-payment cheques. The child tax credit will be prepaid in November so at minimum there is a period of nine months and at maximum 10 months which could be used.

Mr. Hockin: Mr. Chairman, I appreciate the constructive suggestion of the Hon. Member. I think the concern that she is showing is relevant to the Bill, and I would like to set her at ease.

The family allowance and child tax credit files are constantly being updated. Custody updates are being done on a regular basis by National Revenue. Therefore, the pre-payment will go to the parent who cared for the child up to the pre-payment because the records are kept up to date. Therefore, the concern which the Hon. Member rightly addressed will not arise. If there is a change in custody, the new supporter of the child will get the balance which reflects his or her portion of the care. I ask the Hon. Member to trust the fact that the records are being updated and being kept updated so that these pre-payments will go to the proper person. That is what we are told is the case.

Mr. Chairman: I would like to advise the Hon. Member for Vancouver East that I have not ruled yet whether the proposed amendment is in order. Nonetheless, I will allow the Member to speak on it.

Ms. Mitchell: Mr. Chairman, I am just asking for clarification of the point. My understanding is that the change of criteria in this Bill as to who is the care giver and who is entitled to get this money makes it the person who is the official guardian as of next January, not last January. Even if the records are up to date, they do not really know in advance who that is going to be. That is pretty loose kind of criteria it seems to me.

Mr. Hockin: Mr. Chairman, I have trouble understanding how we could have the slippage to which the Hon. Member is referring. If we are up to date with these custody files and family allowance files, I cannot understand how we could have the gap that the Member is identifying.

[*Translation*]

Mr. Garneau: Mr. Chairman, I should like to ask the Minister how he can explain the substitution of the word "is" for the word "was" and why this was done?

[*English*]

—was or is. In the former clause of the same Bill we were using the word "was" in "was entitled". Now we are using the word "is" in "is entitled". Is there a particular reason for that?

Mr. Hockin: Mr. Speaker, I appreciate the Hon. Member's question. The word "was" refers to "was entitled in 1985". That is why it reads that way. We have to initiate this Bill at some calendar year. The "was" refers to 1985. The cheque people are going to get shortly is based on that "was", which was 1985.

Mr. Garneau: Thank you, Mr. Chairman.

The Chairman: The Chair is now ready to rule on the proposed amendment of the Hon. Member for Vancouver Kingsway. In the opinion of the Chair, the proposed amendment goes beyond the scope of the Royal Recommendation of the Bill. We would need an amended Royal Recommendation, which we do not have. Therefore, the proposed amendment is ruled out of order.

Mr. Althouse: Mr. Chairman, I rise on a point of order. Would you reconsider that? I fail to understand, after looking at the amendment and having heard the explanations, that any more money will be expended. It will simply direct the money to the people who are looking after the child at the time. Since it specified for the whole of the year, those over-all global expenditures would have been made in any case. What it may do, as I understood the explanation, is divert the money from someone who is no longer the guardian of the child to the current guardian of the child—

Mr. Mazankowski: It changes the intent of the Bill.

Mr. Althouse: —which does not change the over-all amount of money that was to be put forward and it does not change the Royal Recommendation therefor.

The Chairman: I thank the Hon. Member for his comments on the matter. The Chair upholds the ruling and rules the amendment out of order.

Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: Agreed.

Clause 2 agreed to.

[*Translation*]

On Clause 3 - *Where excess refunded:*

Mr. Garneau: Mr. Chairman, in spite of all my efforts to grasp the meaning of Section 160.1, more especially as it relates to the payment of interest, I am at a loss to understand that sub-section. Subsection (2) reads as follows:

"(2) Where an individual resided at the end of a taxation year with a person who was a supporting person (within the meaning assigned by subsection 122.2(2)) of an eligible child of the individual for that year, the individual and that person are jointly and severally liable to pay any excess described in subsection (1) that was refunded to the individual in respect of the year as a consequence of the operation of section 122.2 or 164.1 and interest on such excess, but nothing in this subsection shall be deemed to limit the liability of any person under any other provision of this Act."

I would like to ask the Minister to explain the exact intent of that clause. Since it could be said that a pre-payment of $300 in the case stated in the Bill to a family with a child in 1986, such a $300 payment will be made in November or at the beginning of December and if at the end of the year, at the time the taxpayer files his income tax return, such a taxpayer instead of earning $15,000 in the year, as stated later in the Bill, will have earned $16,000 . . . Therefore, he would not be entitled to a $300 child tax credit, he would not be entitled to that pre-payment provided by the legislation now in effect.

I wonder if that clause means that the taxpayer should be paying interest on that pre-payment, and if not, I should like to know the meaning of that addition and of such interests on the surplus and how it is consistent with the other sections of the Income Tax Act which provide that interest on income tax is payable after April 30 of the year following the filing of the income tax return.

[*English*]

Mr. Hockin: Mr. Chairman, the question was raised yesterday. It is an important one. First, I would like to give my answer and, second, give the point where it is plain in the Bill. The answer is that interest would not be charged for the period between receipt of the payment, let us say that was December 1, until you file your income tax on April 30. In essence, this can be looked upon as an interest-free loan until April 30. That is when the meter starts to run, not before. I will endeavour to make sure that this point is made clear in the enclosure that goes with the pre-payment.

• (1420)

It is also made plain in Section 164.1(3) where it says:

Where the aggregate of all amounts paid under subsection (1) to or applied under subsection (4) in respect of an individual for a taxation year exceeds the amount deemed by subsection 122.2(1) to have been paid by him for the year, the excess shall be deemed to have been refunded to him on account of his tax under this Part for the year on the day on or before which his return of income under this Part for the year is required to be filed—

That substantiates what I said before.

Mr. Garneau: Mr. Chairman, in the technical note to the Bill it says the taxpayer is required to repay the excess in addition to any interest computed from the date the excess amount was paid to the taxpayer. Is the Minister telling me that this excess amount does not refer in any way to the pre-payment we are discussing in this Bill?

Mr. Hockin: The excess amount referred to here is the pre-payment less the entitlement. That is different than just viewing it as the pre-payment.

Mr. Garneau: I am not sure if I understood what he just said, because the technical note refers to the date the excess amount was paid. Previously no amount was payable until the taxpayer filed his return. When the Bill refers to the date the excess amount was paid to the taxpayer, do we understand that date to be April 30?

Mr. Hockin: The answer is yes. Unfortunately, the Hon. Member is looking at Section 160.1(1) instead of Section 161.4. That is the basis on which I say yes to his question.

Mr. Garneau: Section 160.1(1) covers just the amount that would have to be reimbursed by the taxpayer. Subsection 2 of that paragraph refers to the interest. Is the Minister saying that interest, if any, will be paid after April 30 of the following year? If the answer to that question is yes, that is all right with me.

Mr. Hockin: Section 160 is a joint and several liability section. It has to be read in conjunction with Section 161.4(3) in order to answer his question. When that is done, it is clear that no interest will be paid before April 30. The meter starts to run after that.

Mr. Gauthier: Mr. Chairman, people in the financial field have a way of saying things that I sometimes miss. A person earns $16,000 in the current year, but in the previous year earned $15,000 which would have triggered this anticipated payment. On April 30, the final date for filing his return, he files saying he made $16,000, therefore he was not eligible for the $300 given to him in November of the previous year. Will there be interest charged to that individual on the $300 if, for example, it takes six, eight or ten weeks to process?

Mr. Hockin: Mr. Chairman, the answer is yes, there would be interest from April 30 on, but not before.

[*Translation*]

Mr. Gauthier: I am disappointed because in fact this person, Mr. Speaker, was entitled to $454 on April 30. And as the Minister just told me, because he received a pre-payment in November and earned $16,000, which is still below the $23,500 level for eligibility to the income tax credit, the Minister just told me that taxpayer will be paying interest starting from April 30 until he receives notice from Revenue Canada that his income tax return has been accepted. Did I understand the Minister correctly?

[*English*]

Mr. Hockin: Mr. Chairman, there is nothing different here from the way the Income Tax Act ordinarily operates. When he files he will be able to tell immediately whether the amount was excessive or not. As a matter of fact, if he keeps his records, he will know at the end of December, the calendar year, whether the amount was in excess. So there is nothing new. That is true of all tax returns, and it is true for other matters of this type. It seems to me that the truth will not be hidden from him. He will probably know on January 1 and he will certainly know when he does his return on April 30.

Mr. Gauthier: The Minister misses my point. From the total $454 to which that person was entitled will be deducted the interest payment, therefore he will get less than the $454, yes or no, depending upon when he pays?

Mr. Hockin: Depending upon what, Mr. Chairman?

Mr. Gauthier: Depending upon when he pays his income tax.

Mr. Hockin: Mr. Chairman, if he is entitled to his $454 credit, there is no reason why he would have this deducted from it. This is his credit.

Mr. Gauthier: The Minister just told me there would be no deductions if the taxpayer is eligible for that $454, even though the eligible amount of $15,000 was set, rather than the $23,500 which the program allows, and the fact that he earned anything over $15,000 would not in any way prejudice the $454 which he would receive? He would not have any interest deducted from that amount for having earned over the $15,000 ceiling?

• (1430)

Ms. Mitchell: Mr. Chairman, I am sorry to interrupt my hon. friend, but both gentlemen who have been speaking have constantly referred to "he" as does the Bill in reference to the people who will be recipients of the child tax credit. It is usually the mother who is the recipient. I am serious about this. I have asked in the House before, and I ask again now, that this kind of sexist language be removed from our legislation. How can this be done, Mr. Chairman? It is long overdue. It is offensive to me to read this in the Bill and to hear this pronoun being used when it is inappropriate.

The Chairman: I am sure all Members will take note of the comments made by the Hon. Member for Vancouver East.

Mr. Gauthier: Mr. Chairman, I understand the point. It is difficult for me to say "it" but I believe that "person" or "individual" could refer to either a she or a he.

The Chairman: Shall clause 3 carry?

Some Hon. Members: Agreed.

Clause 3 agreed to.

[*Translation*]

On Clause 4 -*Prepayment of child tax credit*

Mr. Garneau: Mr. Speaker, Clause 4 amends Section 164(1) of the Income Tax Act, to provide for the pre-payment, in respect of every eligible child, of $300 or such greater amount as prescribed by the Minister, as described in clause passed earlier, and for the $300 to be prepaid to the taxpayer in charge of the dependent child who earned less than $15,000 during the previous year, which means that the payment to be made in 1986 would be based on the family income for 1985.

Mr. Speaker, I do not understand the Government's way of reasoning. We have been hearing a lot of rhetoric from the Government side about those tremendous benefits. I know your neutral position has prevented you from doing so, but from the Government side we heard so much rhetoric implying that this was new money, new legislation. Fortunately, the Minister of State for Finance (Mr. Hockin) said at the end of his remarks that this would not cost the Government one penny because otherwise we would have asked where they got the funds needed to pay such amounts. Something I cannot understand is how this Government came to that $300 figure, when the child tax credit is $454, at least as I understood it would be for this year? Why is the Government legislating piecemeal? I suppose that where a family earns $15,000, especially since that is the maximum income for entitlement to the pre-payment, why not prepay to that needy family the whole of the $454 child tax credit?

It has been stated that the basic reason for this legislation was to somehow stave off tax refund discounters. If there is a $154 balance left in the case of a family earning less than $15,000, with two or three dependent children, this will amount to $154 times three or four, and that is a lot of money. Do you think a family in the habit of using discounter services would stop doing so for that $154 balance? Statistics that have been compiled show that it is mainly families below that approximate level of income who use discounters. Those families will still earn less than the minimum at which tax discounters are used. Why did the Minister not provide for $454 rather than $300?

And to use the Minister's own terms, Mr. Speaker, since we have been told this legislation would not cost the Government a single penny because the total payment is $454, I would like in the same spirit to bring forth an amendment to that clause

by saying this before reading it: you may say this involves an expenditure of money, something Opposition Members may not properly move. However, since the Minister of State for Finance (Mr. Hockin) told us in his speech that Bill C-11 would not cost the Government anything and since the maximum amount of the child tax credit is $454, I would like to move an amendment which does not represent an additional expenditure and which therefore comes within the scope of the Bill. If it is accepted, this motion would amend Bill C-11 in clause 4 by striking out lines 16 to 19 on page 3 and by substituting therefor:

"individual amounts, the agregate of which does not exceed $454 for the taxation year 1986, $489 for the taxation year 1987, $524 for the taxation year 1988, and for any subsequent taxation year, the amount of $524 indexed on the annual increase in the Consumer Price Index, in respect"

The rest of the clause remains the same.

This amendment, in French and in English, is seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

[*English*]

Mr. Hockin: Mr. Chairman, the Member has alleged that I said this program will not cost us a cent. I did not say that, and I cannot say it because, as the Hon. Member knows, we have altered the cash flow. Due to the huge deficit which was left to the Government we have to borrow money to pay money. This is speeding up the payments by six months. It will not affect the 1985 tax year, but it certainly does affect the fiscal plan and extra expenditures are incurred by the Government to make a pre-payment six months early on such a huge amount of money. I do not believe we ever said that it will not cost a cent, and it would not be accurate to say that because there are extra expenditures involved in prepaying.

The Member asked why we do not send the entire amount of $454 instead of $300. I think that question was answered clearly yesterday. To reiterate, we want to encourage recipients to file tax returns. If there is still $154 outstanding, it will encourage them to file tax returns. As well, there will be a balance of $154 left for reconciliation. Therefore, if someone is overpaid the chance of them having to send the Government a cheque will be minimized because part of the amount has been kept back from the pre-payment. I think this is a rather novel and intelligent way to begin making pre-payments of credits like this.

With regard to the continuing existence of tax discounters, I would remind the Hon. Member that I served on the committee which examined tax discounting and I share his concern about this. However the tax discounter now has only $154 to get at. That is a very trivial amount compared to $454. I think it is hardly worth the time of a tax discounter to discount $154. We have taken $300 right out of play.

This clause answers very well the major issues raised about reconciliation, about encouraging people to file tax returns and also about tax discounters.

Ms. Mitchell: Mr. Speaker, we fully support this amendment. The National Anti-Poverty Organization which has many affiliates across the country has studied the matter of tax discounters at great length, because they are the people who are the victims of the tax discounters. They have asked repeatedly that the full amount be retained and paid at one time. This is very important in their life circumstances because they simply have no credit or block sum of money for the more expensive household items that are required. They have asked that the full amount be paid.

• (1440)

With respect to tax discounters, I really do not see how this will prevent it. It simply means that next fall the tax discounters will know that $300 is coming and they will speed up and be into operation next fall. What we have called for over and over again, as has NAPO, is legislation to actually ban tax discounting of the child tax credit. This was done for the old age pension. If this was done for the child tax credit as well, we would not need this.

Mr. Dick: Mr. Chairman, I am not sure if you have made a ruling on whether this clause is in order. I believe it is out of order because it has asked for inflation to be added. That obviously means the expenditure of more money.

The Chairman: I am about to rule on it, possibly along that line of thought.

Mr. Gauthier: You should not look to him for inspiration, Mr. Chairman.

[*Translation*]

Mr. Chairman, I simply want to point out to the Minister that we did hear and read his speech of October 15. We may have misunderstood it, but on page 381 of *Hansard* for October 15, we find that the Minister said the following in his speech on Bill C-11:

—it is important that we find ways to deliver benefits to those entitled without increasing expenditures—

In our opinion, the words "without increasing expenditures" clearly indicate that the Government was not increasing its expenditures.

This is why we thought that, if it was possible to make a $300 payment when the program provided for $454, it would probably be as useful and perhaps preferable to avoid all the problems that this would cause by increasing the amount of the payment from $300 to $454. It is with this in mind that we proposed this amendment.

[*English*]

I am preoccupied with the question of tax discounters. I know that we have had a committee and that the Minister was a member of that committee. We faced two alternatives. We could have banned tax discounting as was done by the Americans. The argument that this would be interfering with small business was not very valid or very serious.

The other alternative, as suggested a few minutes ago, was to prohibit the sale of a child tax credit cheque, as we did with

family allowances and old age pensions. It would seem to us that this measure is targeted at a group of Canadians who need that extra help and that we should assist them by prohibiting the sale of those cheques to tax discounters, as we did with old age pensions and family allowances. The House knows the discounters make a lot of money.

Mr. Dick: Does this concern the amendment?

Mr. Gauthier: It all deals with that amendment, Paul. Stick around and you will understand.

Mr. Dick: I am listening.

Mr. Gauthier: The Government says that it does not cost any more to have this measure because it is an administrative measure which gives a payment in advance to people who need the money. Why not give the whole amount? You say it is an insignificant amount of $150. It could be substantial to the families who have two, three or four children, when one multiplies the number of eligible children times $150.

It is possible for the Minister to accept this and increase it to $454, which is the amount to which people are entitled. Why not do that and be generous?

[*Translation*]

Why be stingy and give only $300, why not give $454?

The Chairman: I am now ready to rule on the amendment moved by Mr. Garneau and seconded by Mr. Gauthier, the effect of which would be to amend Bill C-11 in clause 4 by striking out line 16 to 19 on page 3 and by substituting the following therefor:

"individual amounts, the agregate of which does not exceed $454 for the taxation year 1986, $489 for the taxation year 1987, $524 for the taxation year 1988, and for any subsequent taxation year, the amount of $524 indexed on the annual increase in the Consumer Price Index, in respect"

In my opinion, this amendment would result in additional spending for the Government and, therefore—

[*English*]

The amendment, according to the Chair, is beyond the scope of the Royal Recommendation.

[*Translation*]

I must therefore declare the amendment as proposed out of order.

Mr. Garneau: Mr. Chairman, we must accept your decision. I wish the Minister himself had decided to support this amendment, so that Your Honour could have ruled it in order because it would have come from the Government benches.

In view of the fact the Government will not itself move an amendment which would make it possible for families earning less than $15,000 to get the full amount of the child tax credit to which they would be entitled, that is $454 per child, in view of the fact that they will have to be satisfied with $300, I should like the Minister to explain to me why clause 4 limits the benefit of this pre-payment to families earning only $15,000 or less, for I just do not understand.

People are aware that under this legislation, following the Government's decision, the previous ceiling of $26,000 and some hundred dollars from which the child tax credit gradually diminishes has been reduced by this Conservative Government to $23,500. Because of this, several families will not be able to benefit from the child tax credit; those families earning more than $23,000 and who have three, four or five children will be especially penalized.

Mr. Chairman, I want the House to know that we do not agree with this $15,000 maximum income triggering the pre-payment. I want to ask the Minister whether he would accept, without being the sponsor, the amendment which I am about to move before you rule on this amendment Mr. Chairman. I am sure that if the Minister made it his own, it would be ruled in order. I move therefore that Bill C-11 be amended in clause 4 by deleting line 30 on page 3 and substituting the following therefor:

"of the individual did not exceed $23,500 for the taxation year 1986 and did not exceed for any subsequent taxation year the amount of $23,500 indexed on the annual increase in the Consumer Price Index."

Mr. Chairman, I should like to move this amendment in both official languages.

[*English*]

Mr. Hockin: Mr. Chairman, I believe that the suggested amendment would need a Royal Recommendation. I would ask the Chair to rule on that.

The Chairman: The proposed amendment by the Hon. Member for Laval-des-Rapides is the following:

That Bill C-11 be amended in clause 4 by deleting line 30 on page 3 and substituting the following therefor:

"of the individual did not exceed $23,500 for the taxation year 1986 and did not exceed for any subsequent taxation year the amount of $23,500 indexed on the annual increase in the Consumer Price Index."

The Chair does in fact rule that this amendment would bring an additional financial burden on the Government and therefore is beyond the scope of the Royal Recommendation. I must rule it out of order.

Mr. Garneau: Would the Minister table this amendment himself, with the support of the Government? Until now he has hidden behind the decision of the Chair. Would he be prepared to support this idea and increase the amount from $15,000 to $23,500? I would like to know if the Government is serious. I would prefer to hear the Minister say that he refuses that type of amendment.

Mr. Hockin: The suggestion of the Hon. Member would change the very principle of the Bill. That, too, would be ruled out of order. However, I want to make some general comments based on this foray of suggestions we are getting from across the aisle. First, I want to say, by way of encouragement to the Hon. Member, that the $300 amount of pre-payment in the Bill can be changed without an amendment. We are going to

monitor that closely. The reason it is not the full $454 is that we want to make sure we are not incorrectly prepaying too many people, because it is a very awkward situation when people have to send money back. We also want to encourage them to file tax returns.

• (1450)

We are going to monitor this because it seems to me that when we move to the $15,000 threshold, to which the Hon. Member referred, the higher threshold increases the likelihood of an incorrect payment. We are going to monitor it, though, and it could be that we can move it up. I am sympathetic in looking at it, as I know the Government is. Based upon the comments of the Hon. Member, I am sure he would be sympathetic. We will monitor it carefully. There is nothing to prevent us from doing that. I thank the Hon. Member for his suggestion.

Mr. Gauthier: I wonder if I heard the Minister properly when I heard him say we could, or the Government could, change the $300 at any time. I refer the Minister to the Bill, Clause 3, Section 164.1(1), which states:

—the Minister may, after the beginning of a taxation year and without application therefor, pay to an individual for the year one or more amounts, the aggregate of which does not exceed $300 or such greater amount as may be prescribed for the year—

How will this operate? Will the Minister announce his intention ahead of time? Can the Minister give us some indication of how this will operate? Will there be a bureaucratic decision made by God knows who?

Mr. Hockin: It means it will be changed by regulation, and a pre-payment of something this important, as the Hon. Member knows, will be a decision that will have to be made, not by techicians but by people who make these major decisions. As I have said to the Hon. Member's colleague, we will monitor very carefully this level to see if it can be increased in the future, and it can be done by regulation.

Mr. Gauthier: I have the assurance of the Minister that this will be a budgetary item? In other words, it will be in the Budget for the coming year and we will be able to discuss that at the time of the Estimates, and the House of Commons will be called upon to pass judgment as to whether the amount is sufficient or not?

Mr. Hockin: I thank the Hon. Member for the lesson in the ins and outs of budgets and so on. However, this clearly can be done through Order in Council. There is no need for this to be part of a Budget.

Mr. Gauthier: That is what I feared. That is exactly what I did not want to hear. I guess that is the interpretation the Minister attaches to that clause. We could ask then, if it is going to be done by regulation, will it in any way be available to Parliamentarians, *per se*, to review that regulation at appropriate times? If so, how do we review these regulations?

Mr. Hockin: My understanding, Mr. Chairman, is that all regulations, of which this is typical, are part of the statutory instruments which are referred by committee and by Parliament.

Clause 4 agreed to.

Title agreed to.

Bill reported.

Mr. Garneau: May I ask the Minister of State for Finance (Mr. Hockin) or perhaps the Deputy Prime Minister (Mr. Mazankowski), if we agree on third reading, is there an intent to have a very long debate on it or can we agree to—

Mr. Mazankowski: Mr. Speaker, it is my understanding that there are a couple of Hon. Members on our side who want to make a few comments, but it will be fairly short.

Mr. Prud'homme: As long as they are not provocative.

Mr. Mazankowski: They will not be provocative. Our Members are very rarely provocative unless they are provoked.

Mr. Gauthier: Just so I understand all these negotiations, I take it, Mr. Speaker, by unanimous agreement we will pass to third reading of this Bill and that the Government will not introduce any further legislation today? When this Bill has received appropriate debate, it will then be for us to decide what hour of the day it is, to see the clock, in other words?

Mr. Mazankowski: Mr. Speaker, yesterday I did indicate to the House we were going to be going on to another Bill, Bill C-4. It was my intention to call that Bill which would be consistent with the pronouncement I made yesterday.

Mr. Prud'homme: But we could relieve you of that.

Mr. Dick: They could talk forever on this.

Mr. Murphy: Mr. Speaker, with respect to the same point, we are certainly willing to let the legislation pass. From what I understand, the Government has two speakers. We have one or two speakers each from our caucuses. But we would really hate to see a piece of legislation introduced at 4.30 or 4.45 p.m. I think it would be in the best interests of serious study if we finished this legislation and called it five o'clock.

Mr. Mazankowski: Mr. Speaker, assuming that this would take us to a 4.40 or 4.45 p.m., I think there would be a disposition to accommodate the Hon. Member. I was assuming we might get through this Bill sooner than that. If that were the case; if we were to get through this by 3.30 or 4 p.m., I think we would be viewed as being somewhat wasteful in not moving on to other important pieces of legislation.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-11, an Act to amend the Income Tax Act, be read the third time and passed.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on the same point of order.

Mr. Hockin moved that the Bill be read the third time and do pass.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, we have agreed to support this housekeeping measure proposed by the Government so that the child tax credit can be paid in November instead of February or March.

Mr. Speaker, we regret, however, that amendments we proposed and which would have made it possible to improve this legislation were turned down systematically by the Government. That is typical of Conservative policy. We saw it with unemployment insurance. We saw it with Old Age Security pensions, where the Government wanted to partially de-index Old Age Security pensions. We saw it when family allowances were partially de-indexed. We also saw that because of decisions made by the Conservative Government, the cutoff point for entitlement to the child tax credit was brought down from $26,000 to $23,500. We see that this Government's social policies do not in any way reflect commitments made by the leader of the Progressive Conservative Party, the present Prime Minister (Mr. Mulroney) of Canada, during the 1984 election campaign, when he said that social programs were a sacred trust that would not be tampered with.

Unfortunately, after the Conservatives came to power, we saw how month after month and from one session to the next, the Prime Minister of Canada failed to keep the solemn commitment he made before the Canadian people during the 1984 campaign.

As for Bill C-11, it is a housekeeping measure that has certain advantages but also reflects the character of the Conservative Party. In other words, it is a measure that is less than generous in its application. Why won't the Minister of State for Finance (Mr. Hockin) give the full child tax credit to a family earning only $15,000 a year, his excuse being that the Government might have trouble getting the money back?

In any case, there is a wide enough margin between $15,000 and $23,500 for the Minister of Finance to be certain that there would be very few cases where the Department of National Revenue would have had more difficulty in collecting the taxes due. In addition, if a family with a previous annual income of $15,000 found itself with a $27,000, $28,000 or $30,000 income another year, it seems to me that it would be much easier to pay back if necessary the amount of the pre-payment received in excess of their entitlement if this amount were interest-free. In any case, there would still be the rest of the taxes due to protect the amount of the pre-payment.

We regret this meanness on the part of the Government as well as the fact that the Government did not accept to offer a pre-payment to all the families entitled to the child tax credit, that is families with an income under $23,500.

The Conservative Government has already lowered by several thousand dollars the cutoff point for the child tax credit. Previously, this cutoff point was $26,500, but it will now be lowered to $23,500. The amount of the child tax credit will therefore be reduced for all the families earning between $23,500 and $27,000. I find it hard to believe that the Conservative Government could be so mean with its family benefits. When we asked the Government why . . . I accept the ruling made earlier by the Chairman of the Committee of the Whole since my amendment may have dealt with a financial matter, but the Minister of State for Finance (Mr. Hockin) or the Deputy Prime Minister (Mr. Mazankowski) could have moved the same amendment on behalf of the Government and obtained the required ministerial consent so that families with four or five children and an income under $23,500 could have benefited.

This is not a new benefit, but simply an amount which is due to these families and which, instead of being paid in March or February of next year, will be paid in November, three or four months earlier. It is typical of the Conservative Government to be so mean in its social policies. These same low-income families must often rely on unemployment insurance, and we have now learned in all the newspapers that the Government is on the point of decreasing brutally—

Mr. Prud'homme: Shamefully!

Mr. Garneau: Or at the very least shamefully, the UIC benefits of the unemployed in Quebec, the Atlantic and all other regions in Canada by hundreds of millions of dollars.

I raise this point, Mr. Speaker, to put Bill C-11 in the context of the social philosophy of this Government, which Government has not only failed to keep the commitments made during the 1984 electoral campaign, but has also decided to hack away at our social programs, which are essential to ensure a more equitable distribution of wealth in Canada.

When we see what is going on with family allowances and even more so with the child tax credit, whereby the maximum allowed declines from $26,000 to $23,000, social benefits are reduced, and since the Government is getting ready to slash unemployment insurance programs, there is cause for alarm, Mr. Speaker. I would urge the Minister of State for Finance, who is new in the Cabinet and certainly knows what it means to meet his constituents every weekend, or Mondays or Fridays in his constituency office when he can be there, he is certainly aware of the social problems faced by many of our constituents, to take advantage of his situation as a new member of the Cabinet with new ideas, to remind his colleague, the Minister of Finance, and more so his Prime Minister of the firm, formal and most serious commitment he made on television when he stated that social programs were a sacred trust.

I hope the young Minister of State for Finance (Mr. Hockin) with his understanding of social programs—still fresh in his mind since he has had the experience of being an MP before becoming a Minister with a chauffeur, limousine and other perks and that he still remembers what it means to live as an average Canadian—will urge his colleague, the Minister of Finance (Mr. Wilson) and his Prime Minister (Mr. Mulroney) to honour the commitments made during the election campaign and not merely reinstate the child tax credit to a $26,000 income maximum, but see to it that in co-operation with his colleague, the Minister of Finance he is instrumental in thwarting the plans of the Minister of Employment and Immigration (Mr. Bouchard) to cut back unemployment insurance benefits.

• (1500)

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I am pleased to have a chance to speak in the third reading debate on Bill C-11 for two or three reasons. First, the reality of poverty in our country has to be given more emphasis in the House of Commons than has commonly been the case since I arrived here.

I was struck, as I suspect were many Members, by the Thanksgiving edition of *The Globe and Mail* which contained very touching stories of people across the country in circumstances much less advantageous than those which we as parliamentarians and many of our constituents face. There is a reality developing in the country which is far too easy to escape and overlook. It is a reality that shows up in soup kitchens and food banks. It shows up in food lines across our country, a country which should, with its present wealth, not have the type of inequities that cause this type of poverty to exist.

I was most struck by the fact that the food lines and food banks have spread to western Canada, particularly to Alberta and British Columbia. These are areas which we in central Canada have previously thought of as some type of nirvana, some paradise beyond the mountains to which we look in terms of our retirement. The discovery that poverty exists in the inner cities of Vancouver and Edmonton was a shock for many of us. It has caused us to have another look at the country as a whole. I think if one has a look of that sort at our country one will see some bleak and sad realities.

I had lunch in the Parliamentary Restaurant, ironically,with Dennis Drainville. He is an Anglican priest who has worked closely with the poor in Toronto. He sees the world and our country in 1986 as being no longer a place of smug complacency. It is not the land flowing with milk and honey that so many members of the Conservative Party, and indeed the Liberal Party, too, sometimes seem to see in this country. Rather, we have a country with some tragedies which have to be recognized. Some are human. Some tragedies are worse because they affect children. These children often face very grim circumstances and a future which is not something that they can look forward to with the same sense of opportunity and optimism which my 11-year-old son can have. That kind of reality in 1986 in Canada is something that should outrage us all. It is not something which we as a Parliament should be prepared to accept, to see calmly as being inevitable. It is something that must be tackled, and tackled with urgency.

• (1510)

I have no great objections to this Bill in front of us. I hate to tell some of my Conservative colleagues on the other side of the House, but this Bill embodies a principle that I talked about during my election campaign. It said to women who were receiving the child tax credit that it would make more sense for that child tax credit to be paid out on a basis where it could be used throughout the year. Therefore, it is a Bill which I do not want to criticize or unduly delay.

I heard my colleague across the aisle say that this Bill showed that the Conservative Party had heart. When we saw the Minister of Finance (Mr. Wilson) demonstrating palpably that he had heart, I must say that it brought to me the expression, as with the chicken, "Some heart. Not much. Not much at all".

In the face of the poverty in the country this Bill is something that shames all of us as human beings, as Canadians. As we sit here on a Friday afternoon in the House of Commons with this poverty facing us, the very best that we can do is to divide up the meagre, miniscule child tax credit into two parts. That is simply not good enough for the millions of people in our country who face a future which is simply not a Canadian future that I am sure all of us in this House would like to see.

We have argued strongly, and I make the case again at third reading, that it was possible to do so much more with this Bill. This is a Bill to amend the Income Tax Act. It is a Bill, frankly, which deals with child policy in this country. Consequently, it could have taken on some of the most dramatic and exciting potential changes to put the young people of our country into a fair position to benefit equally in the future in Canada.

For instance, it could have done very simple things such as those mentioned earlier by my colleague, the Member for Vancouver East (Ms. Mitchell). It could have done away with the tax rebate discounting which takes that meagre amount presently provided and reduces it even further. It could have been more ambitious. For instance, it could have maintained the universality of family allowance in a way that would exercise reindexing.

As it now stands, in 1990-91 there will be over $600 million withdrawn in real dollar terms from child benefits in this country. That is not right. It is not right to treat the children of Canada in that way. Yet, through the paralysis, the over-concern with deficit financing that the Government seems to be dominated by, that is going to be the consequence by 1990. If we project 20 years into the future, the family allowance will be $18 a month compared to $31.27 today. The child tax

credit, if there is not to be a change—perhaps there will be a change, because I recognize there is some small heart palpably beating in the chest of the Minister of Finance—will be reduced by that period.

I ask this Government why it would not adopt a social policy which reindexed the family allowance and took the child tax credit and made it something real and significant to the women and single-headed families who receive it. At its present level it is helpful and it will be more helpful to receive it in different amounts rather than all at once, but it could be so much more helpful.

• (1520)

For instance, it could replace the regressive child tax exemption with an 80 per cent increase which would consequently be possible in the child tax credit. It could also increase the number of families receiving child tax credit if the Government had the will to eliminate tax exemptions for children of very well off families. In short, there could have been a serious effort in this Bill to move toward child based tax reform aimed at getting rid of poverty in Canada to a much greater extent than we presently have with this sadly inadequate piece of legislation before us this afternoon.

We have gone through second reading debate and clause by clause consideration in Committee of the Whole. It will not change. However, I strongly urge the Government to look in the future at a serious set of changes which would provide child tax credits that would be a credit to our society. I am referring to child tax credits which do something serious for young children in society. It could give them a significant level of support when their families are unable to provide it for them, not the very limited level of this year.

We in the New Democratic Party have called for this kind of tax reform for years. We continue to call for it. We continue to point out the serious gaps which exist in the tax system, gaps which leave hundreds of corporations untaxed despite the fact that they are profitable. As well, thousands of individuals are untaxed at this stage. If we moved on the child tax credit area with urgency, imagination, and some seriousness, we would have before us a tremendous advance forward for poor people, not this second rate piece of legislation. On this Friday afternoon I think all of us would be much prouder in that case.

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am delighted to rise this afternoon on behalf of my constituents in Nepean—Carleton and share some of my thoughts about the legislation before us.

Bill C-11 is an Act to amend the Income Tx Act and it relates to an advance payment under the child tax credit program. I congratulate the Hon. Minister of State for Finance (Mr. Hockin) on the first piece of legislation he has introduced into the House. It is a remarkably welcome piece of legislation, not only to my constituents but to all Canadians.

It is interesting for me to follow the Hon. Member for Essex—Windsor (Mr. Langdon) this afternoon in participating in the debate. Not only he but the Party which he represents advocated just this type of legislation. I was disappointed in many respects to hear him refer to Bill C-11 as second-class legislation. In fact, I was terribly disappointed. I hope that this is not an indication of the position of his Party on the types of programs the Government is introducing to assist the needy.

Also, it is interesting for all of us in the House to recognize that the Conservative Government has introduced social legislation, which I hope will be supported by the NDP, to help the needy, not only in my constituency but in eastern Ontario and throughout the rest of Canada.

This piece of legislation builds upon what the Government has done for spouses by lowering the age at which they qualify for support from 65 to 64 and for veterans and their families. I could also refer to other accomplishments. It builds upon Bill C-84 which increased the child tax credit from $70 to $454 this year. It will be increased further so that in 1988 it will amount to $524 per year. It was very progressive legislation. It also builds upon Bill C-83 which restricted the amount of tax refunding that could be associated with discounting, an activity which deprived many needy families, especially single parent families, of funds and income which they so richly deserved. On top of that, it builds upon the Government's Budget indicating its intention to introduce into the House this fall legislation to increase or provide a refundable sales tax credit of $50 per person and $25 per child for families with annual incomes under $15,000. This is part of a process by which the Government is attempting to meet the needs of our constituents, the needs of the needy in society. I am proud to be part of a Government which has a soul, a heart, and a willingness to proceed with this type of program.

We in the Chamber are very sensitive in this regard because we become perhaps more familiar with the needs of the needy in our local communities than others who may be sheltered from them. In our day to day lives of working with constituents, hearing their concerns, meeting with them in their homes, and knowing their problems firsthand, we readily grasp the need to reach out and help them. That is what this piece of legislation is doing. I am proud to be part of a process which allows us to do that. My constituents are no different from others.

As the program goes forward, it will provide a payment of $300 or two-thirds of the total payment for every child in the country. It will reach out to nearly three quarters of a million families across the land. It will apply to about 1.3 million children and families with incomes under $15,000. More important, it will come at the onset of winter when the needy require winter clothes and boots and a variety of things to prepare themselves for the coming season. This pre-payment is going automatically to all of those families whose income is under $15,000 a year, and in a pro-rated way to those families whose income is slightly greater than that.

• (1530)

I am delighted to rise in the House this afternoon to support this legislation and in so doing help my constituents.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I will be brief. I want to make a few comments and although it may seem funny to the Minister of Employment and Immigration (Mr. Bouchard) this is in fact a measure we have supported.

I would like first to commend the Minister who sponsored the bill. This is his first legislation, and I think he did a very good job.

Mr. Speaker, this is a housekeeping bill which in fact does not change things much. It will be remembered that the child tax credit was established in this House in 1978, when the then liberal Government was looking for a way to help low-income families with what we call in French "un crédit d'impôt-enfant."

The litteral English translation "*Tax Credit*" raises some difficulty. It is not necessary a credit for tax paid, but a tax credit paid in respect of children. Without getting involved in semantics, I think we must be clear that any parent whose income is below $23,500 is entitled to the maximum child tax credit, which for this year is $454.

What the Government is doing with Bill C-11 is to propose that we prepay the benefits recipients have a right to receive but for which they had to wait until April next after the filing of their income tax returns. This is therefore a legislation which we support, because it meets in part the needs of these families who, as winter is approaching, will need that money to feed and clothe their children, and see that those attending school have warm clothes to cope with our long winter.

As the families will receive these $454 through our income tax system, Mr. Speaker, each and everyone of them should make sure to file its income tax return before April 30, 1987. As we know, this amount decreases according to the family income. If their income does not exceed $23,500 families are entitled to the full $454 child tax credit, and a decreasing scale is provided for incomes exceeding that $23,500 ceiling.

Mr. Speaker, at the Committee stage, we would have liked the Government to have accepted to generously provide the full $454 child tax credit. It has refused to do so, and we are very disappointed, because it has decided arbitrarily on this amount of $300, which is nearly two-thirds of the amount payable, and set the eligible amount at $15,000, which in our opinion is a somewhat discriminatory and perhaps very arbitrary approach.

We wanted the $300 to be increased to $454. The Minister told us: Don't worry, I am listening and there is a provision in the Bill. The amount will increase over the years.

As to the $15,000, that is a different story. This amount, that triggers prepayment of the child tax credit, will not change. The Bill does not provide for any flexibility. Section 164.1 provides that the total income of an individual, based on the various paragraphs, will not exceed $15,000. There will be no discretion and no regulation: that $15,000 ceiling will not change.

In view of inflation and the ever growing needs of families with children this creates a burden which is far too heavy for them; I wish the Government had shown more flexibility and made it possible to increase the $15,000 amount which triggers the pre-payment program.

Mr. Speaker, one of the reasons why we supported this total payment of $454 was to put an end to the tax discounting practice. Nearly 500,000 Canadians—that is a lot of people—have sold their cheques to these tax discounters who, largely because of a legislation passed by this House, cannot charge them more than 15 per cent; just the same, it is 15 per cent of their tax credit cheque. This will clearly not apply to the pre-payment of $300, but there will still be $154 outstanding. I can tell you that in my own riding, there are poor families with many children who will use that $154, multiplied by the number of children, and who will have to go to these tax discounters to get the money they will need in February, March or April of next year.

That is why I would have thought that the Government would have listened a little more carefully and would have been more sensitive to our request, even if it does not want to abolish completely the present situation, the business which goes on between tax discounters and some individuals, even if it does not want to abolish that practise, like the Americans did, and prohibit completely the sale of these cheques to tax discounters because, as we know, they often are an important source of family income.

I would like to remind the House, Mr. Speaker, that discounting is not allowed on Family Allowance and Old Age Security payments. I would have liked to have seen the child tax credit also included, to ensure that the money provided by Canadian taxpayers to poor people is really used to fulfill some of their needs which, at times, are very large.

Mr. Speaker, I am not going to go on much longer, but I wish to say that I found this debate interesting, although a bit dull; I was going to say mean. My friend from Saint-Denis (Mr. Prud'homme) tells me that the word is very appropriate in this case. Yes, it is fitting, because we should not forget, Mr. Speaker, that this Government is not really concerned with the plight of the less well-to-do. However, it is concerned, even obsessed, with the large deficit. It wants to reduce that deficit and it is just too bad if people in need suffer from it or require assistance. I think that this attitude is mean and that we are lacking sensitivity toward poor families.

All we have to do is look at the statistics. I have got some, Mr. Speaker, and I could recite them for the whole afternoon. At the present time, the disposable income, that is the money we are really free to spend, is shrinking every day. Savings are down too. Canadians are saving less than they used to, and God knows the tax system, the famous measures in the last Budget, has added to their burden. I could give you figures

showing clearly that poor families and low-income families are paying more taxes today, more direct taxes than they did two years ago, to a large extent as a result of that obsession, of that inability of this Government to sympathize with the needs of those families.

Mr. Speaker, I shall return later to economic matters, but let me simply say that we have supported the Bill introduced by the Government because it is at least a small step in the right direction. We would have liked them to have taken a big step, to make a strong statement—

An Hon. Member: They are Conservatives!

Mr. Gauthier: —but they are Conservatives, Mr. Speaker, as we know, and Conservatives are people who are overly cautious and who almost have to be pushed before they make a move.

So we are going to push the Government again, we are going to try and push them in the right direction and let us hope, Mr. Speaker, as Liberals with a sense of optimism, that someday we will get a chance to implement programs that will truly meet the needs of the Canadian people.

Mr. Deputy Speaker: Questions or comments. Resuming debate. The Honourable Member for Kitchener (Mr. Reimer).

• (1540)

[*English*]

Questions or comments? Debate.

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to add a few comments to the debate on third reading of this Bill. I would like to begin by reviewing a few of its very specific proposals.

The Bill provides for a pre-payment of $300 per child for families with a net income of $15,000 or less, based on information provided in the 1985 tax return. This measure will help some 700,000 families across Canada, and some 1,500 to 2,000 families in my riding. Fortunately it will not affect as many in my riding as it might in some others because over the past six months we have had either the lowest or second lowest unemployment rate of any riding in Canada.

The pre-payment will take place in November. That is an excellent time because it arrives just before winter and Christmas when, obviously, parents want to provide some extras for the children. The $300 payment represents about two-thirds of the maximum child tax credit available to these families for 1986.

Another very good feature of this measure is that the people affected will not have to make application for the pre-payment, thereby avoiding a possible bureaucratic delay so they can get it into their hands and make use of it. Of course, they will receive the remaining one-third of the child tax credit when they file their 1986 return. Therefore, when we look at the Bill and those it will help, obviously it is a very good and responsible action on the part of this Government.

Let us look at the Bill in the context of what the Government has done since it came into office in 1984 concerning the family allowance, the child tax credit and the federal sales tax credit. I heard the Hon. Member for Ottawa—Vanier (Mr. Gauthier) trying to paint a picture of a reduced family allowance payment. That is not correct. We have in fact brought in a lower increase to the family allowance but we have not cut it. If inflation is running at 4 per cent, as it currently is, the first 3 per cent will not be covered. Only the amount beyond 3 per cent. At present that would mean an increase of 1 per cent. In 1985, the family allowance amounted to $31.27 per child. Assuming an inflation rate of 4 per cent and adding 1 per cent per year, the family allowance in 1988 would be $32.22, an increase of 95 cents. If we had retained indexation, it would have increased to $35.15 in 1988, or an increase of $3.88. In both cases it is an increase, not an decrease as the Hon. Member for Ottawa—Vanier was trying to suggest.

We have to look at the action taken by this Government on family allowances in the context of what it did with the child tax credit. In 1986, we increased the payment per child under the child tax credit by $70. In 1987, there will be an increase of $35, and the same in 1988. Taken together, these two measures mean an increase in money to the people who need it most when compared to what would have happened had we simply stayed with the indexation which the Opposition talks so much about. We are in fact adding $140 over those years to the child tax credit. The net gain for these families is $93.44. Obviously, we should give all of the facts and put them in their proper perspective.

Another action we took in the 1986 Budget was to recognize that the increase in the federal sales tax in the 1985 Budget and the 1986 Budget would adversely affect those earning less than $15,000 annually. We took that into account and brought in what is called the federal sales tax credit which would again provide to this same family $50 per adult and $25 per child. For a family of four the federal sales tax credit would amount to $150.

I submit that if we take these three actions together, we have more than compensated for what we did through deindexation. If members of the Opposition want to address these issues, they have to address all three of them together.

This action demonstrates that we have a Government which, while restoring fiscal responsibility, cutting spending and reducing the deficit, has at the same time not forgotten those in need. In fact, the total impact of all of our policies has resulted in some very important and positive benefits.

When we listen to some members of the Opposition it is really a matter of hearing faint praise. They get up and say this is not a bad measure, there is some good in it, and then for the next 15 minutes they talk about all the bad things in it, or the things we could have done. All of us agree we would like to

do more. However, there are limits to how far you can go given the terrible economic situation we inherited from those people across the way. We have to keep that in perspective. The Hon. Member for Ottawa—Vanier said we are giving people their own money. Yes, that is true. This money can be claimed on their income tax return and they will receive it sometime in, say, late February through to April if they file on time. However, we are giving it to them now when the need is greater. That is the significance of this action. We are also giving it to them with no penalty or interest charge whatsoever. That is a measure which the Opposition should applaud.

• (1550)

Second, we have humanized the process through an unprecedented payment of $300 per child when the money is needed most. Third, we have done this while beginning to correct the terrible burden of the debt left by the former Liberal administration. None of the serious economic measures which were announced in the Economic Statement or the 1985 or 1986 Budgets will in any way adversely affect those with annual incomes of less than $15,000 because these three measures have been brought in as a package. We must remember that.

We should also remember that the best social policy for every Canadian is a job. The best social policy for those with jobs is a government which carries on fiscal responsibility and starts to bring order to this country which had none prior to 1984. We can strengthen our economy and offer a tremendous benefit package of social policies to people if we can begin to tackle the huge and unconscionable deficit left to us by the profligate and irresponsible spending of the former administration. Opposition Members ask why we do not give more. They should know why we cannot. They are the ones who created this debt. They should be telling us how to deal with the debt at the same time as helping these people. We have set the example and I expect them to give us a little more support on this issue.

In conclusion, the bottom line of Bill C-11 is good news for the most needy of Canadians. Even with the sound policy of partial deindexation the Government has ensured a net gain for these families. The concept of prepaying a tax refund is an unprecedented measure to assist destitute Canadians when they require help the most, when they face the additional costs of winter and Christmas. This is further evidence that the Conservative Government is fulfilling its promises of the election of 1984 and the promises and commitments made in the two Throne Speeches which we have had to date. It is further evidence that the Government is willing to tackle both problems at the same time, the need for fiscal responsibility and the need for social responsibility. I commend this Bill to all Members of the House.

Mr. Murphy: Mr. Speaker, I suspect that this was the Member's Throne Speech address. However, he did mention the Bill once in a while. He also mentioned that there was no way the Government was reducing the child tax credit. If that is the case, why is it that in 1989 and the years following the child tax credit will be partially deindexed? Why is the Government guaranteeing that in the future the increase in the child tax credit will not fully cover the increase in inflation?

Mr. Reimer: Mr. Speaker, I referred to the fact that rather than the family allowance being decreased, the increase will be lesser. The Member is going beyond the actions which we have taken up to 1988 with regard to the child tax credit. He is getting into the hypothetical. I believe we should stay with what we know.

Mr. Murphy: I am not being hypothetical at all. I am telling the Member through you, Mr. Speaker, that the Government has said that in 1989 it will take away the full indexation protection for the child tax credit as well as taking it away immediately with regard to the family allowance. The Member should not say that I am speaking hypothetically. His Government has publicly declared that it will not provide full indexation protection for the child tax credit.

Mr. Dick: Is it the law?

Mr. Murphy: One of the new Ministers asks, "Is that the law?" I ask him whether we can trust the word of the Government that it is indeed the fact. However, I am addressing my comments to the Member who just spoke. Will he get up and clarify what he just said? Will he not admit that the Government is not going to provide full protection from cost of living increases for the child tax credit commencing in 1989?

Mr. Reimer: Mr. Speaker, the Member knows full well what we have announced with regard to the child tax credit for 1986, 1987, and 1988. He also knows exactly what we have done with the family allowance and the federal sales tax credit up to and including 1988. Therefore, we should deal with that which we have before us, that being what the Minister of National Health and Welfare (Mr. Epp) has done up to and including 1988. To go beyond that would be to get into the hypothetical. I am sorry to have to remind the Hon. Member that we are getting into something we do not know.

Mr. Gauthier: Mr. Speaker, the Hon. Member referred to me in his speech quite often. I thank him for those references. It will be interesting to see how it reads.

The Member indicated that some of my remarks were somewhat pejorative in that I was imputing motives or certain other things to the Government. I hope those were clear. I do believe that the Government is insensitive to the needs of the families of the country.

Is the Member aware that the last two Budgets have added an extreme burden to single families? Twenty per cent of the families in my riding of Ottawa—Vanier are single parent families. Eighty to 85 per cent of them are women and most of them live below the poverty line. Is the Member aware that a lone parent family with two children earning $20,000 has added obligations of $420 in direct taxes to pay since the Government took office two years ago? Is he aware that those

earning $15,000 have to pay $255 more in taxes today than they paid in 1984? One earner couples with two children earning $30,000 pay $630 more, and those earning $50,000 pay $575 more. This is what we are talking about when we say that the Government is insensitive to the needs of the poor and modest income families.

Mr. Reimer: Mr. Speaker, I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his remarks. In order for me to respond to his figures he will have to go over them with me to ensure that we are both talking the same language. I respect the fact that he has done his work and come up with these figures, but I would like to go over them with him to ensure that we agree on them. Until we do that, I believe I should reserve comment on them.

I think the Member was allowing his ideological convictions to get ahead of him. He wanted to attack Conservatives and he said that they are always insensitive. I think the legislation which is before us today proves the reverse. It proves that while bringing in fiscal responsibility to address the problems left to us by the Government of which he was a member, the Conservatives have remembered those who are in greatest need. We have done this through this legislation by giving this money to these people when they need it most and without any penalty or interest. It also provides for an increased child tax credit and a refundable sales tax credit. I believe we have more than compensated for the measures which we brought in to restore fiscal responsibility to ensure that these people will not suffer.

Mr. Gauthier: The Member wonders what the source of my figures is. I would remind him of the November 1984 Economic Statement and the 1985 Budget and the February 1986 Budget. I can list 14 items, if he so wishes. They include a 3 per cent surtax in 1986, a refundable sales tax credit, and up to a 1 per cent increase in sales tax rates. That alone costs Canadians $815 million. I do not believe we should shy away from taxes on alcohol and tobacco, of course. However, there is modified indexing, a 5 per cent and 10 per cent surtax, and the elimination of the 1973 federal tax reduction.

• (1600)

There is the modification of child benefits and the deindexing of the family allowance and deindexing of the old age pensions. There is the 1 per cent increase in sales tax rates in 1984 and a 1 per cent increase in sales tax rates in May, 1985. The Hon. Member knows these very well. I did not invent them, they are his Government's Budgets which came in with a heavy tax load on Canadians.

He is trying to tell me that they have had an effect on the deficit. I would refer him to the anticipated deficit today. It will be about the same as when his Government took over. The Government has not changed a thing except to add an immense amount in taxes on Canadians. You have not affected the deficit because it has not moved.

I will sit down with my colleague at the end of the year and show him that the deficit when his Party took over and the deficit today is just about the same, except that Canadians have to pay a hell of a lot more in taxes than they did in those days.

Mr. Reimer: Mr. Speaker, the Hon. Member is raising at least three different questions. He referred to different tax measures in the Budget. There is the federal sales tax of 3 per cent in one Budget and 1 per cent in the other Budget. However, we took into consideration the group we are talking about today, those who make less than $15,000 annually, by bringing in the refundable sales tax credit. We brought in those tax measures because of the terrible debt while at the same time implementing the sales tax credit for those people who would be in need.

Second, the Hon. Member mentioned the modified indexation. I said that it is true that we took this step, but it should be coupled with the child tax credit and the increases of $70, $35 and $35 for a total of $140 which more than makes up the loss.

The Hon. Member's third point was that all of our actions to date have not really affected the deficit. I do not understand his reason for making that statement because we have begun to see some impact upon the deficit as a result of the last two Budgets.

It has nothing to do with what the Hon. Member's Party did prior to that. One need only imagine what the graph would show if we had taken no action and left their programs in place. If the Hon. Member were to take into consideration our reductions and what the deficit would be if his Party were still in power, he would see that it would be a reduction of more than $10 billion. That is what he should do to get the answer.

Mr. Deputy Speaker: Resuming debate.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, as usual, I have been listening with great interest to the various speakers. However, I would like to take a few moments to, first of all, praise the excellent work done previously in this House by the former Minister of National Health and Welfare who initiated a similar plan, although I do admit the present Government has improved on it. In any case, the concept of providing a tax credit for our neediest families was, as the House will recall, introduced by the former Minister of National Health and Welfare, Miss Monique Bégin. I think it is only appropriate that Members who were sitting at the time and who had the pleasure of working with Miss Bégin should have an opportunity to praise the truly exceptional work done by that Minister of National Health and Welfare when she introduced her Bill in the House to help the neediest people in this country. The House will recall that at the time, the child tax credit was $343 per child for families whose annual income did not exceed $26,330. So what I think is rather extraordinary, and I think my hon. friend from Ottawa—Vanier (Mr.

Gauthier) said so with great incisiveness a few moments ago—if I had his notes, I would like to complete them—when he said that first of all, and I think it is very important to have this put on the record—

It is true that the present Government has tabled legislation that we are going to vote for. So I think we might as well say right now it is a Bill we can live with and that we intend to vote for this Bill. Suggesting improvements is not criticism. I don't think we are being negative when we say that the Government could have taken the extra trouble and been consistent all the way through. We are of course concerned. We regret that the Minister rejected the amendment since, as Hon. Members are aware, although the tax credit has been increased, the cutoff point has been set at $23,500, while at the time it was $26,330. After all, the cost of living is not going down. The cost of living is going up, but just the same, they want to reduce what Canadians had come to expect in terms of tax credits.

Bill C-11 will enable people to receive a little sooner a sum of money to which, as the Hon. Member for Kitchener (Mr. Reimer) pointed out, they are entitled. So I think we should have the wisdom and the spirit of fair play to recognize the admirable purpose of this Bill.

However, I do regret that the Government, in addition to reducing the cutoff point from $26,330 to $23,500, has decided that only Canadians with an income of $15,000 will be able to take advantage of these advance payments. So first of all, for the sake of clarity, there was a reduction to $23,500 from $26,300, several years after an excellent measure was brought in, as I said before, by the Hon. Monique Bégin, former Minister of National Health and Welfare. Today, several years later, the Government decides to go from $25,000 to $23,000. In other words, a step backward.

In a spirit of generosity, the Government decides to increase the credit to $454, but then it says: You will not be able to receive more than $300 immediately, and even then, this is not for people with an income of $23,500, but only for those with an income of $15,000. This can only be a step back. What I find, and I cannot overemphasize it, is that, on one hand, the Government is showing a little generosity—

Mr. Gauthier: Lukewarm.

Mr. Prud'homme: Very lukewarm, as noted by my colleague for Ottawa—Vanier (Mr. Gauthier), since this money is due to them. It is not generosity. Indeed, the role of any Government, whether it be this one or the previous Liberal Government, is not to be generous, but to ensure a better distribution of tax revenues. What I find striking in the case of this Government is that it seems to be what I would call an Indian-giver, what we would describe as a "donne, dédonne" Government in French. I know that the Quebecers will understand exactly what I mean by this. On one hand, the ceiling is being lowered from $26,330 to $23,500, and on the other hand, the Government says: Yes, families with an income of $23,500 will be entitled to a certain amount; but this is not for families with an income of $20,000 or $18,000, but only for those with an income of $15,000, and not only will you not be entitled to your $454, but you will receive only $300 of the amount due. If your economic situation has unfortunately improved since last year, that is too bad because you will have to pay interests on the excess payment you have received on money which is due to you anyway.

We saw how quickly the Government came to the assistance of the bankers. The Hon. Member and all of us in the House remember with what haste and urgency the Government said: The banks are bankrupt and we have to reimburse all those who lost money, but we shall not tell you who they are, and we do not know whether it will cost $1 billion, $800 million or $1.2 billion.

That is not important. What is important is that, for you Canadians who have the misfortune not to have as much money as those who can afford bank deposits, we are going to take each penny into account. The Government is being very mean. As I was telling the Minister of Employment and Immigration earlier, this Government is being mean because it is counting every last penny for Canadian families while, in the case of the bank bills, it acted with a generosity of which we do not even know the extent.

I have always found this strange. I imagine that it reflects the philosophy of the new Conservative Government.

When I was young, we used to say, which is probably an oversimplification, that a Conservative Government was for the big guys and a Liberal Government was for those with a social conscience. I thought that the situation had changed since my youth, but I can see that it has not and that everything is still the same.

My distinguished colleague who is our communications critic is very familiar with the history of the two main parties, and the members of the third party can speak for themselves. This Government is for the big guys. If the banks go bankrupt, there is nothing to worry about. My colleague is a woman with a very well-developed social conscience. She has given us proof of it in the past because she has been very active in Quebec affairs. I congratulate her and thank her for remaining in the House on a Friday afternoon.

My colleague for Ottawa—Vanier (Mr. Gauthier) described quite well the problems faced by the people involved. I believe that in his riding up to 20 per cent of his constituents are child tax credit recipients.

I am sure Mr. Minister, you are not in the same position as these people. With all due respect you are a Conservative, at least I hope you are, and therefore, one of those who do not need that kind of money—

An Hon. Member: He is a Liberal!

Mr. Prud'homme: Yes, I know very well the Minister is a Liberal, but be patient, he will find himself someday.

But I think the point made by my colleague for Ottawa—Vanier is very well taken. In that riding there are people with

three or four children—I know it for a fact that because I have lived there for a long time first as a student and now still. Those people with three or four children expect to receive—perhaps the hon. Member will correct me if I am wrong because I would not want to mislead anyone—three or four times the amount of $454. And they will if their income is below the $15,000 level, but above that level they will only receive $300 per child. Which means that depending whether they have three or four children, the advance payment will be either $900 or $1,200. Even with three children, who would entitle them to receive $454 for each, over $450 would be paid to them later. So they will still go to these discounters, and that is the point and the problem. If they know that a small cheque for about $450 will soon be coming, and my colleague will correct me if I am wrong, then they will go to the discounters just the same, I am pretty sure of it. They will say: "Look, I was entitled to $454, I only got $300, which leaves a balance of $154. I need money now. Can you give it to me right away? Can you advance me $154 and I will pay you 15 per cent." I think that is about what the discounters charge, 15 per cent.

Well, what do you want? When your philosophy is to help the big guys, the bankers and the oil companies, you can imagine what 15 per cent of $150 means. A sum of $22.50 is not much for some people who remain insensitive, but it is very important.

Therefore, the Government would perhaps agree until the Senate—they could introduce an amendment which would be quite appropriate. We will surely vote for that Bill. This is not a very negative criticism but a finding and I think that we are doing the honourable thing this afternoon with the co-operation of every party.

Monique Bégin had advocated such a philosophy, so this is nothing new. It is a bill which improves on a very Liberal philosophy developed by Monique Bégin, and I say this as I know that many of my colleagues here have known that very worthy, resolute and passionate woman who could take a stand against her own party, mine, that is, when social programs were involved.

To tamper with social programs under Mr. Trudeau, one had to tackle in the first place Monique Bégin. And I can tell you that those who knew Monique Bégin did not dare to challenge her in the caucus when her projects were involved. Some tried but they were completely defeated because Monique Bégin thought that her programs were something sacred, untouchable.

Now, by the way, I wanted—

• (1610)

[*English*]

I just wanted to say some good words about Monique Bégin, who conceived this new kind of approach of giving what we used to call the No. 13 cheque—

[*Translation*]

Cheque No. 13, the supplementary cheque.

[*English*]

The Government has taken a step forward but since it has taken that step, why does it not go all the way? It has already been diminished from $26,330 to $23,500. That is a little step backward. But each one has its own approach in politics. That is the Government's decision. It is making its bed and it must lie in it. But the Government is already cutting off close to $3,000 and is saying that not only will these people not touch their $300 of $454, but only if one is making $15,000. On top of that, if one happens to have received a little more, perhaps the Government would render it to itself since it would believe things are improving. If it is true that things are improving, the Government is penalizing the people because it says that if one made $15,000 last year and makes more this year, and one touches $300, the little supplementary, the Government will charge that person. It is pennies, a few dollars, and I don't think that is in the spirit of a good social legislation, especially if we compare that legislation with the legislation we were forced to vote on so hurriedly and with such rapidity. When it came time to vote the $1 billion, the $900 million—we still do not know the exact amount—the Government was immediately present in the House of Commons to help these rich people who were about to lose the money they had invested in the banks. We did not know how much money. We will never know who got the money, but that is irrelevant because it was something the Government cared about.

I say to the Government and to my two esteemed colleagues and Ministers opposite that I know they have a good social conscience. They should try to convince their colleagues to go all the way in a good project and make it totally and absolutely perfect by allowing this to everyone earning under $23,500. That would be a way to repair some of the immense taxation these people have had to face since the Budgets of November, 1984, May, 1985 and February, 1986. They are going to receive some money, almost the same amount as in the past, but earlier, yet the Government must remember that everyone has essential needs and all those essential needs have been taxed over the last two years. It is not because one is extremely rich that one buys more soap or more pharmaceutical products. Everyone buys the essentials and all the essentials were subject to a new taxation of 1 per cent in November, 1984 and 1 per cent in May, 1985.

As for taxes on alcohol and tobacco, I owe my colleague, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), $5 because he caught me smoking one cigarette today. That is my way of getting rid of this bad habit of smoking three packs a day. I am speaking to the Minister of State for Immigration (Mr. Weiner) and to the Minister of Employment and Immigration (Mr. Bouchard). I ask them to use their great social consciences which I know they possess. I ask them to go all the way and not to be mean. I ask them just to make a completely good, new law. Do not be, as I said earlier—

[*Translation*]

—as we say in French a government who "donne" and "dédonne".

• (1620)

[*English*]

Mr. Murphy: Mr. Speaker, I would like to ask a question of the Hon. Member for Saint-Denis (Mr. Prud'homme). I think he gave an excellent speech. Because he was unable to be here earlier I believe there are one or two matters he missed in the debate. I would like to hear his comments on some of the remarks made earlier. I do not think the Hon. Member will find it that difficult.

One thing that has been said by other Members is that they believe that this legislation should have included in it a clause to prevent tax discounters, those rip-off artists, from making use of the money that comes from the child tax credit. That is one omission in the legislation which is before us. I would like to hear the Hon. Member's valuable opinion on that point.

Mr. Prud'homme: Mr. Speaker, I must say that I am pleasantly surprised by the tone of the Hon. Member for Churchill (Mr. Murphy). I remember when we used to exchange very rough comments in debate. I realize, now that we know each other better, that we have toned down the questions we ask of one another.

The Hon. Member makes an excellent suggestion. Perhaps the Hon. Member would join with me in sponsoring a private Member's Bill which would undertake what he suggests. After all, who is making the money? I think the Hon. Member has put forward a new approach which shows that Liberals and Liberals in a hurry can sometimes see eye to eye.

The fact is that in 1985, 500,000 Canadians sold their cheques to tax discounters. These people stood in line at some point in their lives to sell to a tax discounter that which may have been coming back to them some other day. I look at the Minister who knows I am sincere on this point since he is also interested in ameliorating legislation and using the approach put forward by my esteemed colleague, the Hon. Member for Churchill. I think the Hon. Member and I should commence deliberations, perhaps with the Hon. Member for Gatineau (Mrs. Mailly) in order to make the discussions non-partisan, with respect to sponsoring a private Member's Bill to stop these discounters. There is an element of sadness in seeing people in my riding line up at income tax time to sell their returns.

I have just returned from an International Parliamentary Union meeting which was held in Argentina. On my way back to Canada I stopped in Brazil. At 5.30 in the morning in Rio, where I was one morning changing planes, I saw thousands and thousands of people in line to obtain meat. Meat, eggs and butter have been rationed in Brazil. However, I only saw the poor people in the lines. It seems that the rich always find a way not to stand in line. The lines in Brazil reminded me of the lines which I have seen in my riding in Montreal. Perhaps it is not the same in all ridings. I look to the Hon. Member for Beauce (Mr. Bernier), who is the new Assistant Whip. Maybe the situation is not as crucial in his riding. However, when I am in downtown Montreal, Toronto or Vancouver and see people standing in line in order to obtain a few dollars which may be coming back to them, I find it very sad. These tax discounters are giving perhaps 15 per cent to these people so that they can have money immediately as opposed to waiting for it. I would highly welcome a law which would rid us of these tax discounters.

I thank my friend and colleague from Churchill for having asked me the question which he asked.

Mrs. Finestone: Mr. Speaker, I am pleased to make some observations and to ask my colleague a question. The measure before us is a good measure. It will meet some of the needs that are crying out to be met in today's society. The Hon. Member brought to our attention that this whole concept was conceived by the Hon. Monique Bégin. It is an administrative change and one which is very important. I join in the concerns expressed recently with regard to the tax discounting procedure and the fact that discounters are allowed to remain in business in this country under certain provisions of the law. There is in the United States a prohibition against all tax discounters. We could have in place in our country such a prohibition against the sale of child tax credits to tax discounters. Since that is already the practice with respect to family allowance cheques and old age pension cheques, it would be a normal procedure. I would like to see the Government abolish tax discounting.

The first question I have to ask of the Hon. Member relates to the fact that the payment will be only $300 of the $454 due to those eligible to receive the child tax credit. Some part of the $300 might be taxable.

My second concern is with respect to the fact that one has to file for the balance of the $454. Many recipients of the child tax credit do not even file income tax returns. I am concerned about their being able to pick up the remaining $154 which is their due. I would prefer it if they were to receive the entire sum in one payment.

I ask my colleague whether or not he sees the differential cut at $15,000 instead of $23,000 as something which is very punitive. Does the Hon. Member think that the $15,000 mark is the proper place to draw the poverty line? The information I have is that $15,000 is $6,000 below the actual poverty line, which is approximately $21,000 in the Hon. Member's riding and in my riding. What does the Hon. Member think of the discrimination against one who earns $15,000 and one who earns $21,000?

[*Translation*]

Mr. Prud'homme: I thank you, Mr. Speaker.

[*English*]

I mean it in all sincerity. My colleague has put forward a good question. I agree with what she has to say, the situation is

discriminatory. I do not know if that is because the two Ministers responsible for the Bill are from two of the richest ridings in Canada or not. A fact like that always has some type of influence. One of the Ministers comes from London, Ontario. Everyone knows that, per capita, London is the home of the richest group of people in the country. I am not trying to divide the rich and the poor at this point. I think that is *démagogie*. It is a fact that the Minister of Finance (Mr. Wilson) happens to be more at ease in financial circles. I doubt very much if he knows what a discounter is. The Hon. Member for Mount Royal (Mrs. Finestone), the Hon. Member for Ottawa—Vanier and myself are more aware of this situation because we live where we live. We live right in the heart of it. In my district there are tax discounters and food banks. I am sure many of my esteemed colleagues in the House are not aware of what exactly a food bank is. They are also totally unaware of what a tax discounter is because they have never seen one.

The inspiration for the legislation before us has come from the two Ministers whom I mentioned previously. In this respect I believe they would say to me, "Yes, Marcel, we think you have a point. Are you happy with the Bill, Marcel?" I would reply "Yes, I will vote for it". I am Marcel, the Hon. Member for Saint-Denis. I wish that we could call each other by our first names. Perhaps we will be able to do that someday, perhaps after the next reform of Parliament. The last reform did not live up to my expectations; however, I will be careful.

• (1630)

I would like to say to my colleague that the recent taxation statistics show that approximately 800,000 families, and not 1 million as the Government claims, would receive the pre-payment. This is a little more than half of the 1.5 million who qualify for the child tax credit. I would like to put the following on the record, just to underline what the Hon. Member for Mount Royal (Mrs. Finestone) was saying. According to Government estimates, not Liberal or NDP estimates, discounters received almost as much as we will give to many people under the very low level. According to government estimates, discounters received over $20 million of the child tax credit in 1984. Discounters kept more than $41 million of the 1984 tax credit. To go back not only to the questions of the Hon. Member for Mount Royal and the Hon. Member for Churchill (Mr. Murphy), you are right that something should be done. The tax discounters took away $61 million in one year. They did not take it away from people who lost money in the bank that we reimbursed so rapidly. They took it away willingly out of the despair of people who need so many dollars and cents that they had to go to a discounter.

Mr. Deputy Speaker: The period for questions and comments is now terminated. Is the House ready for the question? On debate.

Mr. Rod Murphy (Churchill): It is not my intention to speak for a long time, but I do think there are some things that have to be put on the record with regard to this legislation.

I do want to say some words with regard to the fact that this legislation does not deal with the problem we face with tax discounters. As a result of this legislation, there will be very large sums of money going to some families through the child tax credit. The Hon. Member for Vancouver East (Ms. Mitchell) on behalf of our caucus has expressed our agreement with the idea that these people should be getting the money as soon as possible. However, there is a danger within that. There are tax discounters in all parts of this country and they are allowed to charge very high, unreasonable rates of interest. Because of the need of the people that receive the child tax credit, the fact that they do not have a lot of cash since they have expenditures which are quite often equal to their total income, the Government has recognized they need this money. It is quite obvious that they do have a cash flow problem. Because of that these tax discounters are allowed to run rampant in this country.

The United States does not allow these tax discounters to operate. When this legislation was introduced, for the most part it was supported by all Members in the House. It could have included a clause to ensure that tax discounters would be forbidden from touching this money, and the money would have ended up going to the mother and the children for the necessities of life. A percentage of that money was being lost because it was going into the hands of what I quite rightly call tax discounters, "rip-off artists". There was a fundamental flaw in the legislation.

The Hon. Member for Saint-Denis (Mr. Prud'homme) mentioned that in 1985 there were 500,000 cheques cashed in this manner. A lot of money was not going to people who needed it most. With those types of statistics and figures, why has the Government refused to act? I would not make the political, partisan remark that tax discounters are supporters of the Conservative Party. I do not think there is any Party that would go on record or want to be connected with them. I do not believe that is the reason. What is the reason? Some of the Conservative back-benchers in the last couple of days have said that there are people who need tax discounters. If that is the case, then the Government should be getting the money to the people faster. I do not believe that we should allow a situation to exist where, because people need the money, tax discounters are allowed to operate. That is exactly the opposite approach to what we should be taking.

Some Conservative Members say or imply that there are people who need the money, so we should allow tax discounters to operate. They say that this is a freedom for people who need the child tax credit. That is not a freedom. That is not a choice that these people are making. Certainly, they are making a choice but the choice is strictly out of necessity, and that is not the right approach. That is a fundamental flaw in this legislation and it is high time the Government took some action on this matter.

There are other problems with regard to the legislation, but I am not going to oppose it because I believe it will provide some help for some people. As I mentioned earlier in asking a

question of a Conservative Member, we must face the fact that in the long run, from 1989 onward, the child tax credit will come under the partial deindexation program of the Government.

The Conservatives a year and a half ago tried to deindex the old age pension partially. After a massive campaign by seniors in all parts of the country, by their grandchildren, and by others who supported them, they back-tracked on that particular issue. They said that they would throw in the towel on this one, that seniors had a lot of clout, and that they made a mistake. However, they did not retreat when it came to deindexing the family allowance partially. In the House of Commons they said that they would make up for it with the child tax credit and all other measures to help those people who receive the family allowance. Presumably people who are in most need would benefit from legislation such as the child tax credit and the way it has been changed.

However, in a situation which is so typical of Government, it gave with one hand and took away with the other hand. We know that from 1989 onward the child tax credit will be partially deindexed. In other words, if inflation goes up 3 per cent per year, people will not receive the full increase of the cost of living. Obviously, if that continues over any length of time, the value of the child tax credit will diminish significantly. That is a real problem. We can tie that into the fact that the same thing has been done with the family allowance. There is no full protection from inflation as a result of increases in the cost of living. Both these measures are very important to families in need, basically to mothers and especially to single mothers and their children. These moneys will provide for less and less with the passage of time.

That is what I was trying to get the Hon. Member for Kitchener (Mr. Reimer) to admit when I questioned him. They should not talk about the next three years and pretend that the Government has not said what it will do after 1989. Many people in the country have indicated that politicians do not say much and what happens in Parliament cannot mean very much because politicians do not tell the whole truth. I am not accusing the Hon. Member or imputing a motive, but I think it would have been much more valuable for his constituents and mine, as well as other people who may have listened to the broadcast of our proceedings this afternoon, if the Hon. Member had explained or admitted that the partial deindexation would apply in 1989 and in subsequent years. It is stated government intention, and no government Member can deny it. As I said earlier, obviously as a result there will be less money for people who need it.

• (1640)

Let us look at that and at the other measures the Government has introduced over the last two years. Not only will those people who are most in need find things more difficult in the future, but so will those people who are middle income earners. The information released by Statistics Canada in the last month was very interesting. It indicated that the real disposable income of Canadians was being reduced.

Why is it being reduced? It is being reduced by the bigger tax bite on the part of the federal Government. Despite the speeches of government Members in the House of Commons and the comments of the Prime Minister (Mr. Mulroney) on his little campaigns, the figures of Statistics Canada are proving that the actual take-home pay or disposable money of Canadians is decreasing with the passage of time as a direct result of the tax measures introduced in the last few years of the Liberal Government regime and in the last two years of the Conservative Government regime.

When we speak in the House we should tell the truth for people throughout the country. It is the Government's decision to fight the deficit. I think that is a noble cause, but they should realize there are groups in society who are paying more taxes than others. There are people who will not receive the the child tax credit and the family allowance because of the Government's decision to target them; they are the ones who will pay in the battle to fight the deficit. If we can believe the Minister of Finance (Mr. Wilson), I do not think the Government is succeeding in that battle. He has indicated that the deficit will increase by $2.5 billion more than he predicted.

The Government has refused to come to terms with tax reform. It has allowed for a $500,000 capital gains exemption. It will continue the policy of the Liberal regime of letting profitable corporations get away with paying no tax whatsoever.

Hon. Members have heard my NDP colleagues rise every day for the last five days to present an award to corporations which have not paid a cent of taxes on $28 million, $38 million, and even $100 million of profits. This morning I rose and talked about the Scott company and the fact that it had made $28 million in one year. Not only did that company not pay any tax, but it received tax credits for three successive years.

We recognize that in the long run this piece of legislation will hurt those people who receive the child tax credit. I think that should be acknowledged. Also it should be acknowledged how unfair the system has become. We are not taxing those people who can afford it. The Government is providing for a $500,000 capital gains exemption, which is a hell of a lot of money. It still allows corporations with fantastic profits not to pay any taxes. It also gives tax credits to those same corporations.

Why can we not provide full protection for those who are receiving the family allowance? Why can the Government not say that those people who receive the child tax credit will also receive full protection from any increase in the cost of living, not just for the next one or two years, but from 1989 onward?

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau on a question or comment.

Mrs. Mailly: Mr. Speaker, I would like to make one comment first and then put a question. It gives me great pleasure that my colleague the Hon. Member for Churchill (Mr. Murphy) said that fighting the deficit was a noble cause, and that he linked this deficit and the welfare of our fellow citizens, especially those with lesser incomes, because, as you know, Mr. Speaker, inflation is indeed a scourge which hurts people at the bottom of the scale far more than those at the top. I am therefore very pleased that although he belongs to a political group with a different perspective on political policies, he agrees with me that reducing the deficit is of paramount importance. This is why I would like to ask him a question. Is he not contradicting himself when he says that reducing the deficit is a noble cause, in other words, reducing inflation too, but on the other end he was against us when we passed a piece of legislation to try and curb that sort of inflationary trend in our economy, when for instance the local shopkeeper was so used to see the prices go up with inflation that everytime he would hear about an increase in the rate of inflation, he would automatically add 1 or 2 cents to the price of a can of food or package or service, and we tried to curb that inflationary mentality by de-indexing down to a minimum of 3 per cent, to reverse that trend in suppliers and in our economy as a whole?

Also, although he would agree with our colleague the Hon. Member for Saint-Denis (Mr. Prud'homme) when he said that it was a sad thing that a family with four children which was to receive 454 $ of child tax credit per child, would only get an advanced payment of 300 $, would he not agree however that it is four times $300 that will not fall in the hands of tax discounters, those who take advantage of poor people; would he not agree that receiving $1,200 just before Chirstmas, just before the beginning of the cold season means a lot for a family, and that we deserve some credit for that?

Let me also tell the Hon. Member, Mr. Speaker, that I had specifically asked the Minister of Finance (Mr. Wilson) to take that step because in my constituency of Gatineau, there are a lot of families which used to pay those people $45, $50, $100 out of their expected tax credit every winter, and those are the people who will be receiving the $1,200 for a family with four children. Does he not think that he is contradicting himself when he says that fighting inflationary pressures is not as noble a cause as fighting the deficit?

[*English*]

Mr. Murphy: Mr. Speaker, I am surprised the Hon. Member rose to ask a question. I thought she was anxious for me to wind up my speech so that she could speak on the next piece of legislation. However, since she raised a controversial issue, I am willing to use the rest of my time to respond to it.

I agree that the deficit is not a problem we can afford to ignore. No matter which Party is in government, whether it be here in Ottawa or in any of the provinces, they are all faced with the following problems—the deficit and the state of the economy. Regardless of whether it is a Liberal Government in the Province of Ontario, a Liberal Government in the Province of Quebec, an NDP Government in the Province of Manitoba, or the Conservative Government in Ottawa, they all have to face the economic facts. Also they recognize that there are problems in terms of how much Governments can spend and how much Governments can raise. All Governments have to make choices, and they make them.

I should like to refer to the example raised by the Hon. Member for Gatineau (Mrs. Mailly). If the Government does not do something about partially deindexing the child tax credit or the family allowance, somehow it will make the cost of goods go up. That is what I understood from what the Member said. The very nature of fighting inflation by fighting it on the backs of those who need the money the most is wrong.

• (1650)

The legislation with which we are dealing today, the child tax credit, is for those people who need the money the most. For the Government to say we will give them this money but we will not provide them with the full protection from inflation, from the increase in the cost of living, is wrong. Obviously they are not the people in this society who are driving up prices. They do not control rents. They do not set the prices in the corner store. They are the people who are paying rent because they have to have a place to stay. They are the people who are buying the groceries to which the Hon. Member referred, because they have to eat. For the Government to say that those people do not need full protection against the cost of living year after year means that, in the long run, the value of the child tax credit reduces significantly. When you tie that in with the fact that the family allowance is also being partially deindexed, it means the money those families receive from the family allowance or the child tax credit will be significantly less. It does not take much of a mathematician to realize that if you are not getting 3 per cent one year and 3 per cent the next year and the year after that and so on, and each year the 3 per cent you are not getting is compounded, then in the long run the child tax credit becomes valueless. It becomes worth half of what it is today, a quarter of what it is today, and it becomes meaningless.

For the Government to announce in its legislation and in its budgets that it is going to deindex the child tax credit partially means it will not provide the protection which the Government presumably wants to provide by introducing a child tax credit in the first place. If the Government thinks that the child tax credit is worth continuing and that it is worthwhile then let it not partially deindex it.

[*Translation*]

Mr. Berger: Mr. Speaker, I must say I am appalled and shaken by the comments made by the Hon. Member for Gatineau (Mrs. Mailly). One can see that this Hon. Member—and her opinion is probably shared by all the Hon. Members of her party, the Conservative Party, who understood nothing at all—

Mrs. Mailly: Mr. Speaker, I rise on a point of order.

The Acting Speaker: Order please. The Hon. Member for Gatineau (Mrs. Mailly) has risen on a point of order.

Mrs. Mailly: Mr. Speaker, I require your guidance since, in my mind, the comment and question should apply to the speech made by our colleague from Churchill (Mr. Murphy) and not to my comment and question.

The Acting Speaker: Order! The comment was interrupted, I believe. The Hon. Member for Laurier (Mr. Berger).

Mr. Berger: Mr. Speaker, I thought that this was a debate between both sides of this House in which we could refer to what had been said by other Hon. Members. One need not live in a vacuum as does the Hon. Member for Gatineau (Mrs. Mailly).

As I was saying, she shows her total lack of understanding by insisting on waging the inflation battle on the backs of pensioners—

The Acting Speaker: Order! The Hon. Member's point was well taken. I would ask the Hon. Member for Laurier (Mr. Berger) to ask his question or make his comment on the speech by the Hon. Member for Churchill (Mr. Murphy).

The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, you have certainly noticed that I have shown much more patience than the Hon. Member when, in a comment to the Hon. Member for Churchill (Mr. Murphy), she referred to everything I had said.

Mr. Speaker, I wish the Hon. Member for Gatineau (Mrs. Mailly) had waited until I had finished before commenting on my remarks. You have also noticed, I am sure, how cleverly she went about it. She did not reply to anything I had said, preferring to wait and comment on the speech made by the Hon. Member for Churchill (Mr. Murphy) and involving the Hon. Member for Saint-Denis on the side. I remained calm, it being 4.55 p.m. on a Friday afternoon, and decided to be a good sport and let her get away with it.

But if she insists, I will insist too and let her know what I think of her comments. Then, Mr. Speaker, you would be completely lost. That is why I appeal to her, for goodness sake, to let our colleage the Hon. Member for Laurier (Mr. Berger) complete his comment on the remarks which have been made during the day.

Mrs. Mailly: I want this Bill to be adopted.

Mr. Prud'homme: We have an agreement, Madam, the Bill will be adopted; don't worry. Be calm.

Mr. Deputy Speaker: The Hon. Member for Laurier has the floor.

Mr. Berger: Thank you very much, Mr. Speaker. That was exactly the question I meant to ask the Hon. Member for Churchill, but considering the attitude of the Hon. Member for Gatineau, which is typically conservative—

Mr. Deputy Speaker: I regret to have to interrupt the Hon. Member, but the questions and comments period is now over. Debate.

[*English*]

There have been three minutes on points of order. We had 13 minutes in the questions and comments period. Resuming debate. The Hon. Member for Laurier (Mr. Berger).

Mr. Dick: Mr. Speaker, I rise on a point of order. I understood in discussions held at about two o'clock that prior to calling it five o'clock a vote would be taken to conclude this piece of legislation. I believe there was consensus and it was understood.

Mr. Gauthier: Mr. Speaker, I can assure the Minister in the House that we have no intentions of not passing the Bill. If the Hon. Member for Gatineau (Mrs. Mailly) will keep quiet for a while, we will get the Bill out of here within the next two minutes.

Mr. Prud'homme: Mr. Speaker, I would like to add a comment. The Government almost lost the Bill today because of the Member for Gatineau.

Mr. David Berger (Laurier): Mr. Speaker, you only have to pick up the papers any day of the week to see where the credibility of the Government lies. I have here an article from *The Ottawa Citizen.* John Ferguson talks about the new RRSP rules which go in exactly the same direction as the family policies of the Government. The Government, as you know, Mr. Speaker, has introduced new rules regarding RRSPs. Who gets the biggest benefits from these rules? You guessed it. Those with the biggest incomes. Mr. Ferguson gives the example of an individual earning $100,000 who makes the maximum $15,500 contribution to an RRSP. He would save about $8,300 in federal and provincial income taxes. The state would be paying for more than half of the contribution to his RRSP. On the other hand, someone earning $20,000 is allowed a maximum contribution of only $3,600 to an RRSP and would save only about $1,050 in tax. The state would be paying less than one-third of that person's RRSP. For the rich the state pays for more than half of the RRSP and for the poor the state pays only one-third of the RRSP. This is compounded and this is the exact kind of policy we see here in the family allowance where the Government is giving a refundable tax credit, but people who earn only $15,000 have seen their percentage in taxes increased by 1.7 per cent since this Government came to office.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Motion agreed to and Bill read the third time and passed.

• (1700)

[*Translation*]

Mr. Deputy Speaker: It being 5 p.m., this House stands adjourned until 11 a.m. Monday morning, pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, October 20, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ECONOMIC COUNCIL OF CANADA

TABLING OF ANNUAL REPORT

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 67, I wish to table, in both official languages, the latest annual report of the Economic Council of Canada.

[*EDITOR'S NOTE: See today's Votes and Proceedings.*]

* * *

GOVERNMENT ADMINISTRATION

TABLING OF MEMBERSHIP OF CABINET COMMITTEES

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I should like to table the list of the membership of the Committees of Cabinet. I would ask to have it appended to today's edition of *Hansard*.

Mr. Speaker: Does the House give unanimous consent for the request of the Hon. Deputy Prime Minister?

Some Hon. Members: Agreed.

[*EDITOR'S NOTE: For list referred to above, see Appendix A.*]

TABLING OF ORDER IN COUNCIL DESIGNATING ACTING MINISTERS

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I should also like to table a list of the Acting Ministers and have it appended to today's edition of *Hansard*.

Mr. Speaker: Does the House give unanimous consent for the request of the Hon. Deputy Prime Minister?

Some Hon. Members: Agreed.

[*EDITOR'S NOTE: For list referred to above, see Appendix B.*]

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

TABLING OF ANNUAL REPORT

Hon. Barbara McDougall (Minister of State (Privatization) and Minister Responsible for the Status of Women): Mr. Speaker, pursuant to Standing Order 67, I have the honour to lay upon the table, in both official languages, the annual report of the Canadian Advisory Council on the Status of Women.

[*EDITOR'S NOTE: See today's Votes and Proceedings.*]

* * *

ORDERS IN COUNCIL

TABLING OF APPOINTMENTS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to table, pursuant to Standing Order 130, copies of Order in Council appointments received from the Privy Council Office last Friday.

* * *

POINT OF ORDER

EXTERNAL AFFAIRS—DATE OF MINISTER'S STATEMENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, apropos statements by Ministers, since this is the first day back in the House for the Secretary of State for External Affairs (Mr. Clark) since the Reykjavik Summit, I wonder whether he will be making a statement at the earliest possibility to inform us of the deliberations, and particularly the impact upon the ABM Treaty in which we are all very interested.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not believe it would be the intention of the Secretary of State for External Affairs (Mr. Clark) to make a statement today, but I think the Hon. Member can contemplate one in the next few days.

Introduction of Bills

CANADIAN HUMAN RIGHTS ACT, CANADA LABOUR CODE, PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington) moved for leave to introduce Bill C-229, an Act to amend the Canadian Human Rights Act, the Canada Labour Code and the Public Service Employment Act (whistleblowing).

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

Some Hon. Members: Agreed.

Mr. Vankoughnet: Mr. Speaker, the purpose of this Bill is to provide appropriate sanctions against retaliatory discharges by public sector employers of employees who report or "blow the whistle" on serious misconduct of their employers. In protecting employees acting in good faith, this Bill would recognize that there are times when it is in the public interest to encourage employee whistleblowing, particularly when the public health and safety are at issue.

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

• (1110)

Mr. Speaker: Order. Perhaps as a note of information the Chair might make it clear to the House that it is the obligation of the Chair first to announce that leave to introduce a Bill has been prayed for. When that has been completed and agreed, an Hon. Member has an opportunity to make a short statement and then we follow on. The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) will be heard in just a moment.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso) moved for leave to introduce Bill C-230, an Act to amend the Criminal Code.

Some Hon. Members: Explain.

Mr. O'Neil: Mr. Speaker, the purpose of this Bill is to provide for the presence of legal counsel for unborn children at a meeting of therapeutic abortion committees in hospitals across the country.

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

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

PUBLIC EMPLOYEES POLITICAL RIGHTS ACT

MEASURE TO ENACT

Mr. Mike Cassidy (Ottawa Centre) moved for leave to introduce Bill C-231, an Act to provide for the political rights of public employees.

Some Hon. Members: Explain.

Mr. Cassidy: Mr. Speaker, this Bill is in fulfillment of a promise I made in the 1984 election. It also seeks to fulfil a promise made by the Government at the same time. It would ensure that in addition to the existing rights to vote and to make financial contributions to a political party, the people working for the Public Service of Canada and for Crown corporations would also be guaranteed the right to support actively a political party or candidate, to solicit or collect funds for a political party or candidate, to be a member of a political party and to exercise the usual rights and privileges thereof and to express views or to engage in activities in relation to matters that form part of the platform of a political party or in relation to other issues of public interest.

This Bill is designed to take away the shackles on political activity by public servants. In order to maintain the neutrality of the Public Service, however, these rights would not extend to deputy ministers or senior managers in the Government of Canada.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

AGRICULTURE—GOVERNMENT FUNDING—CORRECTION TO ANSWER

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order to correct what may have been a false impression that

I left with the House in response to a question last Friday as is reported at page 463 of *Hansard*. The question was asked by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). It had to do with the establishment of initial grain prices. I said in my response:

> The Canadian Wheat Board sets the initial prices and, if he has any argument with that, he should take it up with the Canadian Wheat Board because those prices reflect the reality of the market-place—

In a practical sense, Mr. Speaker, the Canadian Wheat Board does establish the price by recommending to the Government that such prices be established. In a truly technical and legal sense it is the Government of Canada that sets the prices on the recommendation of the Canadian Wheat Board because the Canadian Wheat Board is the marketing agency and does have the facility of monitoring markets and is in a better position than the Government of the day to determine what the actual prices should be. If I did leave the wrong impression, I apologize to the Hon. Member and to the House.

Mr. Althouse: Mr. Speaker, I would like to thank the Hon. Minister for making the correction that he made and for keeping the record straight. This augurs well for this session of the House.

Mr. Gauthier: Mr. Speaker, I rise on the same point of order. I do want to make it clear that this situation can occur every day to any of us in the House. It has been our practice to avoid correcting *Hansard* in this way because it would lead to a very prolonged debate, and it is debate.

I would like to ask you, Mr. Speaker, if we could continue with the practice of correcting *Hansard* as we did in prior times rather than reverting to these statements and debating points that one can make following the speech that one has made in the House, or that a Minister has made for that matter. If the next day we are going to debate whether the Minister was right or wrong or whether I was right or wrong in saying something, we could go on for several hours debating such questions. If it is a question of fact that a Minister did not record properly, I would agree, but this was not fact. This was debate. It is a grey area and it is sometimes difficult for one to make clear in debate exactly what one means. I would shy away from this practice of encouraging people to make corrections to *Hansard* the next day in respect of statements they feel may have been misunderstood.

Mr. Mazankowski: Mr. Speaker, I appreciate what the Hon. Member is saying. I think it has been the usual practice that if there is an error in a statement or a word or a number there is a procedure for that. After reading *Hansard* this morning I felt that I may have left the wrong impression and I wanted to correct that. This would certainly be in the interests of all Members in the House. I regret having had to do it and I can assure you, Mr. Speaker, I do not like having to do it very often. This is different than simply an error in the recording. I think there is a differentiation.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*Translation*]

RAILWAY ACT

MEASURE TO AMEND

Hon. George Hees, for the Minister of Communications, moved that Bill C-4, an Act to amend the Railway Act, be now read the second time and referred to a Legislative Committee.

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Mr. Speaker, today I have the honour of introducing the second reading stage of Bill C-4, an Act to amend the Railway Act. This Bill, Mr. Speaker, arises from the November 1984 economic statement by the Minister of Finance (Mr. Wilson) and more especially from his May 1985 Budget. Its purpose is to recover the administration costs incurred by the CRTC in regulating the telecommunications carrier industry. Costs will be recovered from the carriers themselves, not the taxpayers, as was the case until now.

Mr. Speaker, why recover administration costs and especially, why does the CRTC regulate this industry, which is why we are asking this House to authorize recovery of these costs? Since our Government was elected, Mr. Speaker, we have emphasized economic recovery. During the election campaign, we told Canadians that the ills besetting our economy were inflation, high interest rates—those brutally high interest rates that were putting families out of house and home, making breadwinners jobless and causing small entrepreneurs to lose their businesses—and the scourge of unemployment affecting our families and especially young people. We said at the time that a remedy would have to be found and that we would start by cleaning up our public finances. This Bill is part of that process. To put our public finances on a sound footing, we must control our expenditures and then reduce them.

Reducing the deficit is a Sisyphean undertaking, as you know, Mr. Speaker. As soon as the Minister of Finance manages to cut spending so we can get our economy rolling in the right direction again, we must make every effort to get our economy to the point where we will finally be able to reduce this deficit. My point is that any effort, no matter how small, is of tremendous importance in this fight against the deficit.

Mr. Speaker, we also wanted to create a climate that was favourable to economic growth and prosperity in Canada.

As part of this process, we must put our tax system in order, contain our enormous cumulative public debt and eventually reduce that debt. Mr. Speaker, the purpose of this Bill is to allow the Government to recover the cost of regulating the telecommunications industry, and it is therefore part of this Government's general efforts to recover government administration costs.

The May Budget stressed the Government's intention to introduce new cost recovery methods to reduce the federal deficit. More specifically, the May Budget announced that starting in 1986-87, new cost recovery measures at the Department of Communications will include the recovery of costs incurred by the Canadian Radio-television and Telecommunications Commission in regulating telecommunications carriers under federal jurisdiction.

Mr. Speaker, we have therefore been consistent. We announced that it was necessary to put public finances on a sound footing, we suggested how this could be done, we were elected on a platform that included those suggestions and now we are trying to implement them, with the authority of the House. As is the case with other public services, the telecommunications industry has been subject to regulations almost since its inception, and the plethora of regulations indicates these services are essential to the social and economic well-being of Canadians. In recent years, certain areas of telecommunications have been given an opportunity to compete with each other, and I am sure this trend will continue with our new technology. However, I believe I am right in saying that for the time being, services such as basic local telephone services will continue to be provided under a monopoly system.

Mr. Speaker, the Government must therefore be vigilant. The Minister must protect the consumer while allowing telecommunications carriers to develop and expand. Consequently, although the Government fully expects that telecommunication services which may be offered on a competitive basis will eventually be deregulated, it does intend to recover from the industry the cost of regulating services provided by a monopoly.

Mr. Speaker, the Bill introduced today will amend the Railway Act to enable the CRTC to set fees and collect them from carriers under its jurisdiction. Once the Bill becomes law the CRTC, as usual with the approval of the Treasury Board, will then be in a position to impose a fee schedule to telecommunication carriers regulated by the federal Government. Such fees will make it possible to recover costs directly related to the regulations.

• (1120)

[*English*]

The collection of these fees will not have a significant financial impact on the industry. For example, a levy of less than 1/4 of 1 per cent, which this Bill would impose, on the 1984 operating revenues of these industries would have yielded around $15 million. As we know, the telecommunications industry is a multimillion if not multibillion dollar industry. At present, the CRTC collects licence fees from Canadian broadcasters and cable operators. These fees, which are collected pursuant to the Broadcasting Act, are sufficient to cover costs incurred in the regulation of the broadcasting industry.

One result of Bill C-4 will be to place federally-regulated telecommunications carriers on the same footing as the broadcasting industry. Therefore—

[*Translation*]

Therefore, Mr. Speaker, it is a question of equity as well.

[*English*]

The legislation will permit the Government to recover approximately $6 million in revenue annually beginning in 1986-87. There are six telecommunications carriers regulated by the CRTC under the Railway Act. Those companies are Bell Canada, the British Columbia Telephone Company, CNCP Telecommunications, Telesat Canada, NorthwestTel and Terra Nova Tel. Together they account for more than 70 per cent of Canadian telecommunications assets, revenues and subscribers. The $6 million to be recovered in 1986-87 therefore represents less than .1 per cent of the annual operating revenue of the six carriers.

[*Translation*]

So, Mr. Speaker, the CRTC will consult the public and the industry with a view to ensuring equitable fees and establishing a fair formula to set the fees to be paid by each company. Both the formula and the fee schedule will require prior CRTC approval.

This cost recovery measure is similar to the one which several Canadian provinces have already implemented. Therefore, Mr. Speaker, this is nothing new, but for the federal Government it amounts to a major step towards sounder national finances. As I said earlier, both the formula and the fee schedule are subject to Treasury Board approval, and they will shift the cost of regulations from the Canadian taxpayer to the company involved.

Mr. Speaker, we know full well that Canadian taxpayers are carrying a heavy burden and that middle-income earners are particularly hard hit. Indeed these are the people who create jobs because, fortunately for them, they are the ones who perhaps are in a better position to invest in job-creating projects. As we have heard, Mr. Speaker, in the past three years small- and medium-sized businesses created almost 70 per cent of all new jobs in Canada.

We also know that major companies have to deal with structural problems and, in some cases, international marketing difficulties. They are no longer in the best position to create the jobs we need to reduce unemployment even further. The unemployment rate is going down, Mr. Speaker, but unfortunately not fast enough to create a sufficient number of job opportunities for our growing labour force.

The CRTC was established by Parliament in 1968 under the Broadcasting Act and, on April 1, 1976, the power to regulate telecommunication companies was transferred from the Canadian Transport Commission to the CRTC. It was on that date that the Canadian Radio-television and Telecommunications Commission Act—the CRTC as the agency is commonly

called—was used to transfer the Canadian Transport Commission authority over telecommunications to the CRTC.

In the case of telecommunication carriers, the CRTC receives to a great extent its regulatory powers from subsections 321(1) and 321(2) of the Railway Act. This is why we are now asking for an amendment to this Act.

Under the Act, the CRTC must ensure that the rates imposed by telecommunication carriers are just and reasonable and that there is no unjust discrimination. The prohibition against unjust discrimination therefore applies equally to customers and competitors.

The major part of the work of the CRTC consists in examining the rates charged. The purpose of this examination is to ensure that the rates charged to customers remain just and reasonable and that the profits of the industry are not excessive.

Just a few days ago, Mr. Speaker, the CRTC ordered Bell Canada to reduce its rates for all its customers.

The CRTC has also undertaken important proceedings on complex economic and social matters such as the interconnection request from CNCP to provide long distance telephone services and phase III of the investigation on the cost of existing services.

As you can see, Mr. Speaker, the CRTC is engaged in very important activities to protect the consumer, to relieve the taxpayer if we are allowed to recover these costs, and also to promote economic development of this country.

The purpose of the investigation on the cost of existing services was to determine the cost of the types of services provided by the telecommunication carriers under the jurisdiction of the federal Government, and this was an important step in developing a more effective and less costly regulatory process.

• (1130)

[*English*]

This Bill is introduced consistent with the procedures of this House. It was announced in an economic statement. It was set in the Budget of 1985 and today it was introduced for second reading. We are hopeful that the House will allow the CRTC to recover these fees.

There are a number of Bills which are either already before the House or will come before the House that also have to do with the communications sector of our government policy. I am hoping that Members on all sides of the House will help us by improving this legislation if they find that there is something which does not answer the needs or the potential of these industries, or by passing these Bills swiftly if they meet their requirements.

Within these Bills is enabling legislation that will allow the CRTC to look into the operations of very large companies, such as Bell Canada, to ensure that they are administered in a way which takes into consideration the consumer as well as the future of our telecommunications industry in Canada. As we know, there is a great deal of competition from the United States and Europe in the various industries that are part of the communications field. We must have modern legislation and modern methods to ensure that we can continue to compete and become leaders in the world in some of the areas of these high tech industries.

[*Translation*]

In summary, Bill C-4 reflects the intention announced by this Government of implementing new cost recovery measures to reduce the federal deficit. Approval of this Bill will enable the CRTC to recover the costs incurred in regulating telecommunication carriers. The CRTC will transfer these costs to the carriers themselves rather than to the taxpayers. The CRTC will therefore be relieving taxpayers to the limit of its modest resources.

Moreover, the telecommunications sector will thus be treated just like the broadcasting industry, which now pays licensing fees. The CRTC will therefore be able to play its role by providing a just and equitable service, Mr. Speaker.

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to have congratulated the Minister on her first piece of legislation in this House. I take this opportunity to welcome my colleague as the new Parliamentary Secretary. I wish her a lot of pleasure as we face some very complicated and exciting legislation in the field of communications and culture.

That being said, I am pleased to rise and speak to Bill C-4, an Act to amend the Railway Act. This Bill pertains to the telecommunications industry and the Parliamentary Secretary has linked it rather closely to the broadcasting industry with respect to its application for supervision and regulation by the CRTC. The Bill was introduced originally by the Minister of Commmunications (Miss MacDonald) and received first reading in this House on October 3, 1986. It is noteworthy, however, that this is not the first time that this particular amendment to the Railway Act has been introduced. During the last session of Parliament, that is the First Session of the Thirty-third Parliament, the previous Minister of Communications introduced for first reading into this House an identical Bill to amend Section 321 of the Railway Act. That Bill received first reading as Bill C-125 on June 26, 1986.

You will recall, Mr. Speaker, that June 26, 1986, was virtually the final day of the session prior to the summer recess and that Bill C-25 died on the Order Paper when the Government decided to prorogue the session. Why would the Government choose to introduce a Bill and prorogue the House the next day? The only logical answer to this seemingly illogical action on the part of the Government is that the Government lacks a sense of timing and direction in its legislative agenda.

What is the purpose of this Bill to amend the Railway Act and why has the Government introduced it a second time as Bill C-4? I would like to take this opportunity to examine the

rationale of this Bill. In other words, what is the purpose of introducing it and what is meant to be achieved? The Parliamentary Secretary informed us that this Bill is to bring equity to the the telecommmunications industry on the same basis as it exists in the broadcasting industry. I would like to point out that that may not really be the case. If that were the case, I think we would be facing some serious difficulties in both industries. I refer to the news release by the former Minister of Communications, the Minister of Energy, Mines and Resources (Mr. Masse), on June 26, 1986, when the first Bill was introduced in the House. It states that the amendment to the Railway Act would allow the recovery of costs associated with the Government of Canada's regulation of the telecommunications carrier industry. The news release goes on to demonstrate how the telecommunications regulatory authority, the CRTC, will recoup with the aid of this Bill sufficient revenues to cover the costs incurred by the CRTC in regulating the telecommunications industry, namely, Bell Canada, British Columbia Telephone Company, CNCP Telecommunications, Telesat Canada, NorthwestTel and Terra Nova Tel.

• (1140)

However, I bring to the attention of the House Clause 1 of the Bill which would amend Section 321 of the Railway Act by adding the following:

> 321.1(1) Subject to the approval of the Treasury Board, the Canadian Radiotelevision and Telecommunications Commission may make regulations imposing fees, levies or charges on any company within the meaning of Section 320 and providing for the manner of calculating the fees, levies or charges in respect of the company and the payment thereof to the Commission.

There is no indication in this regard that it is strictly to recover the cost of operation. It simply indicates that the CRTC shall have a certain mandate subject to the approval of Treasury Board.

Let me point out another matter which I think the Minister of Communications might find rather disturbing. I quoted from an official document released by the Department of Communications on June 26, 1986. I bring to the attention of the Parliamentary Secretary to the Minister of Communications (Mrs. Mailly), to the Minister of Communications, and to the House that I received in my office on October 17, 1986, a piece of misinformation from the office of the Minister. It was sent to me on PC caucus services stationery with the heading "PC INFO". It outlined the content of the Bill.

This was not an official communication from the Minister of Communications but a communication which I suppose was sent to the caucus of the PC Party. I do not believe it is the kind of information that I as a member of the Opposition Party expected to receive in order to guide and counsel me on this particular Bill.

That being said, it was noted in this PC Information document which is a précis of the Bill to amend the Railway Act, that:

> The legislation would permit the government to recover approximately $6 million in revenue annually, beginning in 1986-87. The amount collected from the carriers will correspond directly to the costs incurred by the CRTC in regulating the telecommunications industry.

I find it rather sad that I would be receiving a directive from the PC caucus instead of the Minister of Communications, who I presently welcome.

The purpose of the Bill is to allow the CRTC to levy fees. The reason the Minister introduced the Bill, according to the memo which I received from the PC caucus, is to allow the CRTC to recover the costs which it incurs. Therefore, one would assume that the CRTC is presently not bringing in sufficient revenue to cover the costs of its operations. However, when I looked into the figures I found that the CRTC is in fact bringing in enough revenues, through licence fees and the like, to cover all the costs of its operations, including salaries, hearings and administrative costs. Not only is the CRTC currently generating enough revenue to cover all the costs it incurred in regulating both the broadcasting and telecommunications industry, it is generating a huge surplus.

My statement is borne out by the Chairman of the CRTC, Mr. André Bureau who, on April 10, 1986, appeared before our Standing Committee on Communications and Culture and made a statement about the CRTC finances. On pages 40 and 41 of the minutes of the proceedings of that Standing Committee, Mr. Bureau is quoted as saying that he estimates that the CRTC will incur total operating costs of $25.7 million in 1986-87. He further states that he estimates that the CRTC will bring in revenues to the Government of Canada's Consolidated Revenue Fund, through licence fees and the like of $54 million during the same period. This is more than double the costs incurred by the CRTC, so it would seem to me that it is certainly covering its costs.

Mr. Bureau summed up the situation to our Standing Committee as follows:

[*Translation*]

"I should point out that the CRTC is a net revenue generator for the federal government. In this fiscal year, as I mentioned, estimated revenues amount to $54 million, which is more than twice our allocated resources."

[*English*]

If the goal of the Minister, the Ministry and the Minister of Finance (Mr. Wilson) is to recover costs, I would suggest that this is not the area where they will recover costs. It already has a fine profit of $54 million.

While the Government purports to introduce Bill C-4 to allow the CRTC to cover its costs, it will be apparent from what Mr. Bureau has said that the CRTC operates at a large surplus of $54 million. In fact, the CRTC is probably the envy of every other administrative body and agency because it is so highly profitable. The CRTC is not a drain on the federal treasury. In fact, it returns excess revenues to the treasury. It is not a drain on the consumers or the constituency that it serves. We see that Government's regulatory agency as being productive, efficient and obviously well managed. However, I do not see why it should become a cash cow to fill the coffers

of the government Treasury at a hidden cost to the Canadian consumers. Its role is to regulate, not to print money. If the Government wanted to print money I think it should have stated that and perhaps changed the mandate of the CRTC.

If the Government sees this as a valid instrument to further reduce the deficit—which I agree must be addressed—through indirectly taxing large corporations, that is fine. The Government should openly state its intentions.

In his Budget Speech of May, 1985, the Minister of Finance announced the Government's intention to ensure that costs incurred by regulatory authorities were paid for by the regulated industries themselves. It is one thing for the Minister of Finance to recover the costs of regulation for the CRTC; it is quite another for the Government to enrich federal coffers and not the CRTC by introducing Bill C-4 without fully stating its case.

I have already pointed out that the CRTC is highly profitable and does not need to generate new sources of revenue. If it must redistribute those costs with respect to broadcasting and telecommunications, then I believe it is like comparing apples and oranges because the costs are different and their calculations are different. If, in reality, the intention of the Government is to raise revenues from new sources which will go directly toward the reduction of the federal deficit, why has it not come right out and said so? Instead, the Government has introduced Bill C-4 in the guise of generating new revenues for the CRTC to cover costs which are non-existent operating costs with respect to its over-all operation. It is another hidden method to enrich the Government's coffers without letting the population know exactly what it is doing.

If the Government wants to reduce its deficit, I repeat that there are other open methods which it could use. Incidentally, at whose costs will the non-existent deficit of the CRTC be reduced? Ultimately it will be the consumer because we are talking about television viewers, radio broadcast listeners and telephone subscribers when we are talking about regulating through the CRTC. As I listened to the Parliamentary Secretary lauding the Government's efforts in managing the economy and moving toward greater fiscal control, I could not help but stop to think about what is happening to Canadians in today's society and to their disposable income. If we consider the November statement of 1984 and the Budgets of May 1985 and February 1986, I think we will see a somewhat different picture emerge from that which the Parliamentary Secretary would have us believe. There are the increased federal taxes, the deindexation and the surtaxes and in the end the disposable income of many families, particularly those at the low and middle income range, is detrimentally affected.

• (1150)

I would like to give a few figures so that Hon. Members in the House and those who are listening can make some enlightened decisions for themselves. The tax measures introduced by the Government in the November 1984 Statement and the May 1985 and February 1986 Budgets, are affecting the personal income taxes of individuals in a considerable way, and reducing their purchasing capacity and their cash-in-pocket situation. We will have $570 million less to spend because of the modified indexation measures, that is, the 3 per cent reduction in the tax tables for everyone throughout Canada. A second example is the elimination in May of 1985 of the federal tax reduction. That will cost Canadians $490 million. A third example is the 5 per cent and 10 per cent surtaxes on our basic federal tax which was introduced in May of 1985. Because of those surtaxes, average consumers are being soaked an additional $550 million. When we consider the deductions which are now not allowed under the Registered Homeownership Savings Plan, we see an another $80 million which Canadians cannot put aside as a saving. The 3 per cent surtax on personal income tax, introduced in February of this year, has meant an additional $560 million which is not available and in circulation for the Canadian consumer.

When we consider the effects of sales taxes and excise taxes, some of which are visible and some of which are not, we see some rather staggering amounts which no longer are available to the Canadian consumer, particularly those in the low and middle income range, but obviously this affects all of us. The broadening of the sales tax base as a result of the 1986 Budget has meant that $510 million is no longer available to average Canadian consumers. The 1 per cent sales tax increase alone in May 1985 has meant $990 million is no longer available to us. The additional 1 per cent increase in sales tax which was introduced in February of this year has meant an additional $815 million cleverly soaked up, with very little political impact—although that will eventually happen—because it is virtually a hidden tax which no one can see at the moment of purchase.

The excise taxes of various kinds introduced in the Financial Statement of November 1984, and the Budgets of 1985 and 1986, amount to some $3 billion being taken out of the taxpayers' pockets. We can see from a personal income tax point of view that that is an incredible reduction of available cash.

The total cost of all this to low and middle income consumers is $2.695 billion. I would like to suggest that it is a very sad situation, indeed. Close to $3 billion is being taken out of our pockets. The move on the part of the Conservatives to implement something of what they call good social policy, such as the modification to the family package which includes the child tax credit, the child exemption and the family allowance, looks good on paper. It is going to cost $35 million in 1986-87. But it is really not as good as it would seem because it is a deindexation policy and changes thresholds so less and less people are going to have less and less money at their disposal.

The other issue is the increase in the RRSP limits. At this point it is at the $7,500 level but will be moving up to $15,500. That is very nice for those who can afford it. It will cost the Treasury $40 million this year.

With respect to the capital gains exemption, I think we have said plenty in this House about boats and so on, and how the

wealthy can get wealthier and protect their income at a cost to our Treasury of $600 million. If we look at the refundable sales tax credit, we see that as perhaps the only good measure brought in to date. We are talking there about returning $200 million to those people who earn the very low income of $15,000 or less, but the poverty line is at $23,000, so I would suggest that is not as good as it would seem on paper. Some $3 billion is going out and less than $1 billion is coming in. I would suggest that that is not equity.

I would like to draw your attention, Madam Speaker, to the news release of June 26, 1986 when this same amendment to the Railway Act was first introduced. That news release states:

> The amount collected from carriers regulated by the Government of Canada will (under this Bill) correspond directly to the costs incurred by the CRTC in regulating the telecommunications industry.

I have read Bill C-4 very carefully and there is nothing in it which in any way states that the amount of money collected from carriers will correspond directly to the costs incurred by the CRTC in regulating the telecommunications industry. Rather, a reading of Bill C-4, and in particular, the added Section 321.1(1) to the Railway Act, discloses that the CRTC is given the power to make regulations, imposing the fees to be charged to the telecommunication carriers such as Bell Canada and B.C. Telephone. Nowhere in this Section or in the Act is it stated that the regulations eventually put out by the CRTC must set fees which will correspond to the costs incurred by it in regulating the telecommunications industry. In other words, if the costs incurred by the CRTC in regulating telecommunication companies is to be a total of $6 million, Bill C-4 completely fails to require the CRTC to set the fees it will charge those telecommunication companies at that same amount. The Act could readily have provided for this but has failed to do so.

The amount looks small in terms of dollars right now, but there is nothing in the legislation to confine it to that amount of money, and if one is operating the CRTC on the basis of the Broadcasting Act, as indicated by the Parliamentary Secretary, we might then be looking at another potential way of raising over $54 million.

Since Bill C-4 fails to direct the CRTC, or give any guidance to the CRTC as to the amount of the fees to be levied, or the basis upon which these fees are to be determined, is it the intention of the Minister of Communications to issue directives to the CRTC so as to ensure that the fees charged in a given year will at least correspond to the costs of regulating the telecommunication industries? Or will she direct the rate of return for the telecommunciations corporations or the CRTC? The Minister should make known her intentions in this matter as soon as possible, and I would suggest that she will have to consult with Treasury Board as it seems to be empowered, from the first line of this amendment, to veto or to direct the CRTC's decisions. Who will be making the decisions, Madam Speaker, the Department of Communications, the Treasury Board or the CRTC, or will there be enlightened discussions between all three? It is far from clear.

• (1200)

When I read Bill C-4 I find that the proposed Section 321.1(4) would enable the CRTC to assess these new fees to telecommunication companies on a retroactive basis. I have a number of concerns with this clause. First, retroactive provisions should always be carefully scrutinized, for such provisions have the effect of changing the rules of the industry in the middle of the game. Has the Government demonstrated that such retroactivity is absolutely necessary? Why should the Bill allow for retroactive fees to be charged by the CRTC when the CRTC is already operating on a highly profitable basis? Why the sudden need for retroactive fees to be assessed? If the Government was of the view that the telecommunications industry was not paying its fair share to the CRTC in past years, then why did it not ensure the Bill's passage last year? Had this been done there would be no need for the Bill before us to allow for a retroactive application.

Furthermore, if the Bill is passed and the CRTC assesses fees to companies such as Bell Canada on a retroactive basis, then Bell's shareholder, Bell Canada Enterprises, and ultimately the individual shareholders of Bell Canada Enterprises, will likely have to absorb those fees. In other words, Bell may not be in a position to ask for a rate increase to allow it to recoup from telephone subscribers those fees assessed on a retroactive basis. This may not be an objectionable result. I raise it so that the Government will be in a better position to appreciate all the consequences which would flow from a retroactivity clause.

In my view the question of absorbing the costs implicit in the application of this Bill involves new dollars which should be borne by the shareholder as a cost of enjoying the privileges of ownership of a public monopoly utility, and not a hidden potential increased cost to the subscriber.

Furthermore, with respect to the subject of retroactivity, the addition of Section 321.1(4) to the Railway Act does not absolutely require that fees be assessed against the telecommunications industry on a retroactive basis. Rather, it provides that the fees will only have retroactive effect if the regulations eventually established by the CRTC "so provide". These regulations are subject to the approval of Treasury Board. In other words, the Government has left it to the CRTC to decide whether or not fees should be assessed retroactively, but gives it no final authority or decision-making power. The Government should make clear to the House why it felt the need to leave the question of retroactivity unclear.

What guidelines does the Government expect the CRTC to employ in making its recommendations on this point? Will the Treasury Board be setting the guidelines pursuant to the powers granted to it under the proposed Section 321.1(1)? If the CRTC is to follow the intentions expressed by the Minister of Finance in his May, 1985 Budget, to recoup for the CRTC the full cost of regulation, then there will be no need for the CRTC to charge retroactive fees, since the CRTC already recovers revenues which far exceed its costs of operations.

Further, the retroactivity date is March 31, 1986. It will take at least a year, at breakneck speed, for all the normal administrative procedures and notices of motion by the CRTC to be acted upon before we will begin to see the application of this recommendation with respect to the fee assessment. That means not before 1988. This could mean big dollars, and for whom?

The Government seems to expect that Bill C-4 would allow the CRTC to recover at least its operating costs of $6 million beginning in 1986-87 by assessing fees against telecommunication companies such as Bell Canada, B.C. Telephone, CNCP Telecommunications, Telesat and others.

The critical question is, what will companies such as Bell Canada do if it is assessed large fees in future years pursuant to the authority of this legislation? I expect that Bell will contend that such fees increase its operating costs. I would not be surprised if Bell then applied to the CRTC for a rate increase with respect to the sums it charges for telephone services. And who will be asked to pay any such rate increase? It goes without saying that it will be the telephone subscriber. This will be so whether the subscriber is an individual or a business, in particular a small business. The fees to be levied by the CRTC on companies such as Bell will eventually be paid for out of the pocket of telephone subscribers. These are the results that are almost sure to follow if Bill C-4 is passed in its present form.

What does the Government expect me to say to the many senior citizens living in my riding on fixed incomes when they ask me why their monthly telephone charges have been increased? Does the Government expect me to tell these citizens that they are being charged more for telephone services because the CRTC needs more money? I have already demonstrated today that the CRTC does not need more money. Does the Government want me to tell these people to do without a telephone if they cannot afford to pay the charges? Surely the Government must realize that in our modern world a telephone is no longer a luxury but a necessity. Once again, I must ask whether the Government has fully thought through the consequences that could flow directly from the enactment of this Bill? I for one am not sure that it has.

Only a few days ago telephone subscribers received relief from the CRTC in the form of an order that Bell Canada refund to subscribers two months' worth of basic charges and provide lower long distance rates in the future. This decision was welcomed by the Minister and by everyone in the House. It was certainly welcomed by my Party and by consumers who have long yearned for lower telephone rates. We now find that what the CRTC gave telephone subscribers with one hand the Government looks to take away with another through Bill C-4. The Bill may ultimately result in increased telephone rates. It seems that the Government will not give consumers a break. It intends to pour cold water on the heads of telephone subscribers. How does the Government spell relief? Is it through Bill C-4, which could be subtitled "a Bill to enrich the treasury"?

There are many telephone subscribers in the country who are served by provincially-owned telephone companies not regulated by the CRTC, such as the Manitoba Telephone System, Sask Tel, and Alberta Government Telephones. Therefore, since the CRTC would be unable to levy fees or charges against a company such as the Manitoba Telephone System, telephone subscribers in Manitoba will think themselves immune from the higher telephone bills which could flow from this Bill. These telephone subscribers may be mistaken. We will have to wait and see what the court decision involving AGT, the provincially-owned telephone company in Alberta, may suggest with respect to CRTC regulation.

I point out to Members of the House that this Bill could also allow the CRTC to assess new fees against CNCP Telecommunications. We will want to know whether these fees will be passed on by CNCP to consumers in the form of higher telex and telegram rates. I do not know if they will be touched or not; but it is certainly something worthy of examination.

I have outlined the serious reservations which my Party has with respect to Bill C-4. These reservations include the retroactivity provision; the question of whether the CRTC really needs the new fees to be levied under the authority of Bill C-4; whether the subscriber or the shareholder will bear the burden of the costs; and whether we really need to raise new moneys in this manner. Perhaps we should be looking at a method of redistribution in some way.

Our most serious reservation is that any such fees levied by the CRTC against the telephone companies could very well be passed on to telephone subscribers by way of increased rates. I outlined the tremendous burden which is now being borne, particularly by middle and low income Canadians, due to the last two Budgets and the November, 1984 statement. I hope we will find no new hidden ways to increase costs to subscribers and, therefore, to consumers.

My Party insists that the entire Bill—its three paragraphs—be referred, preferably to the standing committee but, if not, to a legislative committee for review and amendment. I would insist that the committee afford the telecommunication companies and the consumer groups a full right of hearing. While the Bill is in committee, my Party will attempt to ensure that the amendments which are made will prevent the telecommunication companies from passing on any portion of these new fees to telephone subscribers.

• (1210)

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I am indeed pleased to see you in the chair today.

Some Hon. Members: Hear, hear!

Ms. McDonald: Madam Speaker, Bill C-4 is an Act to amend the Railway Act. It is an Act which would permit the CRTC to collect fees from the telecommunications industry for its services in regulating this industry.

We have been told that the Government's purpose in introducing this legislation is to reduce the deficit. Let us be very clear. The amounts of money that are expected to be collected are certainly not going to do very much about reducing the deficit. It is estimated that it would take $6 million per year to recover the costs of regulation of telecommunications.

Let us be very clear from the beginning that the Government is not reducing the deficit. It is attempting to reduce the rate of increase in the deficit but the deficit itself is still accumulating. We have an enormous accumulated deficit which is still increasing.

If we want to talk about decreasing the deficit, we should look to the example of the Tommy Douglas Government in Saskatchewan. That CCF Government actually decreased the deficit which had been accumulated by previous Liberal Governments. At the same time, that Government spent the taxpayers' money so wisely that it pioneered the social programs of Canada. This Bill is not in the same league as legislation by Tommy Douglas and the CCF/NDP, I am very sorry to say.

This Government wants to reduce the increase in the deficit and do it by collecting fees from the telecommunications industry through the CRTC. The principle of cost recovery itself is a reasonable one. It is employed in other industries. For example, farmers who benefit from the regulation of farm marketing products pay for this service. That is certainly fair and I believe the model we have here is appropriate as well. I do not object to the principle of cost recovery in the Bill, but I certainly do have a number of reservations about it.

We have seen a very bad example of cost recovery in the Forget inquiry. The unemployed are expected to bear the costs of a $6-million inquiry. Rather than having the Government take the cost of this inquiry from general revenues, it is coming out of the Unemployment Insurance Fund. That is a most inappropriate example of user-pay.

In principle, user-pay in this Bill is all right. However, let us be clear. This is an industry that makes a great deal of money. If the Government really wanted to tackle the deficit, it would look far more broadly to corporate taxation. The Parliamentary Secretary said that the way to attack the deficit is by cleaning up the public sector. I think the way to attack the deficit is by collecting taxes from those who can pay them. There are 79,000 wealthy corporations that show profits but do not pay a dime in taxes. If we were really serious about deficit reduction and about fairness, we would be going after those corporations and not after telephone subscribers.

If the CRTC is correct, it would take about $6 million to recover these costs. The CRTC is already making its so-called profit by collecting from the broadcasting sector. It takes roughly $19 million to administer the broadcasting sector and the CRTC collects about $25 million per year. Collecting $6 million from the telecommunications sector would be fair. If the broadcasting sector is paying for its regulatory fees, why should it subsidize the telecommunications sector? However, it is true that the CRTC is collecting more money than it costs to operate. In a sense, this is a way of collecting taxes in an indirect fashion. I do not think that is a healthy thing to do.

Corporations could be paying more taxes. This $6 million that will be received from the telecommunications industry is not a large amount of money. Bell Canada's profits alone are in the order of $1 billion per year.

I believe the Liberal spokesperson was unduly alarmist about how these costs would be passed on to the consumers. Even if they were passed on to the consumers, the cost would be practically incalculable. Of course, there is no reason the costs should be passed on to consumers and I do not think the CRTC should permit that. That would be unreasonable. Profits in that sector are very substantial. This is a monopoly utility and there is no reason for the consumers to pay these additional costs.

The legislation is not clear about companies being assessed only what it costs to regulate them. The Government has stated that this is a cost-recovery measure, but the legislation does not say that. Perhaps the legislation should be absolutely clear on that point.

There is also provision in the legislation for retroactive collection. I do not want to be alarmist about this, because the amounts are so small relative to this industry, but the retroactive principle is not a good one. It is one at which we should certainly take a look.

I have another reservation about the requirement for Treasury Board approval. According to the Bill, the CRTC may make regulations imposing fees, levies or charges subject to the approval of the Treasury Board. What should the role of the Treasury Board be? If we believe that the CRTC should be at arm's length, why should the Treasury Board be active in this capacity?

Why should the legislation not be absolutely clear as to how much will be collected, not in terms of dollar amounts but in terms of the criteria by which it would be collected? The legislation is not clear about whether or not this collection is, strictly speaking, cost recovery. In the case of broadcasting, it is not simply cost recovery but is actually profit making. It is ironic that the CRTC makes a profit from the broadcasting sector. The CRTC does not earn its pay from the public purse because it regulates the broadcasting sector so very poorly. It has let down the public on matters like portrayal of women, Canadian content and the creation of jobs for Canadian playwrights, writers, actors and the like.

In the case of the telecommunications sector, Bill C-4 is very well timed. It is being brought in at a time when the CRTC has just come up with an excellent decision regarding the telecommunications industry. All of Canada is pleased to see that the public interest and consumers are being served by this decision. The CRTC has actually done a good job, yet it is a job on which it has not made a dime. It does, however, make

its money from a sector for which it does not do its job adequately at all.

The companies that would be affected by this legislation include the largest of the communications companies, Bell Canada, as well as B.C. Telephone and smaller communications companies such as Terra Nova Tel, NorthwestTel, CNCP Telecommunications and Telesat Canada.

A substantial number of companies will be affected by the legislation. Bell Canada has enormous profits. B.C. Telephone is not quite as large but it is also a pretty substantial company. Last year its operating revenues were $1.4 billion and it had after-tax profits of nearly $100 million. That is the kind of money out there in the industry. If the Government collected corporate taxes with the same vigour it pursues personal taxes, we would not be worried about getting an extra $6 million. In effect this is a tax increase for corporations. However, it is a small increase; it is under 1 per cent.

• (1220)

Let us look at the tax increase average Canadians have faced over the last couple of years. Of course they have been enormous. As well, there has been a deindexation of the family allowance, tax increases in personal income tax, and increases in sales tax and excise tax—the hidden taxes. We must be concerned about the way the Government is collecting taxes through sales tax and excise tax. The use of hidden taxes is not a very healthy way to collect money. Individual taxpayers are being soaked. However this is a tax increase, as long as the CRTC does not allow companies to pass it on to subscribers. As I said, it is a very small tax increase for companies which are doing extremely well with their monopolies.

The CRTC did its job properly on Bell Canada last week. It was a record-making decision. Over $200 million will be rolled back and there will be a reduction in long distance charges as of January 1. It is an extremely important decision, worth over $200 million to consumers. We must ensure that there is not a reversal of this decision with the $6 million and that the decision actually takes effect. I hope the Government has given the decision some thought. I also hope that we will have a firm commitment from the Government that it will not reverse the CRTC decision. Of course Bell Canada is entitled to go to the courts. The Government of Canada cannot stop Bell Canada from going to the courts, but at this point it could at least say that it will not reverse the CRTC decision. That would be a very important statement. At least that commitment could be given.

Bill C-4 before us today poses the risk that consumers will be charged more, depending on what is done by the CRTC. At the very least, the Government should come clean with taxpayers and subscribers and say that it will defend the CRTC decision. It should ensure that the $6 million will not be passed on to consumers and that the $200 million will stand as it is.

In conclusion, I have some reservations about parts of the Bill. Certainly matters can be looked at in committee, such as the retroactive question or, being very specific, or the purpose of the Bill in terms of cost recovery. We do not want to see it as simply another way of raising taxes indirectly, which is not the way taxes should be raised. Aside from the very particular points which can be addressed, I think cost recovery is appropriate in this area.

I am sorry the Government is not more frank about its role in life. I am sorry it is trying to parade this past us as a measure which will do a lot more than in fact it can do. It will not reduce the deficit. Even if it were a larger amount, it would not reduce the deficit. It is a very modest measure. I do not object to the direction in which it is going, but let us not pretend that this increase to, a very small tax for very wealthy corporations will put Canada's financial house in order and address the deficit. Certainly this bashing of the public sector, that somehow if we clean up the public sector and forget about the fact that corporations are not paying their fair share, will not wash. The Government could have presented this piece of legislation in a fairer or straighter way to the Canadian public, but its substance in terms of cost recovery is appropriate.

Mr. Jim Caldwell (Essex—Kent): Madam Speaker, I should first like to congratulate you on your new position. Certainly it is good to see one woman in the chair and one man about to speak on the Bill this morning. Indeed it is a pleasure to address Bill C-4, an Act to amend the Railway Act. It supports a basic principle of the Government to establish a business-like approach in the conduct of its own operations.

Before addressing the Bill directly, I should like to raise a couple of comments concerning those of the Hon. Member for Mount Royal (Mrs. Finestone) who indicated that there are more poor people in Canada now than there were before the Government took over. Since the Government has taken over, the number of Canadians living below the poverty line fell by 300,000 last year, the first such decline since 1981. Real family income increased last year for the first time since 1980. I just wanted to ensure that the record was straight in that regard so that Canadians understand that the Government is getting people off the welfare rolls.

Mrs. Finestone: The record should show that I talked about disposable income, not about the level of poverty.

Mr. Caldwell: Since the Government has come into power, some 600,000 jobs have been created and 328,000 jobs have been for women, which should please the Hon. Member for Mount Royal. I could go on, but I know that I must deal with the topic at hand.

I should like to revert a little and deal with the cultural field. The Hon. Member did not mention some of the initiatives taken by the Government, very recently as a matter of fact. The Government is in every way supporting the cultural and communications industry like no other Government has for many years. Of course the CBC was brought into operation by

a Conservative Government and has been supported throughout the years by this Government and others. The amount of $75 million was announced in the February 26 Budget for 1986-87 and $375 million over five years, an increase of 6 per cent for cultural industries. For the film and video industry, $33 million in 1986-87 and $165 million over five years, was announced on July 17, 1986. For book publishing, $13 million in 1986-87 and $65 million over five years. That is an increase of 25 per cent announced on June 18, 1986. It included an additional $4.8 million for the Canada Council over two years for publishing. The list goes on. For music and recording, $5 million in 1986-87 and $25 million over five years was announced on September 26, 1986, just a few weeks ago. These figures indicate that the Government certainly cares about the communications and cultural industry, which will continue to grow and prosper under us.

I should like to address the Bill before us. Canada is a big country. We are talking about a change in the Railway Act. I am sure some people wonder what that has to do with the communications industry, why we have to legislate through the Railway Act. There might even be those people who would say that we should be introducing a Bill to make some changes in our railroads. That may well come too.

However, while we are debating a change to the Railway Act, we are debating a Bill which originally concerned the communications system of the railways. Most of us are aware of the telegraph poles along railway lines. Of course today the communications industry operates on a much different scale with microwaves and satellite receivers.

I do not think many of us realize the necessity of the telephone today. Perhaps we have come to take it for granted in many cases. Certainly many of us would find our lives a lot different if we did not have a telephone system. In our vast country communications represent an essential link between all people. Canada's very existence as a country depends upon reliable and efficient communications. This is why we identify communications and telecommunications, particularly the telephone service about which we are talking today, as services that should be available to all Canadians at a reasonable cost.

• (1230)

Canadian industry has been very responsive to the needs of the country. Our needs have been met and continue to be met with innovative solutions that are among the best in the world. The quality and affordability of our telecommunication services are world class. Statistics show that Canada has one of the highest rates of access per capita in the world. More than 98 per cent of Canadian homes have at least one telephone. We also have the distinction of being known as the people who talk the most on the telephone. We have achieved a telecommunication system to be proud of through the strengths of our telecommunications industry working in concert with government regulators.

The regulatory process itself has played an essential role by maintaining a careful balance between the revenue requirements of the industry and the essential social goal of making universal telephone service available at affordable prices. And, as the CRTC demonstrated not too long ago, the regulatory process does work. In the period from 1979 to 1984 when inflation was rampant the telephone companies were granted regular rate increases. Since this Government was elected, the process of economic renewal has begun, inflation has been tamed and the CRTC has acted accordingly in ordering rebates and rate reductions to take into account Bell Canada's improved financial situation. These rate reductions should further stimulate economic growth, and both business users and residential subscribers will benefit directly from them.

In recent years we have seen the introduction of an element of competition in telecommunications and this trend is likely to continue. We also recognize that to be viable and prosperous our industries must be competitive in the world market and we support their endeavours. In keeping with this new environment, the Government is committed to reducing the regulatory burden on industry. The market must be allowed to operate if Canadian entrepreneurs are to maintain and augment their competitive edge in an increasingly unified North American market. However, as long as local telephone service and other essential services continue to be provided on a monopoly basis, the public interest must be protected. The Government must remain vigilant about possible negative impacts. Affordable, accessible, universal service must be maintained and the interests of consumers upheld, even as entrepreneurial development is encouraged.

As more and more services are deregulated, it is certain that the cost of regulating will decline. However, new problems are likely to arise making it more than ever necessary to maintain an effective regulatory process. The regulator must have the means to ensure that monopoly profits are not used to subsidize the competitive activities of the company. Without such safeguards, Madam Speaker, the interests of the telephone subscriber could be endangered, as could the principle of fair and equitable competition.

Bill C-4 respects these goals. On the one hand it establishes the regulation of the industry on a full cost recovery basis. On the other hand, it ensures that the quality of regulation can be rendered immune from cost cutting. Placing the regulation of telecommunications on a cost-recovery basis will provide a powerful incentive for the CRTC to keep tight control over expenses, because regulation is an open and public process. With the passage of Bill C-4, the costs associated with the activities of the CRTC will be recovered directly from the industry rather than forming part of the Government's over-all fiscal framework.

This element of public accountability, which could make the cost of regulation an issue at public rate hearings, is an incentive to achieve a regulatory process which is both efficient and cost effective. The amounts that this Bill will recover from the industry may seem rather small in comparison with the

massive federal deficit that our Government inherited from the previous administration. However, the ramifications of this measure encompass much more than the moneys cited.

When the Government is presented with an alternative which can render a public service more responsive to the needs of those served while at the same time reducing the burden on the taxpayer, I think we would all agree that it is the duty of the Government to assume such a measure. The implementation of such a measure will serve as an effective demonstration of the Government's resolve to place many of its operations on a full cost-recovery basis, and this in itself is part of the larger task of restoring financial responsibility in the country. I believe that Bill C-4 has much merit and that it deserves the full consideration and support of the House.

As I pointed out at the beginning of my speech, many people may not quite understand exactly why we are doing what we are doing at this time and why the measure is under the Railway Act. Let me point out that Canada has something of which to be very proud in the telecommunications industry. We have been the leaders in the telecommunications field and I am sure we will continue to be. We must also make sure that consumers are protected. I would like nothing better than not to have any regulations at all in some of these areas and to let the free enterprise system take its course. Whether the telephone system is an essential service or not is debatable, but I think many of us consider today that it is. We have to remember that the telephone system has to be available to the citizens of Canada, and we want to make sure it stays that way. That is why our Government will be taking steps from time to time to make sure that monopolies, such as the telephone systems, are regulated and that people will have an opportunity through the regulatory process to make sure they have their say about the operations of the monopolies.

I think we all realize that the telephone system was inaugurated in Canada, although the Americans sometimes like to take that credit away from us. It has been a great service to us at a reasonable cost. Under this Bill consumers will have the opportunity to hear from the CRTC, and if it opposes the regulations how the formula for rates will be worked out.

As I mentioned, the $6 million that we will recover under this Bill may not seem like much with the deficit that we have, but the deficit is heading in the right direction. You may recall, Madam Speaker, that when our Government took over the deficit was running at an extremely high level. We have been able to bring it down to the neighbourhood of $32.5 billion through a tremendous effort on behalf of our Government. We should be applauding Canadians in many areas for their help. We have asked the farmers to help with cost recovery. We have asked the voters to help with cost recovery. Now we are asking the regulators of the telephone service to be involved in cost recovery. I think that is only fair. Those are just some of things we are trying to do.

Let me add that we can telephone from our homes to almost anyplace in the world. Most of us can dial directly, although in some places we still have to use operators. It is a marvel how the system works. I do not understand how it works. Maybe some other Hon. Members know more about how the system works, but it certainly works. Other countries do not have a telephone system that works as well as ours. We are very proud of our telephone system in Canada and we should remain proud of it.

Our Government will continue to watch the purse strings, making sure we are getting our fair share of revenue, but not forgetting those people who have to use the telephone service on a regular basis. As Members of Parliament we hear from our constituents often about the telephone system, the Post Office and many other problem areas that exist today. I do not think we hear as many complaints about the telephone system as we do about other agencies. The system in operation in Canada today is one of the best in the world and people recognize that. We do not have that many problems with the telephone service, at least not where I live in the beautiful area of Essex-Kent. We still have some services which are not part of the Bell Canada system: one of the few left in the area. We still have a central—

• (1240)

An Hon. Member: Do you still have the crank?

Mr. Caldwell: Yes, we still have the crank on the phone; one long, three short. Perhaps in Vancouver they still have the central operators where one long and three short means something. That was our old phone number many years ago.

I do want to say that I hope we have the support of the House. We would like to get this Bill through. It is not a Bill which will shake the rafters of the country, but it is an important step in this Government's effort to make sure people know where we are going in communications, and I hope we get quick passage.

The Acting Speaker (Mrs. Champagne): Questions and comments?

Mrs. Finestone: Madam Speaker, in light of my colleague's comments, I want to tell you that I still have a country phone with one long and two short. The Hon. Member made some remarks with respect to the pride he feels as a Conservative in that his Party founded the CBC. I would be anxious to hear his reaction to the remarks of the well-known, highly-respected journalist and broadcaster who has given so much to our country, both in its oral and written history, someone we all respect and admire. I refer to Pierre Berton. I would like to quote from an article in *The Sunday Herald* of October 19, and I would then like a response from my hon. friend. The article says:

Tories killing CBC: Berton

The Conservatives are slowly but surely killing the CBC and other cultural agencies that spawned a strong Canadian culture in the last 30 years, says author-broadcaster Pierre Berton.

"Television is our most important Canadian institution because it provides the glue that holds us together," he said Friday.

"It's our new national dream just as the railroad once was."

Berton and other prominent Canadians are featured speakers at the Council of Canadians, a nationalist organization holding its second annual meeting in Ottawa.

"But the Conservatives don't understand that. In my opinion, the Conservative caucus wants to destroy the CBC. But they know they can't do that or sell it to their friend John Bassett. So they are doing it by attrition, by cutting the budget every year."

Berton said proposals for a further $50 million cut in the CBC budget on top of the $133 million in cuts the Conservatives have already ordered are monstrous especially after a federal task force called for stronger public broadcasting in Canada.

I would like an enlighted response from my hon. friend. Do you agree with Pierre Berton or do you not?

Mr. Caldwell: Madam Speaker, I must say that certainly Pierre Berton is a very respected author and broadcaster in this country and he is entitled to his views. I do not believe this Government is strangling the CBC, or whatever word he happened to use. It is my understanding that the CBC has had one of its most successful seasons. They had many enjoyable programs, including Mr. Berton's, on the air last year. We have asked the CBC to tighten up a little bit on its operating expenses and get itself in line, but it has known about that since 1984. A cut was made at that time but there have not been any cuts since then. We have asked the CBC to live within its budget.

As I pointed out, and I should not have to repeat this, our commitment to the cultural industry has been unprecedented over the past two years. As I pointed out, there was an increase of $375 million over five years in support of cultural industries. That is unprecedented. For the film and video industry there has been $33 million for 1986-87, and $165 million over the next five years. The Minister announced that on July 17. There was $13 million in 1986-87 for the book publishing industry, and $65 million over five years, an increase of 25 per cent.

The Hon. Member and Mr. Berton talk about us cutting back on funds to our cultural industries. I see no indication of that at all. I do not think any Members here could possibly read that into these figures. There was $5 million in 1986-87 for the music and recording industry. I am sure Mr. Berton and others like to enjoy recorded music by Canadians, as do I, as do you and as the Hon. Member does. That amounts to some $25 million over the next five years.

Mr. Berton says the Conservative caucus is trying to destroy the CBC. I know we are not supposed to talk about things that happen in caucus, but I do not recall the CBC being debated in caucus. Not when I was there. The Hon. Member knows that my ears perk up when I hear about the CBC, having spent several years with that organization. I think I know whether it was discussed and whether the Tory caucus is trying to destroy it. If anything, we are bolstering the CBC. As a matter of fact, over the last two years the CBC has done some tremendous work. Some tremendous programs have been produced. It may not be the old CBC, the way it used to be, but things have to change. I think they have changed for the better.

Do I agree with Mr. Berton? I certainly do not.

Ms. McDonald: Madam Speaker, I think the Hon. Member has been very misleading in his remarks. It is easy to get up and refer to an increase here, an increase there, a percentage here and a dollar there. He has not looked at the total picture. The total picture is of a net decrease. There has not been so much as a cost of living increase, as promised to people in the cultural community, a promise made by the Conservatives over the course of the 1984 election campaign. Yes, there is an increase here and an increase there—

Miss MacDonald: They add up.

Ms. McDonald: —but the decreases are greater than the increases. In the case of book publishing, where the Hon. Member refers to an increase, that increase is not as great as the amount of money taken out of book publishing by the new tariff. It is entirely misleading to talk about an increase because it is a net decrease.

The Conservatives practised this kind of obfuscation with regard to the family allowances and child tax credit. Instead of slashing everything at once, they increased the child tax credit while they decreased the family allowance and now plan to decrease the child tax credit later. They have everybody bamboozled. They can go around saying, we have increased support for families, and they are doing precisely the same thing in the cultural industry. In fact the decreases have been greater than the increases even in specific areas.

Mr. Caldwell: Madam Speaker, that was very much the same question and I do not want to go through the same answer again. I just want to assure the Canadian people that certainly this Government has every intention of supporting the cultural and communications industry.

I just want to take this opportunity to congratulate the new Minister of Communications (Miss MacDonald) on her appointment, and I am sure we can expect greater things over the next two, four, six or eight years.

Some Hon. Members: Hear, hear!

Mrs. Finestone: Madam Speaker, I would really like my friend to be precise. I will take up from where the Hon. Member for Broadview—Greenwood (Ms. McDonald) left off. Let us just talk about the CBC, as you were a staff member there and are proud of the CBC. I am sure you were not particularly pleased with the—

Mr. McKinnon: Order!

Mrs. Finestone: Who is calling "order"?

Mr. McKinnon: I am.

Mrs. Finestone: Why?

Mr. McKinnon: Madam Speaker, it is not customary for Members to be addressed by the personal pronoun. The Hon. Member has been here long enough to know that she should

refer to the gentleman's constituency when she is speaking about him in the House of Commons.

Mr. Rossi: That is what she did.

Mrs. Finestone: I referred to my hon. friend, I did not refer to his riding.

The Acting Speaker (Mrs. Champagne): I think the Hon. Member for Mount Royal (Mrs. Finestone) knows that she should refer to the Hon. Member by his riding and not necessarily by his former employment. Please continue.

• (1250)

Mrs. Finestone: Could the Hon. Member tell me whether the CBC suffered a cut of $50 million in addition to the $133 million cut?

Mr. Caldwell: Madam Speaker, I do not want to go through this again. In the November, 1984 statement the Minister of Finance (Mr. Wilson) announced a $70 million cut in the CBC budget.

Mrs. Finestone: Seventy-five million dollars.

Mr. Caldwell: Okay, a $75 million cut. There has been no cut since that time.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Miss MacDonald seconded by Mr. Mazankowski, moved that Bill C-4, an Act to amend the Railway Act, be read the second time and referred to a Legislative Committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a Legislative Committee.

* * *

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

Hon. John Wise (Minister of Agriculture) moved that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a Legislative Committee.

He said: Madam Speaker, I rise on second reading of Bill C-2, an Act to repeal the Canagrex Act and to dissolve the Crown corporation. I am sure the reasons for this Bill are well known. In his November, 1984, economic statement, my colleague, the Minister of Finance (Mr. Wilson), announced

the Government's intention to phase out Canagrex by April of 1985. The initiative was aimed at reducing government spending. However, there was more to it than that. We also believed that Canagrex was not going to achieve the targets set out for it as a corporation. Certainly the industry was not going to use the Crown corporation in the manner planned.

As Members familiar with the corporation know, Canagrex was to identify new markets, to promote exports of Canadian products, to participate in state-to-state trading, to provide export counselling to the industry, to make available grants, contributions, loans, and loan guarantees and to import, export, buy and sell. I am sure that you, Madam Speaker, and all members of the House would agree that these are all very worthy goals. However, when we undertook to phase out Canagrex we believed that existing government departments could co-operate with the private sector to pursue these trade goals more effectively. Indeed, that has proven to be the case.

The Agricultural Products Board, External Affairs, the Export Development Corporation and, of course, my Department, Agriculture Canada, are the key federal players. The Agricultural Products Board has the power to buy and sell if necessary, and it does so. The Export Development Corporation provides insurance, loans and guarantees. About a year ago the EDC introduced a credit insurance program for exporters of up to 360 days for bulk agricultural products. This followed the work of an interdepartmental task force. In January of this year the EDC introduced another credit insurance program of up to three years. The programs cover grains, oil seeds, pulse, tobacco, animal products, seeds and genetic material. These important initiatives by the EDC have succeeded in putting our agricultural exporters in a much better competitive position. In fact, we expect that about $200 million worth of product will have moved under these programs by the end of the year.

The Department of External Affairs plays an important role in the development of markets for our agricultural products. In particular, its program for export market development supports both outgoing and incoming trade missions. It also provides grants and contributions for exporters who are pursuing sales abroad.

My Department, Agriculture Canada, and External Affairs have developed a very close and effective working relationship in order to improve the environment for agricultural exporters. There are numerous examples of our co-operative efforts which are working to the great advantage of Canadian agricultural producers from coast to coast. Agriculture Canada and External Affairs work together on analysing markets and identifying new ones. We also co-operate in technical and promotional activities, seminars and trade fairs. Together these two departments are developing a service called the Export Market Information System. This system will provide up-to-date information on agricultural markets throughout the world. We have established a joint committee on international agri-food trade development. This committee ensures that the services of our two departments in the field of

agricultural export development are not being duplicated. It also ensures that we are combining our resources, wherever possible, in order to pinpoint new market opportunities and help the private sector take advantage of these international market opportunities.

Not only is interdepartment co-operation vital to the success of trade development, but co-operation in the private sector is also essential. That is why my Department is involved in providing export counselling and in co-ordinating private sector trade initiatives. Agriculture Canada staff also works with the private sector to help identify and overcome technical problems in the export market. Together we have been able to establish animal health agreements which, in turn, have opened the door to many new trade opportunities. Only last year Canada and China signed five animal health agreements covering a range of agricultural commodities. As a result, Canada has been able to make shipments of live cattle and swine into this very important export market.

My Department has been actively involved with the private sector in trade missions and seminars abroad. For instance, in recent months we sponsored a dairy seminar in Equador and one in Peru. With the help of the industry we produced an export promotion bulletin on alfalfa pellets for farm livestock and we expect to produce more bulletins in the future. We organized a dairy seminar this month in China and are organizing others in Portugal and Spain as well. We participated with other federal Departments in Food Pacific 86 which was a tremendous success in Vancouver this year. In co-operation with the private sector we are organizing a strong presence for Canada at this year's Ag China Show, just as we did last year.

Madam Speaker, I recognize that the Sergeant-at-Arms has noticed the clock, as have you and I. I think it would be appropriate for me to call it one o'clock.

[*Translation*]

The Acting Speaker (Mrs. Champagnes): Order. It being one o'clock, I do now leave the Chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

VOLUNTARY ORGANIZATIONS

FRONTIERS FOUNDATION—CALL FOR REINSTATEMENT OF FUNDING

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, safer, warmer houses for needy Canadians are a goal which is worthy of government support, especially when those houses can be provided in a way which will actually save the Government money. Yet the Government is turning its back on a national charitable organization which provides just such a service.

Frontiers Foundation has worked for two decades to provide better housing and living conditions in low-income native and non-native communities. Since 1964 it has helped to build or renovate more than 1,000 homes in disadvantaged areas.

The use of volunteers means more money can be spent on building materials. Instead of supporting this worthy organization, the federal Government has cut back its assistance to the point where there is nothing so far this year. With Frontiers Foundation, the Government gets value for money. Funding, therefore, should be reinstated.

* * *

POLITICAL PARTIES

HOMOSEXUAL AND LESBIAN POLICE RECRUITS—POSITION OF NEW DEMOCRATIC PARTY

Mr. Gordon Taylor (Bow River): Mr. Speaker, the New Democratic Party is urging the Government to compel the Royal Canadian Mounted Police to accept lesbians and gays. Can you feature a fairy RCMP constable trying to arrest a lumberjack with a powder puff? Can you imagine a lesbian RCMP fairy at the scene of an armed robbery screaming: "Stop, surrender, or I will hit you over the head with my purse"? If fairies were not hired, they would cry discrimination. The RCMP—

Mr. Speaker: Order. I would ask that the Hon. Member perhaps examine some of the words in his statement which might very well be very offensive to a great number of Canadians and might cause a question of privilege or point of order in the Chamber.

Mr. Taylor: Mr. Speaker, the RCMP is an excellent police force because it recruits men and women who meet its high standards and who can do the job required. If we compel the RCMP to accept recruits from certain groups, thus giving such groups special consideration, we will not only weaken the force but, more than that, we will discriminate against better qualified Canadians and, indeed, against the people of Canada.

The RCMP is now the finest police force in the world. Let us keep it that way. Viva the Royal Canadian Mounted Police.

MULTICULTURALISM

CRITICISM OF GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, events of the last days increase our concern about the Conservative Government's multicultural policy.

The Vice-Chairman of the Canadian Multicultural Council has described his colleagues proudly as committed supporters of the Conservative Party. This advisory body was presumably responsible for the policies that the first two multiculturalism Ministers expressed in the slogans "Mainstreaming multiculturalism" and "Multiculturalism means business".

Members of many ethnocultural communities expressed their dissatisfaction with such ideas and asked the Government to support the cultivation of culture and language. Conservative Members of Parliament from the Toronto area have recently called upon the Government to take stronger and wiser action in the area of multiculturalism.

I would urge the new Minister responsible for multiculturalism to seek advice from the communities and not just from Conservative partisans. I would urge him to develop multicultural policy by fostering the diversity of Canada as well as encouraging participation in national life.

I would urge him to remember that multiculturalism should not be political football played for partisan advantage.

* * *

THE ECONOMY

ECONOMIC COUNCIL OF CANADA—REPORT STRESSING IMPORTANCE OF CANADA—UNITED STATES TRADE NEGOTIATIONS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in the Economic Council of Canada's report *Changing Times*, the Economic Council has indicated to us once again how important negotiating free trade with the United States is to the viability of Canada, to job-creation, to economic future, and to the prosperity for ourselves and our children.

More important, the Economic Council indicates what would happen to us if trade arrangements with the United States continue to deteriorate. It points out very clearly how much damage there would be to employment and growth from measures restricting our access to American markets.

The annual report of the revitalized Economic Council under the chairmanship of Judith Maxwell comes to grips with the real essential problems of our time and should be compulsory reading for all Members. We are in changing times. In its report the Economic Council of Canada gives direction to these changing times.

[*Translation*]

DANGEROUS PRODUCTS

EFFECT OF LEAD IN THE ENVIRONMENT—NEED FOR GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, lead has now been added to a long list of hazardous products. The Royal Society of Canada's commission, which was formed to study the effect of lead in the environment, has just published its report.

The situation is an alarming one for Canada. Four American scientists have identified lead as causing high blood pressure, diminished intelligence and unusual behaviour in some children.

Canada continues to recycle lead from about 15,000 automobile batteries daily, and that number is rising steadily, although 1982 statistics show that 73,000 tons of lead were dumped in the environment.

Mr. Speaker, speaking on behalf of future generations, I ask the Government to take immediate steps to remedy this hazardous situation.

* * *

• (1405)

[*English*]

CANADA POST CORPORATION

OPPOSITION TO POSSIBLE POSTAL RATE INCREASE

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, it is being reported in the media that Canada Post intends to ask Parliament for permission to increase the rate for letters from 34 cents to 36 cents. On June 14 last year I stated in the House that, once the efficiency and service of the Post Office improved to an acceptable level, I would support a rate increase to tackle its financial difficulties. Unfortunately, neither the service nor the efficiency of Canada Post has improved enough to justify a rate increase.

Absenteeism of Canada Post workers is twice the national average and, according to officials of Canada Post, this problem alone costs the corporation $70 million a year. In Etobicoke North I continue to receive numerous calls and letters from constituents who are clearly not satisfied with the service. The main problem remains the consistency in mail delivery. This is one Tory MP who would not support a rate increase.

S.O. 21

DISASTERS

DEATH OF MOZAMBIQUE PRESIDENT IN PLANE CRASH

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the conflicting statements by the South African Government that his plane crashed because of bad weather, and by the plane's pilot that he was shot down by South African forces, will only be resolved with time. For Mozambique, one fact is tragically clear; Samora Machel, its President and father of its independence, has been killed, along with other important government officials.

We express here our sorrow and condolences to a nation and to the survivors of the deceased for their loss. But we must also note that Machel's death will bring the instability so assiduously sought by South Africa to the point of crisis, a crisis that emphasizes the need for an urgent Canadian Government response to the call by two parliamentary committees, the Special Joint Committee on Canada's International Relations and the Human Rights Committee, for an international effort to provide financial and other aid to the front line states in their resistance to the destabilization campaign by a racist and imperialist South Africa.

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[*Translation*]

DISASTERS

EXPRESSION OF CONDOLENCES TO FAMILIES OF PERSONS KILLED IN SAINTE-ANNE-DES-MONTS, AND OF GOOD WISHES TO INJURED

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, following the passage of Bill C-11 by the House of Commons, more than 750,000 low-income families in Canada, including 10,000 families in the Gaspé, will enjoy a tax credit of up to $454 per child, of which $300 is to be paid shortly as an advance payment. This is very good news for needy Canadian families.

However, Mr. Speaker, my initial pleasure in being able to announce this news to our families in the Gaspé was overshadowed by the disastrous occurence that took the lives of six people, including three children, in my riding yesterday at Sainte-Anne-des-Monts. Mr. Speaker, I am sure that Hon. Members and you yourself will want to join me in extending to the bereaved families our sincere condolences and to those who were injured our best wishes for a speedy recovery.

* * *

SMALL BUSINESS

CONSEQUENCES OF POSSIBLE POSTAL RATE INCREASE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, October 19 to 25 is Small Business Week. Small businesses depend on Canada Post and are hard hit by reduced services and higher rates.

Last Friday we learned that Canada Post is again seeking an increase of 2 cents a letter. Must this industry, this sector which creates most of our new jobs always be the scapegoat and pick up the tab for a Government which is shirking its responsibilities?

[*English*]

Why does the Government not live up to the promise it made on August 14, 1984, in a letter to the Postmasters' Association, and restore the quality of service without asking Canadians to pay more for less service?

* * *

REGIONAL INDUSTRIAL EXPANSION

OPENING OF MIRAMICHI PAPER MILL

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, one of New Brunswick's economically depressed areas received a real boost, a real shot in the arm, last week when the Prime Minister (Mr. Mulroney) opened a $250 million mill on the Miramichi. It is a mill that will create 165 new jobs and maintain 1,400 others in the forest and supply sectors.

• (1410)

The mill owner, Mr. George Petty, paid recognition to the Prime Minister's personal intervention after the election in 1984 that helped secure financing for the mill. Now, for the first time in almost 100 years, raw forest products are being manufactured into finished products on the Miramichi.

The Prime Minister's visit was a total success. The people greeted his return to a place he once called home, with love and affection. This Prime Minister cares about small-town Canada.

* * *

FINANCE

NON-PAYMENT OF INCOME TAX BY STANDARD TRUSTCO LIMITED

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, today we wish to announce the sixth winner of the great untaxed corporation award which goes to Standard Trustco Limited.

Successive Liberal and Conservative Governments slavishly following the same ideology have provided so many tax concessions that Standard Trustco paid no tax in 1981, 1982, and 1985 on millions of dollars of profit. In 1979 and 1980 its tax bill was so small that the rate amounted to only 0.2 per

cent. In 1983 and 1984 its effective rate was no higher than 5 per cent.

If we had an equitable and fair tax system, and had Standard Trustco been required to pay a tax rate of 25 per cent on its profits, average Canadians would have paid $4 million less in tax because of this one company alone. On behalf of all Canadian taxpayers I announce today's award to highlight the need for real and substantive tax reform to end the give-aways perpetuated by successive Liberal and Progressive Conservative Governments.

* * *

STATUS OF WOMEN

PERSONS AWARDS RECIPIENTS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, on the occasion of Persons Day, tribute is properly being paid to the five Alberta women who led the fight for women's recognition as persons in 1929. On October 18 of that year women in Canada won the legal right to be recognized as persons, thus giving Canadian women the right to become Senators. This victory was through the efforts of the five famous Alberta women: Emily Murphy, Louise McKinney, Nellie McClung, Irene Parlby, and Henriette Muir Edwards.

The five women to be honoured by the Governor General on October 22 with the Persons Award represent the diverse talents of women across Canada. They are: Elizabeth Carr, the Hon. Muriel McQueen Ferguson, Denyse Belanger Rochon, Berenice Sisler, and Helen Yeo. They are worthy successors to the standard of commitment set by Emily Murphy and her courageous group 56 years ago.

* * *

EXCISE TAX

PROTEST AGAINST TAX ON IMPORTED BOOKS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today marks the beginning of Freedom to Read Week in Canada. However, the Government's 10 per cent retaliatory tariff on English-language books has broken a long-standing practice of all Governments exempting books from sales and excise taxes. Not even the Soviet Union and South Africa have such strong measures.

More than 80,000 postcards of protest have been sent to the Minister of Finance (Mr. Wilson) by Canadian readers. Booksellers report increasing resistance to the higher prices. Publishers are cancelling co-publishing ventures, resulting in fewer book options and potential job losses. The European Community has launched a protest against the tariff, as has the British Publishers' Association, and both are considering retaliatory measures.

The Minister of Finance proudly announced a $13 million support program for book publishing but then taxed $36 million for his Treasury. Is this a coherent Conservative policy in support of Canadian culture?

The Christmas season marks the peak period of book sales. I ask the Government once more to remove this poorly planned, ill-conceived tariff before irreversible damage is done to Canada's book publishing industry.

* * *

SMALL BUSINESS

SUPPORT URGED FOR WOMEN ENTREPRENEURS

Mrs. Mary Collins (Capilano): Mr. Speaker, this week we celebrate Small Business Week and honour the 750,000 Canadian men and women who create, own, and operate small businesses in all regions of the country. I am particularly pleased by the increased emphasis within the native community on developing economic self-reliance through entrepreneurship and, as well, by the growing number of women involved in small business. Indeed, in British Columbia women are starting up their own businesses twice as often as their male counterparts. The biggest single problem they face is obtaining funding. I urge the Minister to work with financial institutions to facilitate credit for women entrepreneurs.

The Government's record of support of small business and of the three million Canadians who work in this sector is clear. It can be evidenced by our efforts to reduce the tax burden on small businesses, increase by $1 billion funding for loan guarantees, free up pension funds for investment and, most important, create a climate of confidence that has led to increased investments and lower interest rates, something which is of major benefit to small businesses in Canada.

* * *

• (1415)

UNEMPLOYMENT INSURANCE

CRITICISM OF OPPOSITION'S TACTICS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to ask that Liberal and NDP Members discontinue scare tactics directed at UIC claimants. Surely these claimants have enough to worry about.

Why would the Opposition make these charges about the Forget Commission report before the report has been released and before it has been made available in total to Members of Parliament and the public? This is shameful politicking.

The Forget Royal Commission Report is just that—a report. To say that it is government policy just to achieve perceived political gains is to put politics before people.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRADE

UNITED STATES CONGRESS—LEGISLATION IMPOSING SURTAX ON IMPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to pose my question to the Minister for International Trade. Once again a major blow has been applied to Canada by the United States. Once again the Canadian Government has acted too little and too late. Once again there has been a total rejection by the United States Government of any requests for proper consultation.

Considering that a U.S. spokesman for the White House has already rejected calls for a veto, what steps will the Government of Canada now take to roll back what is clearly an illegal act on the part of the United States Congress and the President, the imposition of a surtax on all imports? Will we use all measures available to us through the international trading system?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member should be aware that the Government's opposition to this measure has been a matter of record since September. The Secretary of State for External Affairs said on the weekend that we consider this matter to be offensive and that we think it is wrong. Today we registered our opposition with the White House by sending a letter to Clayton Yeutter, the U.S. trade representative, urging the administration to oppose the enactment of this legislation.

CANADIAN RESPONSE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, is the Minister aware that when the question was posed two weeks ago, the Government said it would not ask President Reagan to impose a veto? Second, the White House has already rejected the notion of vetoing that legislation. What steps will the Government take to oppose what the White House itself admits is a marginally illegal act? Will we go to GATT and will we be prepared to take all steps available to us to ensure that that measure is rolled back?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member correctly points out that this move on the part of the United States is contrary to its GATT obligations and also to its public commitments made in Punta del Este and elsewhere. As the Hon. Member said, we only have the word of a White House spokesman, but if the measure does go ahead the Government will take appropriate action.

Mr. Axworthy: Mr. Speaker, unfortunately we know what "appropriate action" is. It is usually no action at all.

CANADA-UNITED STATES AUTO PACT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, under Article II of the Canadian-U.S. auto agreement, it is very clear that the signatories to the agreement cannot impose any additional surtaxes or duties. Considering that this is a direct transgression of the Auto Pact agreement, will we take legal recourse to bring the United States into line with that agreement, and will we make that intention known today so that the President of the United States will know what the consequences are before he signs that appropriation Bill?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member is being very helpful by identifying the areas of our concern over this move by the United States. As he has pointed out, it is a major protectionist move. It is against the obligations of the United States and I have said that we will be taking appropriate action. We have already registered our concern in this morning's letter to the White House.

NEWSPRINT EXPORTS TO UNITED STATES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the world has changed. A few months ago when the cedar shakes and shingles matter arose, the Prime Minister called the U.S. President bizarre. Now we are writing letters to the White House.

• (1420)

Last Friday I pointed out to the Minister for International Trade that the stumpage system in Canada which produces softwood lumber is the same stumpage system which produces the raw material for newsprint. What assurances does the Minister have that the U.S. newsprint industry will not seek and receive from the U.S. Department of Commerce, based upon the same stumpage system, a 15 per cent countervail against the Canadian newsprint industry, an industry worth $4.4 billion in exports to the U.S. and, if countervailed, will cost the Canadian newsprint industry $700 million?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have said time and again in this House that the assurance we seek to stop this kind of action is a bilateral trade treaty between the United States and Canada.

PROPOSED GENERIC DRUGS LEGISLATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, that begs the question that if a bilateral free treaty were useful, why are softwood lumber, newsprint, potash, and fish not on the free trade table? One cannot have it both ways. Is the Minister prepared to commit, today in the House of Commons, that the Government will not proceed with legislation on generic drugs which it admits will cost Canadian consumers at least an additional $100 million, as long as these so-called irritants remain unresolved—

Mr. Speaker: Order. The Hon. Member has put his question.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have also said time and again that what is on the negotiating table are the issues which are important in a long-term binding trade treaty with the U.S. The negotiation is about those issues which will help us develop a secure, transparent, so that we can understand them, clear trade agreement with the U.S. Then all the subjects the Hon. Member has raised which are trade irritants can be resolved in a peaceful way.

EFFECT OF UNITED STATES ACTIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is also directed to the Minister for International Trade. Since the Government began trade talks with the United States, the U.S. has taken action against our shakes and shingles, East Coast fishery, tube steel, and softwood. Just before the weekend it imposed another surtax, which the White House admitted is marginally illegal, goes against GATT, and goes against the Auto Pact. My question for the Minister is simple. How much abuse is the Government prepared to take before it tells the U.S. Government to take a hike on the trade talks?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member has identified some of the trade issues which are in dispute between us. He has not identified about 10 issues which we have recently won in negotiations and discussions with the U.S., the 10 issues that were in Congress in a protectionist air of poison and did not make it through because of the efforts of this Government.

Mr. Broadbent: Talk about Alice in Wonderland.

[*Translation*]

POSITION OF UNITED STATES GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Canadian Government is negotiating with the American government with a view to signing a free trade agreement and, at the same time, the U.S. Governement imposes this surtax.

Does the Minister agree that such action clearly reflects the hypocrisy of the American Government?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I might comment that I would rather be Alice in Wonderland than the Red Queen, running around crying: "Off with their heads".

Some Hon. Members: Hear, hear!

Mr. Broadbent: No reply.

Mr. Speaker: Order, please.

Miss Carney: Mr. Speaker, I knew you would bring us back from fantasy to the real world.

May I respond to the Hon. Member's question by saying that we have already stated that we oppose this action by the Americans. It is against all their trading partners. Its impact is inconsistent with GATT. It is inconsistent with their own commitments. We will take appropriate action.

• (1425)

REQUEST THAT TRADE NEGOTIATIONS BE SUSPENDED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister's last answer is right. It is inconsistent with GATT. It is inconsistent with the Auto Pact. It violates the understanding with the Government of Canada. The Government was opposed to all these actions in the past and has got nowhere.

Simply, if the Americans do not reverse this tax, is the Government at last prepared to say to the Americans that they are not demonstrating good faith in free trade talks and is the Government prepared to tell them that the talks, are over until they come to their senses and start treating us in a fair manner?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have attempted to explain to the Opposition that running away, turning our backs, or walking away from the table, does not help overcome this kind of harassment from the United States. The only thing that will overcome it is to sit down and conclude a free trade agreement between Canada and the U.S. which we could have in place in about 18 months.

CANADIAN POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister for International Trade in response to the recently imposed tariff said: "All the more reason to continue trade talks". Yet experts on both sides of the border, and the President of the United States in his letter to Mr. Packwood have said that the U.S. would never give up the right to countervail—

Mr. Crosbie: Is this method acting, George?

Mr. Baker: —regardless of any trade talks. My question is for the Prime Minister. How does the Prime Minister explain this completely contradictory situation and a glaring contradiction on the part of the Minister?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think that the Economic Council has explained the benefits of freer trade arrangements with the United States by saying a free trade agreement could lead to 376,000 new jobs.

[*Translation*]

ATTITUDE TOWARD UNITED STATES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, my question is directed to the Prime Minister. Will this Government sign an agreement with the Americans under

which they will be free to impose duties—a duty here, a duty there, duties everywhere!

[*English*]

Right Hon. Brian Mulroney (Prime Minister): By God, Mr. Speaker, it is time for Turner really to worry.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Mulroney: I commend my colleague for asking such a relevant question. I think that the Minister has already pointed out the benefits and problems which, of course, flow from such a complex negotiation—$150 billion a year between two partners is bound to create serious and complex problems. However the Economic Council of Canada released today a very comprehensive report entitled "Changing Times" in which it explains that the benefits for Canadians may turn out to be the creation of hundreds of thousands of new jobs.

I should think that, notwithstanding the temporary setbacks, my colleague will agree with me that these jobs are justification enough for us to remain at the bargaining table to conclude a comprehensive agreement with the Americans because it is in the national interest of Canada.

[*English*]

QUEBEC SUMMIT MEETING

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. Does the Prime Minister not feel at this stage, with each of these attacks which has hit this country and with each of these assaults which has hit our commerce, that the agreement he had personally with Ronald Reagan has been definitely transgressed? Does the Prime Minister not feel that the good faith which lay behind that has now been destroyed?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think that the Hon. Member is ignoring the reality of the situation. There was nothing in the Shamrock Summit that said U.S. laws, or Canadian laws, must be immediately ruled out. It was very clear that the U.S. system in place and the Canadian system in place must continue. Their legislation must continue until such time as it is replaced with a trade treaty that will provide for the kind of remedies the Member is discussing.

• (1430)

ONTARIO POSITION ON LUMBER NEGOTIATIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Shamrock Summit committed both countries to respecting the other as fully as possible and to working as strongly as possible against protectionist moves. The Minister knows that.

My supplementary question to the Minister, since she chooses to answer in these cases, is, how does she intend to continue negotiations on the softwood lumber case since the Province of Ontario has decided that it will not participate in those negotiations?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the provinces are the owners of the resource in this case. The Government of Ontario has participated in these discussions because it owns the resource. I have been advised that officials are meeting tonight to discuss what strategy is open to us, and to analyse the decision. Members of the U.S. Commerce Department are here today discussing this issue, and officials from all Governments, I am advised, are meeting tonight to discuss it.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—FINANCING OF OPERATIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Prime Minister. As the person responsible for the Government, will he tell this House if it is correct that the Forget Commission has been financed from the unemployment insurance account in the amount of $5.8 million so far? If so, who approved this highly irregular expenditure of moneys destined for the unemployed, and under what authority?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think the Forget Commission was a commission Canadians generally had been waiting for to assess the system, and I think it is perfectly normal Canadians should assume responsibility for the costs of this commission. Perhaps the Hon. Member will recall that in 1981, the Gersberg Task Force on Unemployment Insurance, chaired by Mr. Gersberg and under a Government the Hon. Member has known quite well, was basically financed in exactly the same way.

[*English*]

RESPONSIBILITY FOR FINANCING

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Minister has not answered the question.

Some Hon. Members: Oh, oh!

Mr. Allmand: That was an internal committee and quite different from a commission recommending the cutting of benefits for the unemployed. Does the Minister think it proper that a fund contributed to by workers and employers for the unemployed should be used to finance a commission like this? As well, has he checked on the legality of such an expenditure in light of Section 135 of the Unemployment Insurance Act?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the financing application was filed with Treasury Board, and I think it is that Department's role to ascertain the legal propriety of commission financing. Whatever your assessment may be, and I think it is a rather hasty one because the Commission has yet to submit its report, I think the entire procedure was perfectly normal and it is normal that Canadians who contribute to an insurance fund should help to assess the system with a view to approving it. I think that is perfectly normal.

[*English*]

RATIONALE FOR DECISION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the same Minister on the same subject. How can the Government justify spending in this fashion money which would otherwise go to the unemployed? Is this not like asking the lambs to pay for the slaughter?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, that is entirely beside the point. The unemployment insurance benefits of recipients are in no way concerned here. There is no question of reducing in any way what these people have received. There is no connection whatsoever.

[*English*]

REQUEST FOR REIMBURSEMENT OF UNEMPLOYMENT INSURANCE FUND

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Canadians are very upset by the use of that money in this fashion.

Some Hon. Members: Oh, oh!

Ms. McDonald: Since these objections have been raised by the unemployed themselves, will he reimburse the fund so that no unemployed person will be injured by the Forget Commission, as the Government itself promised?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I repeat what I said earlier. Canadians agree that we should assess the unemployment insurance system and make the necessary improvements. It is quite normal that Canadians as a whole should contribute to this fund. I think this is perfectly acceptable and generally accepted.

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ECONOMIC COUNCIL'S PROJECTION

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister for International Trade. As indicated by the Prime Minister, the Economic Council of Canada stated that if we enter into a trade agreement with the U.S. it could very well result in a gross increase of some 375,000 jobs by 1995. Will the Minister advise the House if, according to the Government's own calculations, there will be a net increase or net decrease in employment and, if so, by how much?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the report was just released today. I have not had a chance to examine it in any great depth so I cannot respond directly to the Hon. Member's question. I would like to point out that the report indicates that Canada's future lies in such trade talks, and maintains that it would benefit all sectors of the economy.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

CANADIAN CHEMICAL SOCIETY'S REQUEST—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. In a telegram to the Prime Minister the Canadian Chemical Society states, and I quote, that "there will never be another Nobel Prize awarded in Canada if the Prime Minister goes ahead and tears down the scientific foundation which was built up over decades". So my question to the Prime Minister is this: Will he promise to agree to the request made to him by this society, namely to save the agency which has contributed to the training of Nobel Prize laureate John Polanyi?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I pointed out to the House on Thursday, Dr. Polanyi did the work which led to his Nobel Prize at a university which will be one of the main beneficiaries of a program we have put in place which will produce $1 billion of new funding over the next five years.

Mr. Berger: Mr. Speaker, where is the Prime Minister hiding? Why does he not answer a question that was directed to him, not to one of his lackeys?

Some Hon. Members: Order!

Mr. Speaker: Order. Hon. Members know that the Prime Minister may answer a question, may not answer a question, or allow a Minister to answer a question. A proper supplementary

is to assist the question to be asked, not to engage in argument about who answered the last question. Will the Hon. Member put his question?

MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, I will try another one on him. In his book in 1983 the Prime Minister promised to increase funding for the National Research Council by 20 per cent. Why has he broken this firm promise? Why has he cut the budget of the NRC by some 30 per cent since he took office a sorry two years ago?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, again I wish to ask the Hon. Member why he insists so seriously on destroying the morale of the NRC.

Some Hon. Members: Oh, oh!

Mr. Oberle: There has not been a 30 per cent cut. The NRC will experience a net increase, not only of funding but of person-years, in line with the new priorities assigned to it over the next five years.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY WHY UNEMPLOYED RECEIVING BENEFITS MUST PAY FOR FORGET COMMISSION REPORT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Employment and Immigration. We already know that the Forget Commission will recommend cutbacks of $620 million in benefits to the unemployed in the Maritime Provinces, $930 million in Quebec and $400 million in British Columbia. Can the Minister explain why the unemployed who are receiving benefits must pay for the Forget report? Is this not tantamount to asking a condemned man to pay before going to the gallows?

Hon. Benoît Bouchard (Minister of Employment and Immigration): As one can see, Mr. Speaker, any story can be made up. There is no connection at all between the Forget report recommendations and the second part of the Hon. Member's question. I can only repeat what I said earlier. When we want to improve a system, it is altogether normal to appoint a royal commission of inquiry and this is not the first time it has been done in this country, but it is paid for by all the people who contribute to the unemployment insurance fund. And this time we only did what has been done in the past, as I said.

• (1440)

[*English*]

Mr. Cassidy: Mr. Speaker, if the Liberals did this before the Conservatives, they were both wrong.

REQUEST THAT COMMISSION BE FINANCED FROM GENERAL REVENUES

Mr. Mike Cassidy (Ottawa Centre): This report is going to be the toughest blow to unemployed people since unemployment insurance was set up 40 years ago. Therefore, will the Minister now guarantee that he will withdraw that charge from the Unemployment Insurance Fund and have it paid out of general government revenues?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have no commitment to make in that respect today.

* * *

[*English*]

CANADA POST CORPORATION

SERVICE CUTS—RATE INCREASE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Prime Minister. On August 14, 1984, the then Leader of the Opposition, the present Prime Minister, stated: "The Progressive Conservative Party feels that Canada Post's current program of rapid debt reduction is unrealistic, and is the underlying cause of problems with regard to both declining postal service and ventures into ill-conceived schemes to generate greater revenue".

Will the Prime Minister now explain why he is allowing Canada Post to slash service in every community in Canada while there has been a four-cent per letter increase since his Party has formed the Government?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I just want to repeat, for the benefit of the Hon. Member, that this Government's continuing concern for the needs of all Canadians is reflected in the recommendations of the Marchment Committee which consulted with Canadians across this country. The Government wants to ensure that we can have better service at a lower cost, and of course the Canada Post Corporation is preparing a plan to that effect, a plan that the Government has under consideration. When we are ready, we will make the plan public, as soon as possible.

INQUIRY WHEN GOVERNMENT WILL TABLE PLAN PROMISED TWO YEARS AGO

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have a supplementary for the Minister responsible for Canada Post.

We have been promised a plan to deal with the situation at Canada Post for two years now, and a second increase in the price of postage stamps has already been announced, which makes four cents altogether. When will the Government keep its promises and table the business plan they have been promising us for two years?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I am somewhat taken aback by my colleague's impatience. First of all, there has been no confirmation of an increase in postal rates, and second, I may remind the Hon. Member that the previous administration seemed to have as little regard for the impact of reducing the deficit at Canada Post as it did for improving postal services.

* * *

[*English*]

ABORTION

COLLECTION OF STATISTICS

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister of Supply and Services. Recently Statistics Canada decided to stop gathering statistics on abortion. As a result, the Department of National Health and Welfare indicated that it may continue to gather the abortion statistics. Would it not be more effective and cost-efficient to let Statistics Canada continue to gather these abortion statistics since it has the necessary mechanisms in place? Will the Minister rescind the previous stop order issued in August?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I want to thank the Hon. Member for giving me a chance to inform the House about a situation I think is very important. Two meetings have been held by officials from my Department with the Department of National Health and Welfare, and I am waiting for their report. Mr. Speaker, I can give the House the assurance that both as a woman and as a Member of this Government, I am anxious to introduce a program that faithfully reflects the situation existing today in Canada with respect to therapeutic abortions. I shall therefore be watching developments very closely.

[*English*]

CANADA POST CORPORATION

REQUEST FOR IMPROVED SERVICE PRIOR TO POSTAL RATE INCREASES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the Post Office. Would the Minister be prepared to assure Canadians that he will improve postal service before he approves increases in postal rates?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, as I said earlier, the Government intends to deal with the concerns of Canadians by improving service while reducing the Corporation's deficit. We will try to deal with that in the way which we feel is best. We will make it public as soon as we are ready.

MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my supplementary question to the Minister relates to my first question. Will he not assure Canadians that before he approves any postal rate increases or any other increases in costs for Canadians with regard to postal delivery he will improve the service?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, that is exactly the same question as I answered previously for my other colleague. I would like to reassure my hon. friend that we have received the corporate plan. It is under examination and, as soon as we are ready, we will make the proper announcement.

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FISHERIES

ALLEGED ILLEGAL FISH LANDINGS IN NOVA SCOTIA

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. On Friday, October 17, *The Chronicle Herald* of Halifax reported:

> As much as half of the fish landed in Nova Scotia is taken illegally in a massive black market fishery that could net fishermen between $40 and $65 million this year in unreported catches—

This report has been confirmed by the Minister of Fisheries in Nova Scotia and also by the industry. What immediate action does the Government plan to take to investigate these most serious allegations?

Hon. John C. Crosbie (Acting Minister of Fisheries and Oceans): Mr. Speaker, the Minister is away on government business today. I will certainly bring the question to his attention. I know that the matter is being looked at now. He will have full information when he gets back to the House.

Oral Questions

REQUEST FOR INCREASED DEPARTMENTAL RESOURCES

Mr. George Henderson (Egmont): Mr. Speaker, in light of those allegations will the Minister now admit that the Government is heading in the wrong direction in fisheries management? There have been cuts on the scientific side, the biological side, and in enforcement, protection and management. Will the Government change direction by increasing personnel in those areas in order that proper quotas will be set and adhered to in the future?

Hon. John C. Crosbie (Acting Minister of Fisheries and Oceans): Mr. Speaker, I do not know what world the hon. gentleman is living in. I can assure you that it is not the real world.

Mr. Henderson: Tweedledee and Tweedledum.

Mr. Crosbie: If you want to shout me down, I am a gentle soul and you can do it. The Hon. Minister of Fisheries announced within the last two weeks increased resources for scientific and research purposes in eastern Canada—

Mr. Tobin: How about enforcement?

Mr. Crosbie: —including the fishing district of Newfoundland and, in particular, St. John's.

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NATIONAL RESEARCH COUNCIL

FUTURE OF PERSONNEL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of State for Science and Technology. The NRC is telling the 200 employees who have been given their notices that there will only be 40 to 80 jobs in the expanded space program which the NRC will be operating, and no new jobs in biotechnology. Will the Minister tell the House what plans he has for those people who have been laid off and will not find jobs in the space program? Can the country afford to lose the work of these highly trained and skilled people?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I have told the House before, the reallocations will not come into effect until the fiscal year 1987-88. I am very confident that none of these people will be laid off. There have not been any lay-off notices as the Hon. Member wishes to imply. I am totally confident that, due to the techniques which have been put in place by the Government, there will not be any lay-offs, that most of the people will be reassigned. As you know, an early retirement option has been offered and a number of people are considering it very seriously. I am confident that there will be no lay-off notices issued.

REQUEST FOR COMMITTEE REFERRAL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in answer to earlier questions the Minister said that he would suspend cuts in programs which have to do with safety because of the importance of safety. Would the Minister consider suspending all the cuts and referring the entire question of funding of the NRC to the Standing Committee in order that it can hear witnesses and discuss the whole thrust of the Government's proposals?

• (1450)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, in line with new national priorities, the Government is reorganizing all of its assets. As the Hon. Member knows, the National Research Council represents roughly 10 per cent of the total government effort of $4.2 billion of research and development and science related activity.

I am confident that the integrity of the programs that he has outlined in his question will be preserved. If the safety and health of Canadians are involved, unless there is another agency of the Government that can perform that work, I have undertaken to review that decision. However, I am not inclined to overrule the Board in the manner that he has suggested.

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MULTICULTURALISM

CANADIAN MULTICULTURALISM COUNCIL—REQUEST FOR RESIGNATION OF VICE-CHAIRMAN

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister responsible for multiculturalism I will direct my question to the Prime Minister. It concerns the confidential McCreath report which basically concludes that the Canadian Multiculturalism Council is nothing more than an appendix of the Conservative Party of Canada. The Government has surely read the report. Therefore, will the Prime Minister assure the House that he will seek the immediate resignation of the Vice-Chairman of that Council, Mr. McCreath, and order an immediate and full investigation into the affairs of the Council so that the credibility and the integrity of this national advisory board can be quickly restored to enable it to do its work on behalf of the ethnocultural communities from the Pacific to the Atlantic?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, since the Minister responsible for Multiculturalism is not in the House, we will inform him of the question, and he will give the Hon. Member a reply as soon as he comes back.

[*English*]

REQUEST FOR INVESTIGATION

Mr. Sergio Marchi (York West): Mr. Speaker, the Prime Minister is good at making speeches about ethnocultural Canadians across the country but when it comes time to—

Mr. Speaker: Order. The Hon. Member knows that the Minister to whom he has directed a question is not in the House. I think it is appropriate for a short supplementary, and a pointed one.

Mr. Marchi: Mr. Speaker, my supplementary question is directed to the Prime Minister. I ask him once again if he will come to the defence of Canada's multiculturalism policy by seeking a clear and immediate resignation from the Vice-Chairman of this Council, and instruct his officials to conduct a full investigation so that the reputation of the Council can be fully restored and protected.

[*Translation*]

Hon. Benoît Bouchard (Miniser of Employmment and Immigration): Mr. Speaker, the Minister responsible for Multiculturalism answered this question last week, and I think if he were in the House now, his answer would be the same.

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[*English*]

ENVIRONMENTAL AFFAIRS

DETROIT INCINERATOR—POLLUTION CONTROL DEVICES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the United States Environmental Protection Agency's incompetent bungling of its responsibilities with respect to the installation of decent pollution control devices on the giant Detroit incinerator, what specific representations has the Department of External Affairs made to the United States Government to do something about this serious threat to the health of the citizens of Windsor?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have made several representations. The Hon. Member asks for a specific indication of those representations. He will understand that I will have to inquire to get that kind of specific detail, which I will do and present it to him.

REQUEST FOR REFERRAL TO INTERNATIONAL JOINT COMMISSION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, is the Secretary of State prepared to ask the United States Government for a joint reference to the IJC and, perhaps more usefully, following the recommendations coming out of the Shamrock agreement on air pollution, to ask the President to intervene personally to overcome this $17 million barrier to decent pollution safety on a $400 million incinerator, or will the Prime Minister be singing at the next Shamrock meeting: "When Irish eyes are tearing, sure the pollution steals your breath away."?

Some Hon. Members: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we on this side of the House consider that and other environmental questions to be very serious.

Mr. Blackburn (Brant): So do we.

Mr. Clark (Yellowhead): They are not subject to trivializing verse.

Mr. Murphy: Are you insulting poets?

Mr. Crosbie: The NDP are no better when they rhyme.

Mr. Speaker: Order. Would the Minister please give the answer, and would Members on the other side ensure that he can give that answer.

Mr. Clark (Yellowhead): Mr. Speaker, if it turns out that the best way to get a speedy solution to this question would be to refer it to the IJC, of course we would agree to that. If it turns out that another route would yield a better result, we will do that. I need not remind the House of Commons that this Government, through its representations on acid rain and other environmental questions, has already made more progress in our discussions with the United States than previous Governments did in several years.

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CANADIAN BROADCASTING CORPORATION

FINANCIAL MANAGEMENT SYSTEM

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the Minister of Communications. Last week the Auditor General claimed that he could not offer a comment on the CBC's financial situation because of the deplorable state of its books and the loss of $57 million. Since this is the first time that an Auditor General has been unable to report on the financial statement of a Crown corporation, will the Minister advise the House what initiatives she has taken or intends to take to investigate this apparent incompetency of the CBC management, above and beyond the audit which the CBC management itself has commissioned?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, concern about the new financial management system of the CBC has been expressed by the Auditor General, by the Chairman of the CRTC, and indeed by others. I share those concerns. As the House will know, a task force of accountants and financial analysts, headed by Marcel Caron of Montreal,

has been appointed to look into the CBC's new financial management system to determine what is wrong with it, whether or not it can be fixed, and what are appropriate solutions. The answers to those questions will help to determine if there is, or if there can be, the necessary public confidence in the financial management of the CBC. That report will be forthcoming in November.

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ENVIRONMENTAL AFFAIRS

PHASING OUT OF LEAD IN GASOLINE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Minister of National Health and Welfare. What criteria did his Government adopt in delaying the phase out of lead in gasoline until the end of 1992 despite the urging of many groups across the country that this would be damaging to the health of Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as the Hon. Member said, the Minister of the Environment has taken a leading role in this issue and has clearly stated the period by which lead in gasoline would be removed. If the Member looks at that record I think that he will find it is well within the criteria that he also used when he was in government.

Mr. Caccia: If one looks at that record one really finds it very difficult to understand the decision.

ROYAL SOCIETY'S REPORT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is directed to the same Minister. Is he aware that the Royal Society points out, on page 111 of its report, that the phasing out of lead from gasoline can be achieved within three years? Why the delay until the end of 1992, which is against the public health interest of the nation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the final report of the Royal Society of Canada's commission on lead was released on October 15 of this year. The Hon. Member should know that there were a number of recommendations, one of which he has mentioned here. For instance, there were 30 recommendations, a number of which apply to my Department. Among those issues, we are looking at lead in canned foods and how we can relate this to the industry. This goes back to 1975. When I look at that long period of time, we have been moving much faster in two years than the previous Government did since 1975.

DISARMAMENT

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CANADIAN POSITION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last week the Prime Minister said that the Government told President Reagan before the Rejkavik Summit that Canada stood by the Secretary of State for External Affairs' January 23 statement that: "Our stance toward SDI research is rooted in the need to conform strictly with the provisions of the ABM treaty". In his meeting following Rejkavik, did the Secretary of State support the American position on star wars or did he stand by his Government's position that development outside the laboratory violates the ABM treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is positing a distinction that does not exist. As he may know, I will be making a statement to the House tomorrow morning at eleven o'clock. Copies will be made available to his Party by nine o'clock in the morning. As he knows, this is a highly important and complex field. I look forward to there being an opportunity for the kind of informed and calm discussion on this question that has characterized the approach of this Parliament to these questions for most of the last two years.

Mr. Blackburn (Brant): I wish the Secretary of State had answered my first question.

ANTI-BALLISTIC MISSILE TREATY

Mr. Derek Blackburn (Brant): Mr. Speaker, does the Secretary of State for External Affairs want a superpower compromise that would allow ABM development or does he stand by his January 23 statement that: "To deviate from a policy of full compliance is to threaten the credibility and hence the viability of arms control"?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we believe the ABM Treaty should be strictly complied with. There should be no doubt about that. As the Hon. Member will know, being a close student of these matters, there is some question as to what precisely the ABM Treaty provides. That is a matter to which I will be referring tomorrow and I look forward to the participation of the Hon. Member, or representatives of his Party, on this very important and complex question.

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COMMITTEES OF THE HOUSE

PANEL OF CHAIRMEN

Mr. Speaker: I wish to advise the House at this time that, pursuant to Section 5 of Standing Order 92, the Members

appointed to compose the panel of Chairmen of Legislative Committees, together with the Deputy Speaker and Chairmen of Committees of the Whole, the Deputy Chairman of Committees of the Whole and the Assistant Deputy Chairman of Committees of the Whole, shall be as follows: Lise Bourgault, Howard Crosby, J. Robert Howie, Fred King, Arnold Malone, Allan McKinnon, John Parry, Gordon Taylor and Marcel R. Tremblay.

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PRIVILEGE

ALLEGED MISLEADING OF THE HOUSE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I rise on a question of privilege. Earlier in Question Period when the Minister of Employment and Immigration (Mr. Bouchard) answered my question, he misled the House in that he compared the Gersberg Inquiry to the Forget Royal Commission. Gersberg was a public servant working in the Department of Employment and Immigration and conducted an internal inquiry at the request of the Minister. The Forget Commission was appointed under the Inquiries Act and it is not and was not normal that it should be financed through the Unemployment Insurance Fund.

Some Hon. Members: Oh, oh!

Mr. Allmand: The Minister has misled the House in answering my question. He is a public servant.

Mr. Speaker: The Hon. Member has really raised a question of debate. I do not think it is a question of privilege. I listened carefully and the Hon. Member was very careful not to say there had been any intentional misleading of the House.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 p.m., the Hon. Minister of Agriculture (Mr. Wise) had the floor.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, at one o'clock earlier today I was pretty well along in my remarks on Bill C-2, which is an Act to wind down the Crown corporation known as Canagrex. I had indicated we were of the firm opinion that the corporation would not have delivered in the manner in which it was originally intended and that the

Government had taken some very significant steps in the interim to provide the extra support and assistance to our agricultural industry in Canada, primarily the changes with the Export Development Corporation and extending the loan guarantee for one year. In addition, the export credit would be extended to up to three years.

I indicated as well that in a short period of time we expected that some $200 million worth of trade would have taken advantage of these additional credit support programs and that we were actively seeking additional activity in trade missions, providing help and financial support, not only for trade missions which were formed within Canada to travel into the international market-place, but also we were actively encouraging trade missions from other countries to come to Canada to look at the commercial activities which could be developed.

I also indicated that Agriculture Canada, in close co-operation with the Department of External Affairs, had developed an export market information system. We would have clear identification within the two departments for the private sector to seek help and advice from both departments.

To be successful in expanding our trade horizons, I believe we must consult with industry, not just on trade matters but as a part of our over-all planning process. That is why my department is now involved with the industry in charting a course for the future of the major agricultural commodities which Canada produces. Six commodity groups have been established at Agriculture Canada, one for each of the major commodity areas, grains and oil seeds, red meat, poultry, dairy, horticultural and special crops. Teams involving both Government and industry are working together to create development plans for each commodity group. These plans will give Agriculture Canada and the industry a shared vision of where we are going and what we have to do to get there. By planning together, we are ensuring that resources in my department for research, market development, trade policy, or whatever, are in line with the plans of each commodity group. In this way, our resources will be targeted more effectively and more efficiently.

Time and time again the Government of Canada has demonstrated its high priority commitment to trade. As was said in the Speech from the Throne, our future is trade. The Government has faith that, given the proper environment, Canadian industry can compete abroad and can tap new trade opportunities. That is why we have targeted the Pacific Rim as a key region of the world for trade development.

This past April, my department, together with the Canadian International Development Agency and the Department of External Affairs, co-sponsored the China Challenge Meeting here in Ottawa. The seminar brought together federal and provincial government people with representatives of agriculture and the food industry to share information about trade development in that very large country with its very large potential market. My department, together with other government departments, and the private sector, has taken

numerous steps to build on Canada's potential as an agricultural trader. We have demonstrated in tangible terms that the key to agricultural trade development is not necessarily through the creation of new Crown corporations or new agencies. Rather, it is through the creation of a positive environment for exporters, through a stronger commitment to interdepartmental co-operation and through closer working relations with the private sector.

In retrospect, it is clear that the initiative announced two years ago to dissolve Canagrex was indeed a sound and responsible initiative, one which was in the best interests of Canadian agriculture. I would, therefore, urge all Members of the House to support the Bill which is presently before us.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am not very happy to see this Bill before the House again today. However, I am glad to respond to the comments made by the Minister of Agriculture (Mr. Wise). Bill C-2 is essentially a plan to disband the Canagrex organization, to drive a few more nails into the organization so as to complete the work the Government started on black Thursday, November 8, 1984 when it cut all the funding to Canagrex. The Minister went into great detail with respect to what a great job he is doing, especially in terms of cuts.

• (1510)

When the Estimates regarding Canagrex were before the committee he told us he would outline in great detail how much funding there would be and how the Department would compensate for the loss of Canagrex. If one looks at the Estimates for the Department of Agriculture one is hard-pressed to find any mention about additional funding for agricultural commodity exports. In fact, the Government proposes to cut some $50 million per year, as well as deindex department funding. I will never understand how agriculture, which is facing the most difficult times since the 1930s, can survive and regain its equilibrium with a Government that is constantly cutting to the bone the funds and resources of the Department of Agriculture. For instance, this year some $23 million will be cut from the research budget. In 1984 the Farm Credit Corporation had something in the order of $825 million in its budget for agriculture loans. This year that figure will be reduced to around $200 million.

We have a Government which is hell-bent on assisting something in the order of 25 per cent of farmers get out of farming, and it brags about it. It is incomprehensible for me to understand how the Minister can face farm organizations and act as if he is really doing something for farming when in fact his motto is cut, cut, cut. Our agriculture economy faces incredible difficulties in terms of the grain sector, the farm debt crisis and the cost-price squeeze. It seems to me that the Government has its priorities mixed up when it puts at the top of its list in a new session of Parliament the destruction of Canagrex, when some two years ago the money was already removed from it.

Canagrex was designed to provide and assist the export by producers of relatively small quantities of agricultural commodities into the international market. Nowhere in the Government's manifesto of 1984 is there a comment about destroying Canagrex. In fact, the Prime Minister (Mr. Mulroney) talked about making Canada a superpower in terms of agriculture exports. Yet the Bill before us would destroy Canagrex. It is like many other promises made by the Government at the time of the 1984 general election.

For instance, at that time members of the Government said they would allow the Farm Credit Corporation to offer agri-bonds so that farmers could have access to reasonably priced funds. That promise was never kept. They also promised to revise Section 31 of the Income Tax Act to reflect the principles of equity. That promise was never kept. They promised to expand agriculture research and development by providing greater assistance to agriculture colleges to amend tax policy to encourage private sector investment. Those promises were never kept.

It was promised that a board of authority would be established to control tobacco production and prices. That promise was never kept. Members of the Government promised to expand the Prairie Farm Rehabilitation Act into a national farm and forest rehabilitation Act. That promise was never kept. They promised to allocate the necessary funding to assist producers in refinancing their loans at prevailing rates. That promise was never kept. They promised to impose an effective fast-track tariff policy so that responsive action could be taken to protect producers by imposing import restrictions when necessary. That promise was never kept. One need only ask the Canadian Cattlemen's Association in respect to that promise. Increased exports and stimulated production to meet those export demands were also promised. The Government's answer to that seems to be to destroy Canagrex, an agency designed to assist those producers of agriculture commodities which form a large magnitude of exports sales.

If Canagrex were operating today, and if the money had not been cut off two years ago by the Tory Government, the domestic and export sales of agricultural commodities would be promoted. Market analysis would be under-way in foreign countries. In fact, I think that in the five months that the entity was in operation it conducted analyses in some 17 countries. The markets were looked at to see how our agriculture commodities would have to be adapted, packaged, processed or delivered in order to make those sales.

Mr. Malone: How many silos did it build?

Mr. Foster: I would be glad to get to that, if the Hon. Member would listen.

If Canagrex were in operation today it would be working with producers in terms of group shipments for smaller volumes of commodities which are not practical to ship individually but where several sales from across the country could be co-ordinated and assisted. If Canagrex were in operation the Government would be working in joint ventures

with producer groups. The organization had the authority and power to provide insurance arrangements in working with 150 different countries. Obviously, such arrangements vary from country to country, and the Minister talks about the Department of Agriculture doing this. He does not know the capacity in the Department for making those types of insurance arrangements. Canagrex would have been able to provide assistance for various commodities in terms of storage arrangements, market development and promotion in other countries.

Canagrex had worked with many producer groups. Often the work was parallel type work, but it was not always co-ordinated. For instance, we heard tell of various provincial pork marketing boards being in place in various countries at the same time. Canagrex would have been able to assist in the co-ordination of that type of activity. It would certainly have been of great assistance to agriculture commodities in smaller volumes.

Although we are a free enterprise society and believe it is the best and most successful way to make an economy operate, much of the world is controlled by communist governments or other non-democratic forms of government which want to deal state-to-state. Canagrex would have given us an opportunity to have a Crown corporation act on behalf of the state in dealing state-to-state. This certainly takes place now in terms of the Canadian Wheat Board. It is also in place in terms of the Canadian Dairy Commission. However, there are dozens and dozens of other commodities for which there are not big national and international agencies to co-ordinate sales. That is what Canagrex would have been able to do. There is an endless list of items in terms of grain, corn and other commodities in that range, as well as in poultry, livestock, red meat, some dairy items and horticultural products in which there would have been an opportunity for Canagrex to make a tremendous contribution to agricultural exports.

• (1520)

We know that every country in the world is becoming more and more aggressive in marketing, whether it be by providing subsidization, loan guarantees, insurance or help in market penetration techniques. Clearly Canagrex was the instrument chosen by the Parliament of Canada to do that kind of export development.

In the United States, the GSM 102 legislation provides assistance for export sales. We are very conscious of the fact that the United States is providing something like one bushel in every three or four to promote export sales. In that regard, we do have the Canadian Wheat Board which does not have that kind of subsidizing capacity, at least not at this stage, but for many other commodities which do not benefit from big national marketing agencies like the Wheat Board or the Canadian Dairy Commission, Canagrex was the agency that could have been used.

Practically every other country has an agency like Canagrex. France has the SOPEX export development agency and Germany has the CMA agency, which is a joint venture between the Government of the Federal German Republic and the wholesale producers and processors. Australia has its Economic Development Council and Britain has the British Export Council. Israel has the Israeli Export Institute. It goes on and on, yet this Government chose to destroy Canagrex by cutting off its funds almost two years ago.

In the few short months the agency did operate, much of its time was spent meeting the requirements of the Treasury Board for its terms of reference. In spite of that, it assisted in the sale of some $80 million worth of produce and was negotiating for another $100 million worth of sales. It had completed some 15 studies on the market potential of various countries around the world, it had handled some 300 requests from within and without the country, it had helped some groups in completing lines of credit and it had promoted some pork sales in the Pacific Rim. It had promoted canola sales in eastern Europe and Latin America and had promoted sales of white beans in Cuba and several Latin American countries. It had promoted and assisted in sales of bull semen in China and eastern European countries. It had assisted in promoting sales in Central America and was dealing with the honey producers of Canada for sales in Europe. It had completed some preliminary discussions with regard to oats and barley for feed grains in the Eastern Bloc country of Bulgaria and had promoted the sale of soya bean meal to countries like Cuba, Kenya, Tonga and the Ivory Coast.

Canagrex was a Crown corporation which was really gaining momentum when the Government decided to destroy it. When the President of the Crown corporation appeared before the Agriculture Committee, he told us that the Minister of Agriculture was very sorry that the Government had unilaterally taken this decision. I believe that most farm organizations across Canada were very disappointed as well.

It seems like the Government is bound and determined to put the screws on the small producers. It does not want to see the producers of relatively smaller volume farm commodities having the same advantages as those who use the services of massive national agencies like the Canadian Wheat Board and the Canadian Dairy Commission, agencies which promote the international sales of products. It is clear that the Government is working as the agent of big business. It has knuckled under to the pressure of the big international grain and commodity traders and has decided to destroy this small Crown corporation which would have been so beneficial to so many countries.

Instead of dealing with the major issues that face agriculture today, issues like whether or not the Government will provide a deficiency payment for western grain and eastern grain and corn producers, we are dealing with a government Bill designed to destroy a Crown corporation that helped and encouraged Canadian farmers. We hope that the Prime Minister's allusions to negotiating something with the Premier of Saskatchewan will not be as phoney as the announcement he made last April 30. At that time, the Prime Minister

announced that he would give major help to Canadian producers amounting to some $300 million or $400 million.

When examining the details of that major announcement the Prime Minister made before he flew over the heads of western agriculture producers and landed in Vancouver, we find that essentially he was stopping the theft and larceny that had taken place for almost eight or nine months by removing the excise tax of two cents per litre that was imposed last September, just in time to catch western grain producers when they were taking off their crops. He kept the excise tax on until all the fuel tanks were full in April and May and then removed it in the spring. He was able to pick up almost an entire year's worth of the two-cents per litre excise tax, amounting to some $50 million or $60 million. When he announced that he would take off this excise tax, thus saving Canadian farmers some $150 million, he should have instead apologized for ever imposing it in the fall of 1985, a time when Canadian agriculture was facing one of its most difficult periods. As well, he should have made the removal of the tax retroactive to last September. There was certainly no justification for the imposition of that excise tax at that time.

The second part of the Prime Minister's announcement was that he was going to freeze the freight rates. He made this announcement in his grand style, making headlines, but the substance of it really had no bearing in reality. Usually the national press write this stuff, whether it is true or not. Within 24 hours, the announcement that the Prime Minister would freeze the freight rates was exploded when it became clear that all he had done was ask the Department of Transport and the transport agencies to recalculate the volume of grain that was to be shipped. They found out that it would be reduced from some 31 million tonnes to around 28.5 million tonnes, so in fact there would not be any justification for a freight rate increase in any event.

The third part of the Prime Minister's announcement was that he would increase the range of the domestic price of wheat. This was to benefit farmers by some $250 million to $300 million. He announced several times that the range would be increased. In fact there was another such announcement in July. It is one thing to increase the range but it is another thing to increase the actual domestic price of wheat. The announcement of several hundred millions of dollars was supposedly to help farmers but it has borne very little fruit for Canadian farmers who face the worst financial crisis since the 1930s.

• (1530)

We are awaiting the deficiency payment about which the Prime Minister and the Minister of Agriculture have been talking. Is it another smoke and mirrors exercise, or will it in fact provide some additional cash benefit? Farmers do not need smoke and mirrors; they need cash.

Likewise there was the announcement in the February Budget wherein the Government was to provide some $730 million at 6 per cent to farmers under something called the commodity based mortgage. When the officials of the Farm Credit Corporation appeared before the Standing Committee on Agriculture, we found that the $730 million at 6 per cent was not quite as good as it sounded and that in fact the $730 million was over a two-year period. Therefore the amount of assistance is about half the $730 million each year. Also we found that the 6 per cent only applied to certain producers. Others will pay as high as 9 per cent. As the value of their commodity rises, they will pay 2 per cent more than any regular FCC mortgage over the 10-year life of any commodity based mortgage. The announcement makes great headlines, but it helps only a couple of thousand farmers per year for two years. It helps only those farmers who already have FCC loans. In fact there is no new principal or capital money for farmers. As the value of a commodity rises, the individual farm producer may well pay more than what he would pay under a regular FCC mortgage.

I hope the Minister will get around to announcing whatever he will do on a deficiency payment. He has never used the term "deficiency payment", so that is why we are suspicious. It might be something other than a deficiency payment, but we hope that it will be real money, not a smoke and mirrors slide show such as we saw on two or three items.

One of the greatest concerns of Canadian producers is that the Government, in its desire to establish a comprehensive free trade agreement with the United States, will bargain away our marketing and stabilization systems in return for advantages which some industry other than Canadian agriculture will receive. Our national marketing programs are imperfect instruments for providing farmers with adequate incomes. In my opinion they are certainly better than the mechanisms which are being used in the United States or in the EEC. In fact, I understand EEC is already looking at the supply and management regimes for our dairy industry.

Another concern faced by agricultural producers is just exactly what the Government plans to do in the free trade negotiations. It seems prepared to continue regardless of how many countervail duties, surcharges, or other instruments are put into place. There is great concern in the agricultural community about the Government's commitment to agriculture. At a time when agriculture is facing the most difficult time in our history, we have received very minute assistance programs in the farm debt crisis.

We saw the Government dither for almost a year in the establishment of Farm Debt Review Boards. In the case of Ontario, as far as we can determine, over 100 people have applied for farm debt review but not a single case has been heard by a farm debt review board panel, although the Opposition co-operated last June to see the legislation passed in two sittings of the House, including consideration in Committee of the Whole. There is great concern in many parts of the country—and certainly it is the case in Ontario—with regard to the operations of Farm Debt Review Boards. Will the Government make them operational? So far it has only appointed three of the ten board members. When will they

actually start to assist farmers facing serious financial difficulties?

We are disappointed that the Government brought back this Bill. We believe that this Crown corporation has a valuable place in our agricultural export promotional scheme. We do not believe that the massive committee structures about which the Minister has talked are nearly as flexible, given the variety of assistance required to meet the complex situations involved in agricultural commodity exports in a world which is increasingly competitive. There is much pressure from countries around the world with flexible, effective organizations and instruments for handling agricultural exports.

We oppose the Bill. We hope the Government will make up its mind not to pass it and to leave the Canagrex organization and the legislation in place to be used at an appropriate time. It has a useful role to play in Canadian agriculture and in Canadian agricultural exports.

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, as a lead-in to agri-food week this is a rather pathetic effort on the part of the Government. However, I will attempt to address the Bill before us.

I am somewhat at a loss. Having listened to some Members who are now on the government side of the House, and knowing what they thought about the Canagrex legislation, I point out that we are not dealing with a piece of legislative nicety today; we are not cleaning up the books on the racks, so to speak. More of something in the nature of an Irish wake is what the government members have in mind. I do not really know how to behave at a wake having come from a central and northern European background, Madam Speaker. I have not had any experience on how to conduct myself at wakes or even what is expected at a wake. Yet I perceive, on listening to statements made by government Members in and out of the House, that what they see in their mind's eye with this piece of legislation is Canagrex draped in some great box in the middle of the Chamber. I think some of them even see Canagrex as a rather large Irish pixie or elf with a scowl on his face and his hands crossed over his chest covered by a great green stetson hat. They are hoping to bury this particular apparition and set it out Lord knows where.

• (1540)

Because we do not know where the Government is intending to take us or what it is proposing to do, it seems ironic that for agri-food week one of the first and perhaps the only thing that will be done, initiated by the Government, is to put to rest a corpse that became a corpse on November 8, 1984 when the Minister of Finance (Mr. Wilson) stood in this House and announced unbeknownst to the Canagrex board, staff or the farming community that it would no longer be alive after that date.

Mr. Malone: Hear, hear!

Mr. Althouse: The Member says hear, hear. That is part of the mentality with which the House, the country and the farming community have had to contend on this issue. Despite the presentation of the Minister of Agriculture (Mr. Wise) today, I think there were a number of things, with the activity the Government took with regard to Canagrex, that showed all too clearly from where this Government was coming. After telling the country for months that it was a caring Government, that it was going to be a consultative and a responsible Government, this little agency, fledgling that it was, a little furry monster maybe a few months old, was unceremoniously clubbed to death on November 8. There was no meeting of the Minister with the board, no announcement to the directors or to the staff. There was no discussion as to what Canagrex had done. The Minister and his ministry have not even done an assessment of the organization. It was simply decided apparently in the Ministry of Finance that Canagrex would no longer live, and so it died. Today we are being asked to bury the remains and forget that farmers need, in spite of the death of Canagrex, many of the facilities and services this agency was designed to provide.

The Minister in his speech pointed out that he has continued to use External Affairs to make inquiries about the potential for agricultural trade. He has continued to use the Export Development Corporation which is able to provide grants and contributions for agricultural exports, something very difficult to get before. We assume that this is an improvement. He is saying that within his own Department he now has an export information centre for those groups, individuals and agencies that are interested in attempting to export some of their product. He is telling us that he hopes that his Department of Agriculture will co-ordinate and co-operate in the development of trade in agricultural products.

Without going over the same ground, I think we did hear very much the same speech from a previous Minister of Agriculture, whose ghost I think we are trying to bury today, when he talked about Canagrex. There was a very real problem in getting the various Departments and branches of Government together when a farmer or group of farmers wanted to get together a product for export to another country. They had to work through three different Departments of Government. These groups, usually fledgling themselves, had to find a market for a product fairly new to them, but they did not have the kind of financing and background by way of experience to carry it off quickly. Canagrex was supposed to be a gathering point, a listening post and a point where producers, through their co-operatives, their growers' associations, as individuals or processors, could say: "Here, we are expecting to have X number of tonnes of product for surplus to be sold out of the country in the next year or two, where are we likely to sell it? Where can we get the kind of technical information needed for shipping, financing, insurance and export guarantees that we will need in order to make these operations viable so we can expand the growing of peas and blueberries and the production of maple syrup and of honey? This whole host of products that in the scheme of things, in the over-all accounts

of Canada, do not amount to much in billions and billions of dollars but they are important to a great many of the small farmers in Canada. They are produced in relatively small amounts in many provinces. As a result of that, producers do not have an opportunity to put all their production together under one roof through one warehouse to know how much they have to export.

The various provinces, being in control as they are of production and marketing by our Constitution, have agencies, many of them with exactly the same powers that Canagrex has except that they can only operate within the small confines of the area of a particular province. They can take the product outside, but if these agencies are only producing a small amount of products not produced in great volumes, such as the ones I have mentioned, to be a legitimate marketing effort they would have to combine with other provinces. There is no methodology for them to do this, and that was the reason for Canagrex.

However, it was very quickly decided, before Canagrex could become useful and competent, that that was not the vision of the future this Government saw. These dreams of becoming exporters of commodities from Canada that are not now well known to importers around the world were, in the opinion of this Government, doomed to failure and have been left as dreams in the minds of small farmers scattered here and there across the country who still attempt to grow peas, blueberries, alfalfa seeds, grass seeds and still attempt to produce maple sugar, syrup and honey. They have no way of combining their production under one agency that can offer them to the best advantage. We have repeated here very early in the mandate of this Government the kind of smashing of dreams that went on in the high-tech industry under the previous Conservative Government when it decided to do away with the Avro Arrow. That plane was very close to being finished, ready to be put into production, but the Government smashed it before it could show a return.

• (1550)

I am not sure that the Members who applauded the killing of Canagrex have much understanding of how long it takes to set up an export agency and get it going. Any exporter could have told them quite clearly that you cannot in a few months put together a crew, record large sales figures and a final balance in the black. That is just not the real world. It may be the mythology which members of the Government are trying to pass around, but it does not wash in the real world.

We had a series of myths being sold by government Members who were offering a series of arguments as to why this kind of facility should not exist in Canada at the national level. They raised the bogey of nationalization. They tried to leave the impression that Canagrex was going to be able to seize private property and take away the right of farmers and processors to own property. They misread all sorts of clauses in the Bill and used scare tactics right across the land. I do not think very many rational farmers were convinced by that, but it did create a momentum of its own and brought all sorts of strange philosophers out of the woodwork writing letters and calling phone-in radio shows and pointing to all sorts of things they feared from Canagrex. They had no reason to fear those things because they were not in the legislation. Yet it took on a life of its own, fear built upon fear, and pretty soon it came to the end on November 8, 1984, when the Minister of Finance decided that Canagrex would breathe no more. Agricultural producers, however, are still left with a lot of the problems they had before the attempt at putting Canagrex in place. They will continue to have them.

I draw to the attention of the House a recent report on farmers' incomes produced by the Agricultural Council of Ontario chaired by Del O'Brien. What they found is not a surprise to those of us who are close to agriculture, but it may have been a surprise to some of the economists and others who occasionally look at agriculture. They found that even though the value of agricultural products sold from some of these small farms was not great, when you looked at farms of any size and looked at farm families on an individual basis, you found that average income from very small farms right up to the extremely large farms does not vary that much. On those very small farms with sales of agricultural products between $2,500 and $20,000, which is a fairly small farm by commercial standards, and there are over 26,000 families on those kinds of farms in Ontario, the average family income was $25,131. When you look at the very largest farm in Ontario, those with sales of $150,000 and over, of which there are not quite 5,000, you find that the average family income was $27,472. There is very little difference.

One of my colleagues has just handed me a note to let me know, just for the benefit of government Members, that Del O'Brien was a Tory candidate in the elections of 1968 and 1974.

Mr. Blackburn (Brant): He has learned his lesson finally.

Mr. Cassidy: Two-time loser.

Mr. Althouse: What they discovered in Ontario—and I am sure we would find the same thing holding true in the rest of Canada—is that farm families must have a certain income and they earn that income most of the time by going off the farm to other jobs. They noted that even those very large farms that generate revenue in excess of $150,000 often have one or more family members working off the farms as well.

The reason I bring this up is to point out that many of these smaller farms are operated by people who want to become full-time farmers but, because of the pressure of economic forces, are forced to earn a considerable amount of their income off the farm. Yet they tend to be the kind of people who experiment, who produce experimental crops, who get into new areas of production which were not thought of 10 or 15 years ago, areas of production which do have an opportunity for expansion and which could be exploited in international trade terms. However, they are very small operators, as you will see,

Madam Speaker, from those kinds of incomes. They do not have a lot of money to go out and develop a market for a new product and catch the attention of the Chinese, the Taiwanese, the Filipinos, the Germans or the Austrians. They have to rely on an agency like Canagrex was seen to be, to provide some of this preliminary work. It could provide services in the language of the country they were targeting, do the initial spade work, use contacts throughout government agencies, and begin the process of finding a market for this new product.

These farmers are now back on their own little plot of ground dreaming their individual dreams, knowing that they can produce peas or honey or alfalfa seeds, those kinds of small products, efficiently and could increase their production four, five, six or maybe even 10 times, but there is no place for them to market the product. There is no agency in the private sector interested in these products unless they can make a profit. They are not willing to spend a year or two or three in market development so they can, in the long term, show a profit and expand the agricultural industry in this country. The private sector can only afford to work on very short-term solutions with products which they may trade in occasionally when there is a real shortage in the part of the world of which they have knowledge. They may run out then and offer some contracts for some peas, for instance, which is an occasionally popular crop in my particular corner of the country. Then, within two or three years, they are no longer interested in purchasing peas, and farmers who have built up their production capacity sit with the crop in their graneries wondering what to do with it.

• (1600)

Canagrex had a function to serve. Unfortunately it did not fit in with the philosophy of the current Government and so had to die the same death as the Avro Arrow had to suffer. Canagrex will be relegated to memory. Perhaps some people will maintain the memory and continue to think of ways of combining the products from various provinces to permit their export in sufficient volumes to sustain an exportable position. However, in the meantime the Government is determined to do away with the corpse of the creature it created two years ago.

At this wake we can only say that it showed great promise, its life was very short, and it had no opportunity to show what could be done or to prove that it was filling a niche which needed to be filled in Canadian agriculture. Its successors have yet to fill the holes which were left. There is very little opportunity for an agency to accumulate products from across provincial boundaries for export. The Ag Products Board can buy products, but usually it only operates when extreme surpluses of product hit the market. The Ag Products Board generally only takes those products off the market so that the price does not collapse even further. It is not set up to be exporters as such, but rather as part of the stabilization and pricing system of our agricultural industry, and it has nothing to do with agricultural exports.

The Minister says that his Department will spend more time assisting with the promotion of the export of Canadian agricultural and food products. We have not seen very many concrete results from this activity. The Minister did not give any examples today even though his Department has apparently been instructed to be involved in this for the past two years. We have not seen any of the agencies which the Minister named today entering into contracts with Canadian companies, co-operatives, marketing boards, associations or other Canadian enterprises or individuals who are carrying on business in Canada to act as their marketing representative in marketing agricultural products and food products or to provide managerial, technological, marketing or other counselling and consulting services to them, except for some of those products of which we are quite large producers at this time.

We do not have much direction with regard to the very small specialty crops and products which agriculture in this country is capable of producing. We tend to ignore such problems at the moment. There is no existing agency available to Canadian agricultural exporters which will do that which Canagrex was mandated to do, that is, to enter into joint ventures, at the request of Governments, with Canadian companies, co-operatives, marketing boards, etcetra, to carry on business inside as well as outside of Canada.

There has only been one attempt in this Parliament to get the various provincial marketing boards together. One of the first Bills which the Government introduced was to permit tobacco to be marketed under the Farm Products Marketing Council. The Government still insists that that legislation not be made available to producers under provincial marketing boards which want to expand their mandate across provincial borders. The Government has taken the position that only those products which the Government prefers to name may have that privilege. Producers of all products in the country have not been given the same rights of access to marketing across provincial boundaries or to set up a national marketing agency. That has been very strictly controlled by the Government which says that only those products which have been named, namely eggs, chicken, turkey, and now tobacco, can have such access to markets.

The Government has left red meat producers, fruit and vegetable producers, honey producers and seed producers, which trade on a much smaller basis, to fend for themselves. They are free to attempt to arrange a market with Japan, for example, but they cannot afford that kind of marketing with the small volumes generated within a province. For such marketing thrusts to be useful a multiprovince effort is required. That ability has been taken away by the Government through its restrictive approach to the National Products Marketing Act and through its attitude toward Canagrex, which was a much more flexible agency through which to handle such requirements.

I regret that the Government insists on bringing this back to the House. The agency has been closed down. The members of

the board are not paid. They are in limbo. It does not cost anything to leave the paper sitting on the shelf. I do not think we are using the time of the House wisely or well by spending the onset of agri-food week by killing what could have been a very useful organization, just as the Avro Arrow could have been as very useful bit of technology for Canada. We have chosen to close our eyes to the future. We have once again, unfortunately, decided to cut ourselves off from potential markets in other parts of the world and to look instead within our own provincial borders where there is no solution to be found.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Pensions—Homemakers' pension inquiry; the Hon. Member for Winnipeg North (Mr. Orlikow)—Science and technology—(a) National Research Council's budget (b) Number of Council's employees; the Hon. Member for York West (Mr. Marchi)—Multiculturalism—(a) Funding of Toronto organizations (b) Government policy.

GOVERNMENT ORDERS

[*Translation*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, by moving second reading of Bill C-2 on the dissolution of Canagrex, the Government fully acknowledges the efforts made by Government departments and agencies, both provincial and federal, and by the private sector to promote the exportation of Canadian products. In fact these departments and agencies have taken over the goals set for Canagrex and are well on their way to concluding several export projects.

Since we are implementing the Budget cut-backs made imperative by the financial mess left by our predecessors, it is appropriate to point out that the Government is ever more intent on reducing the duplication of services while at the same time offering quality service to producers interested in agricultural exports. It can achieve this—and it is the only way given the current situation—by altering and strengthening existing Government structures and programs.

Mrs. Speaker, whether we are talking about the Agricultural Products Board, the Department of External Affairs, the Export Development Corporation or Agriculture Canada itself, each agency and department specializes in one particular aspect of agricultural trade.

Trade is a complex area that requires close co-operation between the agencies and departments concerned and, of course, the private sector. In preparing trade transactions, it is very important to have information sessions with the private sector, followed by seminars in countries seen as potential markets.

This month, for instance, a delegation from Agriculture Canada, accompanied by experts from the private sector and the provincial governments, will go to the People's Republic of China. It will also travel to Spain and Portugal, to offer seminars on Canadian dairy cattle. These seminars are aimed at giving prospective buyers the benefit of the knowledge and, especially, the experience of our Canadian producers. The ultimate goal is to conquer new markets.

For instance, for more than two years Canadian pork has been actively promoted in Japan. Nearly 1,000 stores are selling our pork products today. Furthermore, a dozen Japanese trade missions have been invited to Canada since last fall to take a closer look at our pork production. We hope they will only examine the quality of our products and not succeed in imitating our truly exceptional production methods.

I represent a riding which, though not exclusively agricultural, does have a flourishing pork producing sector. For instance we know that we now have surplus production in Quebec precisely because of the quality and the sustained efforts made by our producers to market first rate products and boost productivity in the farming community.

Still on the international scene, in Algeria, we plan to promote the sale of seed potatoes, and eventually we will look for new markets. I repeat that even though I represent a North Shore riding where potatoes are not produced in significant quantities I am pleased to point out that we have one of Canada's leading potato research centres, certainly the best in the province. Climate considerations are of course the reason why colder regions such as mine are selected to avoid seed corruption, away from the pollution of major urban centres and possible contamination, and to carry out research on and produce top quality potatoes. For over ten years now this research has turned eastern Canada into a prime quality potato producer, where new products and better quality seed have been discovered. This is happening in Pointe-aux-Outardes, a small municipality near Baie-Comeau. People are really surprised when they hear that we have such a research center on the North Shore, but it is because of our climate, and we have a good personnel and outstanding researchers. I would like to take this opportunity to congratulate all the men

and women who work at this center which is now well-known throughout the province and even the country.

Canada also has a great export potential. We have more and more production surpluses and we are offering competitive and quality products. Even though I could have chosen those of representatives of Quebec agriculture, I would like to quote the words of the Chairman of the Ontario Federation of Agriculture, Mr. Pelissero, who asked this shocking question in the October 14 issue of *Farm & Country*;

• (1610)

[*English*]

"Should Canada quit farming"?

[*Translation*]

The article referred to the somewhat pointless comments of some so-called experts who have had enough of agriculture, who consider that too much money is being spent on agriculture and who believe that all Canadian farmers are crybabies. Mr. Pelissero rightly said the following:

[*English*]

Let's make one thing clear. Our industry's problems are many. Their roots, however, can be traced not to the farmer, but to a world market and to an industry in a state of flux.

Should Canada quit farming?

Ask the suppliers and dealers who sell $14 billion worth of equipment, feed, seed, lumber and chemicals to Canada's farmers.

Ask Canadian consumers who spend the second lowest amount of money—as a share of personal disposable income—on food in the industrialized world, thanks to Canadian farmers' super-high productivity.

Ask the one Canadian in five whose job depends on the agri-food system, Canada's largest industry. Its foundation, of course, is the farmer.

[*Translation*]

This statement by the Chairman of the Ontario Federation of Agriculture, who was obviously thinking about his own field of interest and the good of agriculture, illustrates the importance of this industry for Canada. At the end, he asked this question:

[*English*]

To this farmer, asking the question "Should Canada quit farming"? is asking the question "Should Canada quit"?

For him the answer is clear. No.

[*Translation*]

The situation is somewhat the same for this Government which seeks in difficult fiscal conditions, which leads me to talk about those government agencies that were created, unfortunately, with all the best intentions in the world, and as you know, the road to hell is paved with the best of intentions. Whenever for reasons that are generous, and marvelous—motherhood and apple pie—government corporations suddenly crop up, those so-called Crown corporations which very soon part from government to go their own way and enter with their bureaucracy into what I would call a life of positive homeostasis, an on-going tendency to self-fattening, and very soon strike off from their vocabulary the word productivity, or doing more with less, all things which they lack. And their by-products are supplementary estimates, special budgets, special projects, etc. All that is fine when the Government in power does not care a damn for the tax dollars of Canadian men and women. But when we are faced with a situation like ours, which is to manage budgetary decline, well, this creates a number of problems. And those government agencies that were set up with the best intentions in the world end up costing fortunes without fulfilling the purposes for which they were created. Also it is extremely difficult for the Government to back-track.

What we are doing is winding down Canagrex, which, as suggested by the previous speaker, was established with the best intentions in the world. Everyone is for motherhood, expansion, and of course for setting up all kinds of agencies to support agriculture.

But what we are asking is this: At what price? Do the producers, the farmers, the guy and his wife down there working the fields, benefit directly from this? That is exactly what we are doing when we are tapping the agencies that we have, the Department of External Affairs, the provincial Governments with their own agencies, the private industry which is involved in promotion.

As we were saying a while ago, the agri-food industry is one of the most important industries in Canada. The private sector itself is playing an increasingly important role and in order to foster its own expansion, it must also be involved in promotion, and that is what this Government is asking its agencies to do, achieving more with fewer resources, to question their own performance, to give agriculture a high priority in their programs and attitudes, and to keep in mind the significance of this industry when they are promoting Canada abroad.

So, what we must do with these organizations is to assume, assure and favour the promotion and development of new markets; to seek financial supports of every kind for potential exporters, and encourage the exchange of advice in a climate of co-operation, working hand in hand with the agri-food industry. Clearly, what has been shown, I think, and I heard my hon. friend refer to Canagrex's wake . . . You know, I do not think anybody here will cry over Canagrex's demise. Absolutely nobody. As far as I know, no producer, either in my own riding or elsewhere, has shed even crocodile tears over it. The producer is more interested in finding new markets for his products, new ways to sell our surpluses; he wants existing Government marketing agencies to land major sales contracts and every interested party to play a more effective role in this country.

With respect to most Crown corporations, the view of the Conservative Government is that the concept is not necessarily bad in itself, but they must indeed be a necessary evil if they have to be established.

Our main objective as a Government is to make sure that this country and its farming community will have as many

opportunities as possible to market quality products which can really compete on the international scene, and that Canada will grow to become one of the world's best exporters of products. The way things are now we feel that the mandate of Canagrex has been assumed by other agencies and departments, that the Canadian farming community is adequately served by the existing structure, and that time has come to lay to rest a corporation which like so many others—and I hope this Government will have an opportunity to take action—which like so many others, as I was saying, probably no longer has its *raison d'être.*

• (1620)

[*English*]

Hon. Chas. L. Caccia (Davenport): Madam Speaker, first let me say how glad I am to see you in your capacity as Acting Speaker in the Chair. We welcome you and wish you the best.

I find this debate very interesting because there is a strange mythology being created by some members of the Government who believe there is no role for the Government, or for the state, in promoting exports. I listened very carefully to the remarks of the previous speaker, my colleague from the government side, who tried to develop a reasoning for abandoning Canagrex. I must say that his reasoning in trying to convince us that this was really a good idea was pretty frail, to say the least. The more you consider it, the more you must conclude, with regret, that this decision is not really in the best interests of our agricultural communities and not the best thing for our economy, particularly in certain regions outside of Quebec and Ontario, whose well-being depends on our capacity to export. We do not ask the private sector to move citizens by VIA Rail. We do it by way of a Crown agency which is publicly owned. We do not ask the private sector to move citizens within our cities. We all rely on our respective transit systems whether they are in Toronto, Montreal or Ottawa.

Mr. Malone: Taxis.

Mr. Caccia: The Hon. Member draws my attention to taxis which do in fact exist to provide movement for a small number of citizens. That is the point I would like to make. For the real promotion of agricultural commodities in a highly competitive market we need to bring to bear the total knowledge of the Government through its listening posts abroad, and a grouping of skilled people into an agency, to achieve the objective of increasing our exports as we compete with other nations.

The Hon. Member for Algoma (Mr. Foster) made an excellent speech just about a year ago in which he drew to the attention of the House the fact that there are countries which have already organized themselves along these lines, namely, the Federal Republic of Germany, Israel, Mexico and Greece. There are probably other nations as well. France, I believe, has a very sophisticated institution called SOPEXA. The entire European community is operating on the same principle. First there is the realization that we have a very competitive international market and, second, there is the necessity of developing the instruments which are necessary to compete abroad. Canagrex was a terrific idea.

The Minister of Agriculture, the third preceding the present Minister, if I remember correctly, gave a fantastic speech on the subject at Harbour Castle in December, 1982. Imagine, Madam Speaker, he gave a speech on Canagrex in the heart of Toronto! He did not even go out to the rural ridings. He went to the heart of an urban centre to make his case. It was a very good speech. In a nutshell, the points he made were the following: Canagrex would provide market identification and intelligence, and promotion and information services. No one can object to that. It would provide loans and guarantees, which is not such a bad idea. I am sure that many Progressive Conservative back-benchers would not mind having such a measure available.

• (1630)

Mr. Hopkins: Particularly interest-free.

Mr. Caccia: The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) suggests that is so, particularly if they were interest-free.

Canagrex would enter into joint ventures with private companies, marketing boards and co-operatives upon request. Canagrex powers would include the acting as agent of the Crown in negotiating state-to-state contracts, which is a very interesting feature. Canagrex would also include in its powers the providing of grants and contributions to help accelerate product development, and the promotion or provision of infrastructures. That is not a bad thought at all. Finally, he indicated that nowhere is Canagrex given monopoly power over any commodity, either in exporting or importing.

In true Eugene Whelan fashion that was not his last point. He had some furthermores. He said that the majority of the 11-member board of directors would be selected from the private sector. He said that there would be an all-industry policy advisory committee formed to help guide and monitor Canagrex. He also said that the agency would operate from a three-year corporate plan and that each year it would be scrutinized by Parliament to ensure that it was carrying out its mandate. That is not a bad idea either. He also said that after five years Canagrex would be brought before the Standing Committee on Agriculture for a complete review and that there would be a provision for an annual comprehensive review by the Auditor General. He stated that the president would receive direction from the board of directors and that the legislation would clearly state that Canagrex would not get involved in the products handled by the Canadian Wheat Board and by the Canadian Dairy Commission. I thought that here was an outline in the modern state for an export agency that was not too bad at all.

In February of 1985, the Hon. Member for Algoma asked the Minister of Agriculture (Mr. Wise), among other things, whether or not, in view of the success of this corporation in the

to a state corporation as contemplated by Canagrex? Could the Hon. Member not see that the private community that has marketed our products so well for over 100 years of Confederation could continue to sell Canadian goods where Canadian goods can be sold and could do so at a much lesser cost than the cost of a great big bureaucracy?

Mr. Caccia: Madam Speaker, I would be glad to attempt to answer that question because it points out the real intellectual problem the Hon. Member has. He feels that if something has worked well for the last 100 years, it will serve us for the next 100 years. That is where we part company.

Evidently, the Liberal Government of the day, through Eugene Whelan, felt that the time had arrived to adopt new techniques and new ways of competing with the reality of international markets. If the Hon. Member were to carry his logic to its ultimate conclusion, he would try to sell the Toronto Transit Commission to the private sector. I invite him to try to find someone who will provide that service as effectively, safely and well as a publicly owned agency does.

We know that the Hon. Member is biased against the presence of the state in the market-place. There is nothing wrong with the presence of the state in the market-place. We have had a mixed economy for decades. If we had not had a mixed economy, we would not have Air Canada and Canadian Pacific. We would not have the CBC and CTV.

Mr. Malone: What's that got to do with it?

Mr. Caccia: A broader principle is under discussion. If the Government of the day decided to create Canagrex, it was because it felt that it would be desirable and in the interest of promoting agricultural products in competition with other nations to have such an agency. That was the Liberal position which I outlined.

Mr. Whelan went one step beyond that and said that he wanted to have on the board of directors of Canagrex people from the private sector. I suppose this would please the Hon. Member because it would mean that there would be a mix. A publicly oriented institution would be run by private citizens. That was not such a bad idea.

Mr. Althouse: Madam Speaker, in light of the question that was just asked about the ability of the Canadian Commercial Corporation to make sales, I wonder if the Hon. Member would care to comment further. The member of the Opposition pointed out that the Canadian Commercial Corporation is able to make the sales, and I do not argue with that. I wonder, however, if the Hon. Member would care to comment on what agency or group is now available after the demise of Canagrex to gather the products from the various provinces and farmers and put them in position so the corporation could make sales. Is that not the vacuum that Canagrex was designed to fill?

Mr. Blenkarn: No, no, no.

Mr. Althouse: It is indeed. The Hon. Member for Mississauga South (Mr. Blenkarn) says that it was not. However, I read the objectives of Canagrex and they in fact included the ability to gather together products from within the country and to act with co-operatives, individuals, marketing boards and other corporations to gather products together so they will be in a position to be exported. Right now, we lack that kind of an agency. The Canadian Commercial Corporation can indeed make a sale on those very small products that are only grown in small amounts hither and yon across the country, but only if someone gathers them together so that the corporation may do so. Without Canagrex, there is no agency to do that.

Mr. Caccia: Madam Speaker, as usual, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) makes much more sense to me than the Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Clark (Brandon—Souris): Madam Speaker, if indeed Canagrex were of great importance to the agricultural community, then I would assume that western Canadian agricultural and farm organizations would be supporting the Liberal Party in its attempt to prevent the abolition of it. Therefore, can the Hon. Member for Davenport (Mr. Caccia) indicate to the House which western Canadian farm organizations other than the National Farmers Union are today opposing the abolition of Canagrex?

Mr. Caccia: Madam Speaker, at the time of the announcement of the measure, a number of agricultural organizations came out in support of Canagrex.

Mr. Blenkarn: No, today.

Mr. Caccia: It is important to know that that support was there at the time the measure was announced. I would imagine that those organizations had good reasons to support Canagrex. There were a number of those organizations and I would gladly list them for the Hon. Member if I only had the time to find the list among the papers on my desk.

Across the country, support for Canagrex was there. There was support for it in the House of Commons. Canagrex generated very good sales in its first year. If some of those organizations have changed their minds, perhaps the Hon. Member will have the opportunity to make that point in his speech and to explain to us why they changed their views. However, I can assure the Hon. Member that at that time, support for Canagrex was very strong and came from many organizations.

Mr. Arnold Malone (Crowfoot): Madam Speaker, I listened to a lot of diatribe from the Hon. Member for Davenport (Mr. Caccia) and I must say that those were most interesting comments coming from an Hon. Member who does not know a Hereford from a heifer. When it comes down to the whole question of whether or not Canagrex was an accepted organization, I can tell the Hon. Member that those Members of Parliament from the regions of Canada who will go home to

first year—in which it sold over $16 million worth of farm products and with another $160 million under consideration—the Minister would be prepared to reconsider his decision. Evidently the Minister was already locked in and could not give a favourable reply, as much as his heart would have moved him in that direction.

The Hon. Member for Algoma also asked the Minister of Agriculture why it is that when the United States and the European Economic Community countries are more aggressive in marketing and selling agricultural commodities we are shutting down the one organization that was set up to sell our commodities abroad. That was a very good question and a very relevant one. I suppose the Hon. Member asked the question in the hope that somehow or other the Government might reconsider this measure. As is his custom, the Minister of Agriculture gave a very diplomatic answer. He said that he wanted to make it clear that the Government would follow very aggressively the export market for agricultural commodities. He went on to say that the Government was satisfied, given the very dismal record of Canagrex—words which come as a surprise to me in light of what the Hon. Member for Algoma reported to him—that it can be done far more successfully, efficiently and effectively with officials in his Department. That reply really floored me. It is obvious that one cannot be more effective and more efficient on the same budgetary basis without creating a separate agency that will promote a specific purpose. That is what we do in many walks of life, especially in terms of discharging other public responsibilities. I am sure that in a quiet hour the Minister of Agriculture would agree that it would be more effective to do this outside the Department. I say this not because there is something wrong with the Department. Evidently, if there is a task-oriented agency which focuses on exports it can produce much more than some agency buried on the sixteenth floor which is in competition with many other occupations. The fact is that the number of officials available in any given Department has suffered very badly under the Tory administration.

The logic of this move is very unconvincing. Therefore, the Bill before us to dissolve Canagrex is one that leaves us at a bit of a loss in terms of understanding what the main purpose of the Government is. Does it want to reduce the deficit? If so, I think that it is penny wise but pound foolish. In this move it is forgoing an opportunity. It is dismantling something that could be very useful in the long term.

Why do I say that? I am convinced that, in the pursuit of regional economic development, we have to ensure, among other things, that the products of the regions, outside Quebec and Ontario in particular, because that is where the development has to take place, and their ability to thrive is essential. No one will disagree with that. As a city slicker not very knowledgeable about the details of agriculture, but nevertheless capable of putting two and two together, it seems to me that one important way of promoting regional economy—in regions which need it—would be to put in place an effective agency that would help the export of certain products that are agricultural and regional at the edges of the country. I refer to potatoes in Prince Edward Island and New Brunswick, and tree fruit in British Columbia. I refer to lentils and peas in Alberta, canola oil in the Prairies and evaporated milk from I-don't-know-where. There is a long list of commodities that one could produce to make a very powerful case in favour of Canagrex, in favour of this specialized agency whose dismantling we are now debating.

To retain the services of Canagrex would help the task of strengthening the agricultural economies of these provinces. So it happens that a good idea which had already been put into initial practice is disappearing. As my colleague, the Hon. Member for Algoma, has already said, we on this side of the House express our regret at its passing. It is to the credit of Eugene Whelan that this idea was launched. It was my understanding that at that time the idea was supported by small, medium and large-sized agricultural producers in many parts of the country. The idea of opening a new chapter of endeavour to make Canada more competitive abroad in a highly and increasingly competitive market situation and to adopt certain models that have been proven to be successful in other nations are ideas that appeal to everyone. I regret to say that it seems to me that we are falling back and going into the past. We are not seizing an opportunity and are not moving with the times.

• (1640)

It would not have cost the Governmet very much to recognize a good idea. It has recognized many good ideas of ours. Quite rightly, it adopted all our measures dealing with acid rain. In the end, these measures will serve the public interest.

The Government should have realized that Canagrex makes sense. Government Members should have realized that Canagrex is something they would want to pursue in order to give more help to the economies of the poorer regions and to keep us competitive. Instead, they gave it up. That is most regrettable.

I join with my colleague, the Hon. Member for Algoma, in expressing the views of the Official Opposition on this matter. We thought that Canagrex would have put Canada on the export markets map and would have given us an opportunity, in increasingly difficult trade times, to have an edge which we otherwise would not have.

Mr. Blenkarn: Madam Speaker, I wonder if the Hon. Member is really speaking on behalf of the Liberal Party and is indicating that the Liberal Party does not believe in the role of private enterprise in marketing products. Clearly the Canadian Commercial Corporation is a vehicle for marketing products to countries that believe in state ownership of the means of production and distribution. That corporation can handle that.

Is it the view of the Liberal Party that the only way we can properly market our products is by turning over the marketing

make the claim that they had a part in dismantling it will go home to a hero's welcome.

• (1650)

It was unaccepted in the regions of the country for two reasons. First, they did not want the inefficiency which attaches itself to government structuring and organizations which only Liberal and NDP Members can envision as being fruitful. Second, Canagrex in and of itself was destroying by the buy-sell clause the very mentality of the farm community across Canada—the enterprising nature and spirit of those persons. It is on those two principles that this issue is following. It is those two issues which the Parties opposing the dismantling of Canagrex do not understand.

Mr. Althouse: Do you prefer that farmers give it away?

Mr. Malone: The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) should know that since we have taken the money away from Canagrex, Canada has increased its sales of agricultural products abroad. In the area of grain we have made more contracts, not less. In other markets we have moved in to sell more. The Hon. Member stands here trying to pretend, as would a member of the NDP, that if he sees a problem or thinks there is one, the thing to do is to build another government tower for another staff or another bureaucracy. They hope, as did the Liberals for 15 years or 20 years, that it will somehow be a symbol for the people. They think that the people can be given a building and a staff of bureaucrats and that somehow the problem will go away. The truth of the matter is that the Progressive Conservative Government and its caucus members believe that we have all the instruments within the Department and other Departments of Government to do effectively everything Canagrex is doing and save Canadian taxpayers $6 million.

Members of the Opposition would rather have spent the $6 million. They would rather have had a building so that they could say that the building and its bureaucrats would be out there trying in some way. We have had a rendition of Eugene Whelan's speeches to try to persuade us to retain Canagrex. That is its own unpersuasiveness. It was under that stubborn administration that the buy-sell clause could not be removed, and that buy-sell clause was offensive. In my province, and very particularly in my constituency, we would have lost $2 million with the buy-sell clause in the Canagrex organization in exports by the Alberta Swine Breeders Association to Mexico and the Pacific Rim.

The opposition Parties laud this wonderful organization. They say that it would have enhanced agricultural exports. It would have destroyed parts of the country with the buy-sell clause because it would have destroyed the private initiatives which could have taken place around the world.

Mr. Althouse: No.

Mr. Malone: I hear the groan of the Hon. Member for Humboldt—Lake Centre. He thinks it would not have happened. I do not know why that Hon. Member, who lives in my constituency, flew down here. Surely he would have done enough research. Why have organizations in the Province of Alberta, with the exception of the NFU, been making representations day after day? Why would they do that and fly down here if there was no concern? In his speech the Hon. Member said there was no reason for concern. There was a reason for concern, and that is why it is going.

Mr. Althouse: Why didn't they kill the provincial agencies which had those powers?

Mr. Malone: Also the Hon. Member said in his speech that this was like a funeral or a wake. This is the happiest funeral I have ever been at. The "awake" will come when he goes home and his constituents find out that he tried to retain that national government organization which would make Canagrex sit at the desk with farmers as they arrange their management programs. He wanted a buy-sell clause which would ensure that everything was done through the Government of Canada rather than by independent entrepreneurs making farm decisions in the way farmers want.

I listened to the Hon. Member for Algoma (Mr. Foster). He tried to leave the impression that destroying Canagrex was the first thing that we as a Government had done for Canadian agriculture. There is not enough time in the rest of this week to outline what we have done for agriculture. More than 317 initiatives have been undertaken by the Progressive Conservative Government for some $5.6 billion. The best the Liberals could have done in a four-year period was $2 billion in agricultural assistance. We have a commitment for $1 billion more in payments which will go to farmers because of crop conditions this year, so the amount of assistance we have provided is approaching $7 billion. No Government in the history of Canada has made such a severe commitment to our grain producers.

I will not list all our achievements. When Hon. Members rise and defy the fact that there has been the removal of the farm fuel tax, the fact that there is a $500,000 capital gains exemption, the fact that amendments were made to the Western Grain Stabilization Act which put money into the hands of prairie farmers, and the fact that there have been some 317 different achievements, they are not being very frank with their constituents back home. However, that does not concern me so much because I know that in farm communities there is a recognition that while world conditions are very difficult, they have a Government which is sensitive and is trying to make agriculture work effectively for them.

Let us talk about the international market. The most important thing we can do is to make the General Agreement on Tariffs and Trade accept the notion that what is happening universally is unfair to food producers. We would expect not to have the continual pretending of opposition Members that nothing is being done. We would expect them to shoulder the wheel in the interests of food producers. We would expect them to applaud the actions of the Prime Minister (Mr.

Mulroney) in Tokyo and the actions of the Right Hon. Secretary of State for External Affairs (Mr. Clark) in Uruguay. For the first time in history agriculture will be a part of the discussions at GATT. No one should expect that in one negotiation with one set of signatures we will have the capacity to turn it around to the point where Europe will suddenly have zero agricultural subsidies. Such an expectation would be unrealistic. However, I am optimistic that we can turn the corner so that farmers on the basis of efficiency can compete in the international market, and it will not be a case of treasury against treasury as is the situation today. We would benefit from the assistance of the opposition Parties in that objective. If we had a full Canadian force, if we had the NDP and Liberal Members saying that we need those measures at GATT, it would be helpful to Canada and its farming community. Instead we get the pretence that nothing has taken place when they know otherwise. I submit that that is not a very responsible way to treat the agricultural community or to discuss the whole question of Canagrex.

I should like to refer to the remarks of the Hon. Minister today. He indicated that the success of agricultural trade did not necessarily depend upon the creation of another building. Too often in the past Governments have had the tendency to create special organizations and agencies to do a job when what was really needed was a greater drive and initiative on the part of Government.

• (1700)

The creation of Canagrex by the previous Government exemplifies that trend perfectly. The Hon. Minister stated earlier today and made it abundantly clear that Canagrex was created to do a job which could be done just as well within the existing agencies of the present Government, namely, the Agricultural Products Board, the Department of External Affairs, the Export Development Corporation and Agriculture Canada. For proof of this fact, Madam Speaker, you need only examine the record of the present Government since it came to power two years ago in the area of agricultural trade. The Government has made real progress in expanding foreign markets for Canada's agricultural goods and services and it has done so without Canagrex, without additional agencies, without additional millions of dollars and without wasteful duplication of services. Instead, the present Government has made efficient, effective use of existing resources and manpower, and I submit the taxpayers of Canada will applaud such an initiative. This was accomplished by improving co-operation and co-ordination between the federal agencies and the provincial Governments. That, I might add parenthetically, was quite a break from past traditions when the previous Government despised its role *vis-à-vis* the provinces. We met in our first year more times with provincial counterparts than the previous Government did in the four years of its existence. That whole relationship of making Canada work is dependent on making these joint jurisdictions work, and agriculture happens to be one of those.

The first commercial shipment of Canadian strawberry plants was sent to Spain on October 7 from two Nova Scotia nurseries. The sale of these plants was the direct result of private sector co-operation under the Canada-Nova Scotia Agri-Food Development Agreement. The shipments are Canada's first entry into the Spanish strawberry plant market and substantial additional sales are likely to follow.

In recent months, Maritime producers have found new customers for their hay in the United Kingdom and in the United States. With both federal and provincial assistance under the economic and regional development agreements as well as support from the federal Export Expansion Fund, this developing industry has been able to demonstrate to foreign buyers the quality and value of its product, particularly as a feed for racehorses. Canada's share of this highly specialized market is steadily expanding, with Ontario producers now servicing customers in Florida. Considerable potential remains for further growth.

Canada has recently gained a foothold into the lucrative Soviet markets for dairy breeding stock and semen. Working together with the assistance of the Export Expansion Fund, federal, provincial and industrial representatives have mounted a campaign which could eventually lead to tens of millions of dollars in sales for Canadian cattle producers. The Export Expansion Fund was also used to assist public and private sector agents in cracking markets for swine breeding stock and semen in South America. Again, the leverage gain today may well lead to larger sales in the future.

May I again add that in light of all the successes we are having in that regard, the Liberal and the New Democratic Parties would still like to build another highrise tower, fill it with bureaucrats and pretend somehow that in difficult times instead of getting present agencies to work together by holding up a symbol, that symbol might look good to the people back home and they could pretend that they are doing something. We would rather not pretend or live with symbols. We would rather look to the record and point out that we have success on paper and that success speaks for itself.

Agriculture Canada, again through the Export Expansion Fund, has entered into a very successful relationship with Canadian engineering firms specializing in agricultural and processing machinery. A number of foreign buyers have now made trial purchases of Canadian technology, and further sales are anticipated. Expansion in this industry would help promote the economic diversification to which the Government of Canada has long been committed. These sales involve a lot of differrent products and a lot of different countries, but in the end they all stem from the same thing; the skill and the imagination of industry, provincial and federal agents. This is what the agricultural producers and processes of Canada need today, not new agencies, not new buildings and bureaucracies but an innovative, aggressive approach to marketing that will allow us to fulfil our potential as an exporting nation without placing a further burden on our Treasury.

I might add, again parenthetically, Madam Speaker, that the success has also come about because of the will that is demonstrated by the Ministry to make those sales and to show leadership and a desire to knock on doors in the international markets. It is not going to be a case of developing a new agency, putting a name on it in neon lights and pretending for a moment that that in and of itself will guarantee some success. The Government has proven it can take that approach within available resources. I would emphasize that all the advances I have mentioned have been achieved within a framework of fiscal restraint.

The Government has applied that same initiative in the efforts to reduce trade restrictions and unreasonable export subsidies in the international market-place.

Through bilateral negotiations with the United States, our Government is attempting to remove trade barriers which restrict access to our largest export market. Agriculture is well represented in these negotiations through the Minister of Agriculture (Mr. Wise), who is a member of the federal Cabinet special subcommittee overseeing the talks; farm industry representatives on the International Trade Advisory Committee, the main link between negotiators and the private sector; and a sectoral advisory group on international trade devoted exclusively to agriculture, food and beverages. This body, which comprises some 30 members drawn from all branches of the agriculture sector, is the largest of all the special advisory committees dealing with those trade negotiations. The Government of Canada is actively pursuing the liberalization of agricultural trade at the Uruguay round of GATT negotiations.

I want for a moment to add one other aspect about freer trade and say that I am one who believes—and I know there are others who share this view—that had Canagrex been established in a large office tower staffed with people as an institution that may not have been the symbol the opposition Members wanted for greater trade, it may well have been the symbol that would have restricted trade *vis-à-vis* the United States, which is our largest market. That would have been held as one of the symbols that could have done us the greatest damage in the long run.

The Government of Canada is actively pursuing the liberalization of those trade negotiations, as Members will know from the Uruguay initiative. I commend the Government for its efforts to end the international trade war which is threatening the livelihood of our grain farmers. As the Prime Minister (Mr. Mulroney) pointed out in his address to the House on October 3, our farmers are being penalized through no fault of their own. They are being hurt and they have done nothing wrong.

As part of its deep commitment to agriculture, the Government is taking appropriate and effective action to end the injustices prevailing in global markets.

• (1710)

I hear the word "time", Madam Speaker, and I see my time has expired. Thank you very much for the opportunity to improve the mood and optimism of the Hon. Member for Davenport, the Hon. Member for Algoma, and the Hon. Member for Humboldt—Lake Centre concerning farmers and their ability to run their farms without a large government bureaucracy.

The Acting Speaker (Mrs. Champagne): Questions and comments.

Mr. Foster: Madam Speaker, the Hon. Member seemed to be going off sort of half-cocked, not really knowing much about the Canagrex organization and the fact that it was operating for several months. It was able to do a great deal while it was allowed to operate. The Hon. Member for Crowfoot (Mr. Malone) and the Hon. Member for Mississauga South (Mr. Blenkarn) do not seem to think producers of smaller volume agricultural commodities should have the same kind of assistance that we see offered to producers of major commodities through organizations like the Canadian Wheat Board or the Canadian Dairy Commission. I would be interested in knowing why the Hon. Member is opposed to these national organizations. I am really hard put to understand why producers of these smaller volume commodities should not have the same kind of assistance in marketing. I just do not follow the logic. I am sure the Hon. Member is not suggesting we should get rid of the Canadian Dairy Commission or the Canadian Wheat Board.

Canagrex, of course, would operate as a small agency to assist the smaller volume producer. I would be interested in knowing why he feels the producer of those commodities should not have the same kind of assistance from a small and specialized unit like Canagrex as it was established and operating a couple of years ago.

Mr. Malone: Madam Speaker, the Hon. Member thought I went off half-cocked. I want him to know that I am fully cocked. The Hon. Member tries to make out these sales he talks about as being rather significant and large. I submit that any objective analysis will show they are quite insignificant and small. Moreover, there is virtually no data or logical reason to believe that the sales made by Canagrex with its $6 million budget, buildings and people, would not have been made anyway. Those sales would have been made regardless. That is on the record and easily understandable. Another fact is that the information Canagrex obtained, it obtained from the Department of Agriculture.

What the Hon. Member is talking about is $6 million now, and 10 years from now it would be an amount that would make $6 million look pretty small. This is just another example of the fact that we are in different political Parties and I, for one, am glad we are. He is simply saying that as a Liberal he would build more buildings, create more bureaucracy, hold up a symbol, and believe it will do some good.

He asks about the Wheat Board and the Dairy Commission, am I going to destroy them. That is the difference between a Progressive Conservative and a Liberal. If you are a Progressive Conservative you ask your farm organizations what they want to do. They wanted a dairy policy and they got one. Before that the farmers said they wanted a Canadian Wheat Board and they got one. I am proud to be in the Party that was responsible for that. However, the overwhelming evidence from farming organizations all across the country was that they did not want Canagrex. The Progressive Conservatives are in government now and most of those organizations are saying "thank goodness" because now they do not have to live with Canagrex.

Mr. Foster: Madam Speaker, the Hon. Member says that farms across the country did not want Canagrex. In fact they did. The Canadian Federation of Agriculture, the Ontario Federation of Agriculture, the National Farmers Union and many other groups expressed grave concern when the Government destroyed Canagrex on black Thursday, November 8, 1984.

The Hon. Member says these crops are very small. I have a list of items from 1979 which might have benefited from Canagrex if it had been allowed to function. The list includes things like rapeseed oil and cake, $113 million worth of exports; soya bean cake and oil, $13 million; mustard seed and mustard flower, $21 million; animal feed, $168 million. The list goes on and on. In the horticultural field there are things, such as apples and apple juice, potatoes, peas, plus many other products, the sale of which could have been helped by an organization like Canagrex.

The Government seems bent mainly on reducing budgets. For example, the budget of the Department of Agriculture was reduced by some $50 million. The budget of the Farm Credit Corporation was reduced from about $825 million in 1984-85 to around $225 million this year. At the same time we see other Governments, such as the Ontario Government, increasing their budgets in these areas. The Liberal Government of Ontario has increased its budget in this area over the last 12 months by some 39 per cent. Yet the federal Government is cutting back at the very time when the world marketing of agricultural products is the toughest it has been since the 1930s.

Mr. Malone: Madam Speaker, I am not sure if this is going to be the easiest question or the hardest question I have ever answered. The Hon. Member reads off a long list of things which might have benefited from Canagrex if Canagrex had been around, along with a lot of other assumptions. The fact is that much of what the Hon. Member was reading off is what I referred to during my speech when I said we had achieved the sale of these products through existing agencies. That is not good enough for the Member for Algoma. He wants to spend $6 billion to build a building and then fill it full of bureaucrats. Today we essentially have one-stop shopping for agricultural sales into the international market. We have consolidated. There is a central area to which you can go which is working and effective. Had Canagrex proceeded we would still have the tripartite system of External Affairs, Agriculture, and Canagrex, and there would have been the continual government chase-around which was typical of the Liberal administration which confused everyone and was not making the export market work.

• (1720)

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, as the Member for Essex—Windsor it is essential that I participate in this debate if for no other reason that out of friendliness to my next door neighbour. There is a tremendous contradiction in what the Conservatives are saying in this debate. It is obvious that they have not studied the question and sorted it out. When they talk about international trade they say it is necessary and crucial that we expand our trade. For example, the Joint Committee on International Affairs concluded last spring that above all as a trading country we must dramatically expand our capacity to export our commodities and manufactured goods and to explore new markets to find new customers and customers for new products.

Yet the first thing that the Government succeeds in doing after taking power is to do away with an agency which was established expressly and explicitly to achieve that new market penetration, that expansion of trade internationally and that development of new product interest by potential customers in other parts of the world in what we produce in Canada.

I fear that there is simply no way that the Conservative Party can escape the fact that it is totally, completely and foolishly contradicting itself. On the one hand it says that it wants expanded trade and will push as aggresssively as possible to get it, and on the other it is saying that it will destroy, demolish and do away with an agency which, in its early months of operation, was quite successful in doing precisely what they now say they want to do. That demonstrates to us that this is not a discussion about a particular agency. It is a conflict within a governing Party which, when you boil it down, believes in ideology.

The Government believes that the private sector must somehow, no matter what the situation, be exalted, buttressed and turned into government policy. This is in contrast to the approach of accepting that there are realities in the world which must be dealt with and confronted. Most times those realities can best be confronted by assisting the private sector, but that assistance to the private sector cannot become a holy grail, it cannot become something that is so enmeshed in the brain of the governing Party that it becomes an end in itself.

We must have the kind of pragmatism which recognizes that when it makes sense to use a government agency we should create such an agency to do the job. It made sense in the past in many cases to create and use such government agencies. They have been used successfully by our railroads and airlines. Simply to assume ideologically, as the previous speaker did, that because it is not the private sector selling the products of

Canadian agriculture abroad somehow it is original sin, is to miss the facts of the history of our country.

When one looks objectively to see what Canagrex actually succeeded in doing, one sees that it was not the great fire-breathing dragon trying to get rid of the private sector as the previous Member suggested. It was, instead, a pragmatic, sensible agency meant to try to broaden our markets throughout the world and penetrate new markets which we had not previously succeeded in penetrating.

For instance, I quote from the comments of the President of Canagrex when he spoke before the Standing Committee on Agriculture in 1985. He described some of the things which Canagrex was actually carrying out. He said, "We were determined that we would leave the buying and selling to the private sector", which makes quite a mockery of the heart of the argument of the previous speaker who said that what was really devastatingly wrong with this dragon called Canagrex was that it was going to buy and sell. The head of Canagrex told us quite clearly and bluntly that it did not intend to buy and sell in the private sector. Instead, the objective of Canagrex was to "facilitate sales and provide information". What more common-sense, pragmatic approach could you possibly look for than that? I could go on with some of the actual facts which demonstrate what Canagrex was all about. I will continue to quote from the remarks of the President and Chief Executive Officer of Canagrex. He said:

> For example, we had a pork producer accompany our mission to Singapore. We had a potato producer travel with us to Cuba. We also had tobacco growers travel with our group to Egypt, Hungary and Czechoslovakia, where we initiated the negotiation process to assist in selling tobacco to these markets.

• (1730)

I might say that the Minister of Agriculture (Mr. Wise) would have far less of a problem facing his constituents in Elgin if he could point to Canagrex and say that the Government managed to find new markets through Canagrex which have succeeded in expanding their potential market, despite the fact that tobacco consumption in Canada is declining so dramatically.

Mr. Story went on to say:

> We were in the process of building close relationships with central buying agencies and private buyers in these and many other markets. We also conducted similar market development programs in the Phillipines, Colombia, Panama and Venezuela. The valuable market information which we gathered was fed back to the Canadian industry.

It was not sent back to that building of bureaucrats which the Member who spoke previously held up as somehow being the symbol of Canagrex. Rather, the information was fed back to the Canadian industry itself where it could do a good job in opening up new markets and providing that industry with new potential.

I see the Minister ducking in and out behind the curtains because he is undoubtedly embarrassed by the fact that tobacco farmers in Elgin County could have gained so much more from a Canagrex that was carried forward in this common-sense, practical way.

I am certain that is why the Minister first supported the notion of Canagrex when it was brought before the House. It was only through the pressures from his colleagues from the west, who I believe have always perhaps taken too ideological an approach to the farmers in our country, that he was forced to change his mind. I believe we must recognize that this common-sense, practical agency had managed to build new markets and new potential for all of us. Let me also say as an economist that it had done so at a most remarkably cheap price.

The question was asked: What was the cost to the Government of all aspects in establishing Canagrex? I want the House to remember this price when we are given this image of a huge building full of bureaucrats. The total price in establishing Canagrex was $2.659 million. Let us compare that to the free trade negotiations which have cost the Canadian taxpayer almost $2 million and so far have brought us nothing but disaster. When I make that comparison I cannot expect that less than $3 million for Canagrex would have represented some kind of colossal expenditure which would bankrupt the Canadian taxpayer. It is exactly the contrary.

In addition to that very low cost we must recognize that this agency was also succeeding in expanding its activities considerably. We see the same answer from the Minister of Agriculture, which tells us quite clearly that we had total sales of $16 million which Canagrex carried out. In addition—noting that this is not the head of Canagrex but the Minister who is providing this answer—there were transactions in process worth a potential $100 million, expected to be finalized by March 31, 1985. This agency, which cost less than $3 million, established this dramatic record within the first year of its operation. It achieved a sales record of potentially close to $116 million.

We have the further testimony from the head of Canagrex itself, which suggests that this was very much underestimated. Speaking to the same Standing Committee on Agriculture, he suggested that as of March 11, 1985, Canagrex was involved in potential projects of approximately $162 million.

It seems to me, as trade critic for our Party, that this kind of trade expansion, the penetration of foreign markets, and tremendous thrusts into the rest of the world are exactly what we should be doing in the context of our agriculture. This expansion is being severely limited by the United States Farm Bill. I believe all of us in the House have expressed our regret about that Bill, but as one who went to Uruguay as an observer with the GATT negotiations which took place there, I must address the previous speaker's comments that, "We have worked as hard as we possibly can in order to reduce that pressure from the United States with respect to the U.S. Farm Bill". In fact, through the Cairns group in which we rather weakly participated, and through the GATT conference itself in Uruguay, we experienced a major defeat which should be recognized as such.

While it is quite true that the question of agriculture was put on the agenda, it was not taken on in such a way that it

would have the kind of fast track urgency that all of us—observers and delegation members—wanted desperately carried forward in GATT. In fact, we were outmanoeuvred and outsmarted by the European Community. We did not play as forceful and strong a role within the Cairns group at GATT as we should have. Consequently, we did not get what we had hoped for in our attempts to improve world trade. So we have to look for other pragmatic, sensible ways to expand our trade world-wide. We cannot expect GATT to come to our rescue. Canagrex was one such approach. I have to express, if only for my neighbour in the green stetson, my sense of regret that the Government so ideologically did away with that institution at a time when in fact it could have contributed greatly to this country's agricultural exports.

• (1740)

Mr. Althouse: Mr. Speaker, I wonder if the Hon. Member for Essex—Windsor (Mr. Langdon) would be kind enough to explain some of the philosophy we heard in the House today since I know he is an expert in economic and political philosophies. Would he explain what seems to me to be a contradiction in some of the speeches we heard today, particularly the speech of the Hon. Member for Crowfoot (Mr. Malone), wherein he said he had to oppose the Canagrex legislation. His constituents made him do it because of the powers which were listed in the Canagrex legislation, particularly those powers that permitted the agency on occasion to buy and sell.

Could the Hon. Member explain to us, out of his knowledge of economic and political philosophies, why it would be acceptable, and seems to be acceptable, for the Hon. Member for Crowfoot and his colleagues to accept those kinds of powers in provincial legislation, since virtually all of the provinces have identical or nearly identical provincial legislation permitting them to market, buy and sell and trade agricultural products, but not federal? Does this have something to do with a Conservative philosophy of federal and provincial rights, and so on, or is it simply something which is very hard to understand?

Mr. Langdon: I think, Madam Speaker, that the first answer to that is to say it is something which is simply very, very hard to understand. It is yet another contradiction in the whole series of contradictions which have been demonstrated today in the debate on this Bill. And not just today. This Canagrex Bill has ground its way slowly through the House of Commons for some years now. One hopes that eventually a more practical, common-sense approach to the promotion abroad of agricultural products could somehow be taken by Members opposite.

I would just like to speak about that for a moment, if I may, not from a somehow philosophic or econometric perspective but just from the perspective of farmers within my constituency. Hay producers, for instance, in my constituency, would like very much to have markets explored throughout the world for some of the output they produce. Soya bean producers are devastated by the prices they have to accept this year as a result of the Chicago market perambulations. Wheat producers are hit by the U.S. Farm Bill and the subsidized sales of U.S. wheat, which have reduced their prices devastatingly. There are the corn producers. One could continue the list *ad infinitum*. These farmers face a tremendous crisis, and I think it is very important for a government of any stripe, but especially a government which sees itself as more pragmatic and more sensible, as the Minister, I know, likes to think of himself, to look at how this agency could have helped such farmers and farmers in the Minister's own constituency to reach other markets. I think a lot of the opposition to Canagrex in fact was bureaucratic opposition from the Department of External Affairs and the Department of Regional Industrial Expansion, and so on. I think those are the real culprits in Canagrex's death. But the Conservative Party is its pallbearer and it will have to bear the regrets of the country for what it has done.

Mr. Hopkins: I have a couple of questions for the Hon. Member, Madam Speaker. When the Hon. Member for Crowfoot (Mr. Malone) spoke, I am sure he succeeded in confusing some people because he started talking about the sale of grain. I would like the Hon. Member to comment on the relationship between grain and Canagrex. When the Hon. Member for Crowfoot began his remarks he said that the Hon. Member for Davenport (Mr. Caccia), who had just spoken, would not know a Hereford from a heifer. I think he would agree that sometimes a heifer can be a Hereford.

Mr. Wise: And the reverse is true.

Mr. Hopkins: I really think that remark indicated he was accusing the Hon. Member for Davenport of something that he himself did not appear to know anything about. Would the Hon. Member enlarge upon the statement of the Hon. Member for Crowfoot concerning grain and Canagrex? I am sure that must have been rather confusing to some people.

Mr. Langdon: I would certainly not want to enter into a lengthy debate on the Hereford-heifer debate which faces us. In Essex County, unfortunately, the dairy industry has been badly reduced in recent years. I would say that the comments of the previous speaker entirely overlooked the fact that the Wheat Board would continue to be the most prominent agency by far for selling grain. That is as it should be because it has a fine record. Canagrex was not expected in any sense to replace or undercut the activities of the Wheat Board.

I think the only conclusion to which one can come is that in this issue, as in so many others, the Conservative Party is fundamentally confused and contradicts itself. It talks about providing leadership to the country but in fact it provides confusion. It cannot sort out the kind of approach to agriculture, to trade, to industry, or to the whole range of our economic problems that would give this country the very badly needed direction which is so desperately needed in Canada in the 1980s.

Mr. Hopkins: I have a second question, Madam Speaker. When the announcement was first made of the dissolving of Canagrex, the Government announced that resources would be made available to the Department of External Affairs to continue the work of Canagrex. However, it would appear that this has not been the case. An examination of the Estimates for 1985-86 reveals no commitment in this regard whatsoever. The Hon. Member for Crowfoot made a great uproar about the $6 million initial cost for Canagrex. In my view, $6 million is nothing but petty cash to the present Prime Minister of Canada (Mr. Mulroney). I cannot see why the Hon. Member would complain so much about that.

• (1750)

Is the Hon. Member aware of additional funds which have been made available to promote the sale of agricultural products from Canada to other countries, particularly Third World countries?

Mr. Langdon: Madam Speaker, it is the case that in ministry after ministry cut-backs have occurred as opposed to expansions. This is true whether we talk about agriculture, external affairs or trade. It is simply not possible to see the expansion that the Hon. Member for Crowfoot (Mr. Malone) suggests took place. I think the Hon. Member's speech contained even more than the usual confusion which we so often hear from Conservative Members.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I too would like to congratulate you on taking the chair. I wish you every success in your new role. We in the House will try to do our best to make your life reasonably happy.

The debate today has been a very interesting one in that it has brought out the philosophy, particularly that of government Members, that anything sponsored by Government in the way of sales will never work. With respect to Canagrex as an instrument of sales it is interesting to note that its board of directors consisted in the majority of people from the private sector. That is almost tantamount to saying that once people from the private sector move into government they lose all their previous principles. I do not buy that. It is important to have people from the private sector in sales positions in government. It is important to have a good mix which will provide an ongoing experience to offer to them. In turn, those who are used to the business world will be very much aware of how to deal with the business community. I think this was an excellent arrangement for the management of Canagrex.

We heard from Members opposite about the tremendous job the Government has done in the field of agriculture. Some 317 points were mentioned but not listed. They sounded something like the 338 promises that we heard about a little over two years ago.

I would like to refer for a moment to the 1984 election campaign. In particular I would like to refer to the Tory candidate against whom I ran. In fact, some people say that I ran against two Tory candidates. One was the actual Tory candidate and the other was his twin brother, the Mayor of Brampton. It was not unusual for the Mayor of Brampton to visit my constituency for several days. It was difficult to tell one brother from the other. It was very handy to have the two of them roaming around the riding at once. So I feel I can say that I defeated two Tory candidates in the last election campaign, one being the Mayor of Brampton and the other the Tory candidate for Renfrew—Nipissing—Pembroke. It is tough out there, Madam Speaker.

During the same election campaign, in a debate sponsored by the Federation of Agriculture, my opponent stated that if the people would only give the Conservatives two years they would solve the agricultural problems in Canada. Those two years are long gone, and what are the Conservatives doing today? They are paying farmers to get off the farms. They are trying to pay them in order to rid them of their problems. They are really in there pitching for these people. It seems to be the only policy they can find. They cannot find policies to keep farmers on the land so they pay them to get off the land.

Canagrex was never given a fair chance to prove itself. No one in the House can say with any validity that Canagrex could not have been just as successful in foreign markets as the Canadian Dairy Commission and the Canadian Wheat Board have been in operating under their mandates. Are government Members saying that because the Canadian Wheat Board is public sector it cannot perform a job? It has been performing a job. It is part of the public sector. The Canadian Dairy Commission has been performing an excellent job, and it is part of the public sector. To say that Canagrex would never work is not giving it a fair chance or a fair hearing. It just cannot be accepted as the truth.

It has been said that nothing in the public sector will work. Members opposite will ensure that it does not work. We have in place a Government which has slashed the budget of the National Research Council in half while at the same time saying that jobs are not being destroyed. Members opposite say that jobs are not being destroyed but, rather, that they are being transferred somewhere else. In terms of research the job is ongoing. One does not come along one day, disrupt the jobs, send the workers off in different directions and then believe that the same production will be achieved with ongoing programs.

I read an editorial on the weekend which stated that the NRC could drop its number of employees from 3,000 to 1,500 by the year 1988. That is disastrous. It is suggested that the same type of situation could occur with Atomic Energy of Canada. And Members opposite would have us destroy Canagrex today. They tried it in the last Parliament and it did not work.

When the Bill was before the House in 1982, approximately 26 per cent of our world market was in Third World countries. What is needed in Third World countries if one is to sell agricultural products there? Dock equipment, storage equipment and transportation equipment are necessary to move

products to where they are needed. I ask Hon. Members to think what that would mean to the African continent today in light of what has taken place since 1982. Here is a major world market in which there is no infrastructure available to sell Canadian food properly. It is nothing new for food to be shipped to some countries in the world to rot on the docks before it ever gets delivered. Canagrex was specifically set up to deal with such circumstances. It was set up to sell aggressively. If one is to sell aggressively one has to be able to deliver one's product. To say that it would cost $6 million to set up Canagrex for major areas of the agricultural community when the Estimates project something in the order of $12.3 million over the first three years is like talking about peanuts to the Prime Minister and his Government. They keep that sum of money for petty cash. That would not even build an airport for the Prime Minister (Mr. Mulroney).

• (1800)

The Acting Speaker (Mrs. Champagne): Order, please. I am sorry to have to interrupt the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) but it is six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

PENSIONS—HOMEMAKERS' PENSION INQUIRY

Mr. Alan Redway (York East): Madam Speaker, tonight I want to tell you a little bit about a neighbour of mine. My neighbour is a very hard-working woman. She spends a good part of every day working around her home. She spends a good deal of time cleaning her home, dusting, polishing, vacuuming, sweeping and all of the other things that have to be done to keep a home or a building clean. If this neighbour of mine were to be doing these things outside of her own home, we would probably say that she was in the cleaning business.

This lady does a lot of other things as well. She spends a lot of time cooking for her entire family. She has to plan meals in advance, prepare those meals, serve them, collect the dishes afterward, wash the dishes, dry them and put them away. I venture to say that if she were doing that outside of her own home, you and I, Madam Speaker, would say that she was probably in the restaurant business.

In addition to that, she spends a lot of her time washing her own clothes and the clothes of members of her family. She hangs those clothes out to dry, brings them back in and gets them ironed, folded and put away. I suspect that if she were doing that outside of her own home, you and I, Madam Speaker, as well as other Canadians, would probably say that she was running a laundry business.

In addition to that, my neighbour has some children. She is kept pretty busy with those children. She has to make sure they get up in the morning in time to get to school. She makes sure they get fed, clothed and off to school. She has to be there when they come home for lunch and has to get them off to school again after lunch. She supervises their play and their homework and she engages in a little child psychology as well. I venture to say, Madam Speaker, that if she were doing this with other people's children, you and I would probably say that she was running a daycare centre.

My neighbour usually ends up dealing with crises around the home every day of the week. Sometimes she has to deal with a flooded drain, sometimes light bulbs go out. Sometimes her appliances go on the fritz and she has to make sure that they get repaired. If she were dealing with these things in someone else's home, you and I, Madam Speaker, would probably say that she was running a repair business, and because she has to call in other tradesmen, we might even call her a general contractor.

She does other things as well. She cuts the grass and hedges, applies fertilizer and shovels snow. If she were doing those things outside her own home, we would call her a gardener or a handyman.

In addition to all of those things, she is a community volunteer. When her neighbours are away, she looks after their homes and pets. If her neighbours are sick, she brings food for them. She is the person around our neighbourhood who collects for charities. She is the person who volunteers to help out. She is one of those people upon whom all of us depend on an unpaid basis to make our society continue to go around.

• (1805)

Who is this person? Some people call her a housewife. My wife would call her a household engineer. Other people would call her a homemaker. She is one of the hardest working people I know. Even though she works as hard as other workers, for some reason or another she is not entitled to a Canada pension. If she were divorced or separated, she might be entitled at some stage to the Canada pension credits of her spouse or former spouse. If she outlives her husband, she might be entitled to some of his Canada pension. However, she is not entitled to a Canada Pension Plan of her own.

Although our Party has promised her a Canada Pension Plan, a homemakers Canada Pension Plan, for some strange reason we have not yet delivered. I think it is time that we deliver. I hope the Minister will tell us tonight that the Government will be delivering very soon on a homemakers Canada pension. I also hope he will tell us the exact date when my neighbour and all other homemakers across the country can expect to get a homemakers pension.

Hon. Jake Epp (Minister of National Health and Welfare): Madam Speaker, may I say at the outset that it is a pleasure to see you gracing this Chamber and the chair. It is a pleasure to make my intervention this evening under your guidance.

The Hon. Member for York East (Mr. Redway) has put forward a very compelling case for the contribution of a homemaker in Canada. The innovative way in which he brought the matter to the attention of the House is to be commended. I must point out to him and to all Hon. Members that the Government has moved very dramatically on pension reform. It has brought about changes, for instance, in the PBSA. The Minister of Finance (Mr. Wilson) brought about changes in the last Budget regarding RRSPs. Also I am pleased to be associated with the changes to the Canada Pension Plan which will come into effect on January 1, 1987. It is an historic agreement.

It contains a number of changes, but in particular there is one regarding homemakers to whom the Hon. Member for York East referred. If there be a divorce or separation, a homemaker could possibly get some of the pension credits at the time of divorce. I think it is a good change.

A second one, which he possibly did not have time to mention, concerns Canada Pension Plan credits earned during marriage. They will be split between spouses at retirement if one of the spouses so requests. That is a second aspect in terms of homemakers who have not been in the paid labour force having a pension account of her own. In most cases it is "her own" as we know.

As well, CPP survivor benefits will no longer be withdrawn from widows or widowers who remarry, and benefits will be restored to those who lost them in the past. That affects approximately 35,000 people, most of whom are homemakers. On balance, some changes for homemakers have already been brought forward by the Government. I am sure the Hon. Member for York East not only recognizes that fact but applauds it.

Dealing with his specific question in respect of homemakers, a task force has been set up. It has already met six times, starting last July. It has been given one year in which to put forward a proposal for homemakers. As the Hon. Member knows, there is a need for provincial co-operation. However, I can tell him that the Prime Minister (Mr. Mulroney) has made statements relevant to homemakers. It remains an issue for him which he would like to see completed in this mandate. I can only reiterate his words that that is the approach we have taken. That is the reason for the task force, the time schedule, and work plan. I thank the Hon. Member for his representation.

• (1810)

SCIENCE AND TECHNOLOGY—NATIONAL RESEARCH COUNCIL'S BUDGET (B) NUMBER OF COUNCIL'S EMPLOYEES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I see the Minister of State for Science and Technology (Mr. Oberle) is here to answer some of the questions which I asked several days ago. It is unusual for a Minister to be here, but obviously he realizes that the information he is giving to the people of Canada with regard to the Government's science policy has not been accepted.

On October 9, I asked the Minister of State for Science and Technology two questions. First, how can the cuts to NRC research of $26 million be reconciled with the commitment of the Prime Minister (Mr. Mulroney) to double research and development in Canada? Second, can the Government guarantee that the 3,100 jobs at the National Research Council that now exist will exist at the end of next year? Since that time a good deal of information has come to light both about the Government's policy of rationalizing research and about the cuts being implemented at the NRC.

First, on the matter of research commitments, it is obvious that we can no longer assume that the target to double research and development in Canada promised by the Conservatives when they were in opposition exists. In the Throne Speech debate on October 8, the Minister of State for Science and Technology said, as reported at page 202 of *Hansard*:

> With regard to a target, where we ought to be in terms of the Gross National Product, I chose to ask the Science Council to help me establish realistic funding targets by examining each sector of our industry and by comparing what they are doing in terms of science and technology with what their competitors are doing in other parts of the world.

Why does the Minister have to ask that question, Madam Speaker? We know that Canada's expenditures for research and development are about 1.5 per cent of the Gross National Product and other countries are spending twice as much. The Minister is asking a question the answer to which he should know.

Can the Minister give us an indication that a doubling of the Canadian research and development effort is still a target and a priority of his Government, and, if so, when will this target of 2.5 per cent of GNP be met? After all, it was promised for the first year of this Government's life. In dealing with this issue, the Government must realize that its credibility is at stake.

A host of articles and editorials appearing in all major newspapers of Canada make it clear that the writers assume the Government has dropped the objective of 2.5 per cent of GNP for scientific research and development as being unrealistic. Surely that is the issue in a nutshell.

The Throne Speech makes sweeping commitments to research and development and then these commitments are undercut by actions of the Government. The Government goes on to say how great research and development investments are being made with the universities and the granting councils, but when you look at the billion dollar price tag the Minister is talking about, you see there is very little, if any, new money available. What new money will be available by the Government is contingent on private sector participation, participation which has never been there up to now and is not likely to be there in the next year or two.

Let us look at the whole question of the lay-offs at the NRC. This is what we have learned. A list now exists at NRC of 150 persons whose jobs no longer exist. This number will grow to 200 shortly. These persons have been told that only 40 to 80 jobs in the space program will be open to them and there will

be none in biotechnology. The options for many of these people are really quite unpalatable. They involve giving up a life's work in areas where they are recognized experts internationally or leaving the NRC and, in many cases, Canada to find equivalent work. What are the implications of this kind of decision making by the Government?

Research teams that are broken up are lost for perhaps a generation or longer. Those left behind have the job of picking up the pieces, trying to refashion research programs and units into coherent programs. The morale of staff is already much lower and the administration must try and sort out the chaos these cuts have precipitated. The Minister says the morale decline is our fault. Let him talk to people at the NRC and he will find out who they blame. People at the NRC are asking, with reason, if the Government is out to eliminate the NRC. This kind of procedure means a much less efficient research effort, again the exact opposite result the Minister says he wishes to have.

• (1815)

The Minister said that the work Dr. Polanyi did for which he got the Nobel prize was done at the University of Toronto. Of course it was. However, Dr. Polanyi came to Canada to work at the NRC. If the NRC was in the condition then that it is in today as a result of this Minister and his Government, the future Dr. Polanyis would stay away from the NRC and this country.

We say the Government should rescind those cuts. The Minister should at least let the committee dealing with science and technology meet immediately to hear from people at the NRC, and scientists in the community, and see what they really believe about what is going on regarding scientific research and development.

Hon. Frank Oberle (Minister of State for Science and Technology): Madam Speaker, I welcome the opportunity to respond briefly to the Hon. Member's inquiry because I very much share his concern for the future well-being and effectiveness of the NRC and the science community in general.

The combined budget of the NRC, roughly $400 million, is a fraction of the total expenditure by this Government on research and development and science-related activity. That amounts to roughly $4.2 billion. However, the NRC remains Canada's lead agency for scientific research. As the Hon. Member has indicated, there are a number of Departments and agencies now engaged in all kinds of fundamental and applied research. The Department of Energy, Mines and Resources, as well as our resource Departments dealing with forestry, agriculture and mining, as well as the Department of Communications, have major research facilities. Of course, much of the research affected by these reallocations is now done in universities.

Unlike the way it used to be before World War II and immediately after, a lot of the fundamental research is done in universities. This is where it ought to be because scientists have the responsibility of teaching our young people. That is one of the great priorities of our nation today. We have to develop the highly-qualified personnel we will need in the next century. That is why we introduced a program which will deliver to the universities $1 billion in additional funds for research over a five-year period. Yes, it does have to be matched by the private sector but, again, it is a critical priority for us to make sure that the research is done and the results are quickly applied and diffused.

There are linkages between the universities and the private sector and certainly the government laboratories and the private sector. The private sector is assuming more and more of its responsibility to do its own research in science-related activities. That is why we brought in such innovative tax measures. Some $500 million this year alone will be spent through tax incentives to encourage the private sector to do more of its research. As well, we are spending hundreds of millions of dollars in so-called subagreements with the provinces to channel scarce public resources through the provinces to the private sector for quick diffusion.

We live in a changing world. We are on the threshold of the dawning of a new age. All of us have to adjust to that. All of us have to recognize new priorities. Let me just identify three priorities which have come out of this painful process of consultation in which I have involved myself over the last two years. First there is highly-qualified personnel teaching our young people in the R and D and science-related effort we are making. Then we have the development of strategic technology. Then of course we have space, which will be the single largest repository of new knowledge and new technology.

• (1820)

There are some cuts in the NRC, but they will be offset immediately because they do not come into effect until the next fiscal year. They will be offset by the new tasks which have been assigned to the NRC. There will be 250 people in the biotechnology centre in Montreal. My friend says there is no new money. Eight hundred million dollars is being spent on space and the NRC will play a lead role in that.

I am hoping that the Hon. Member will help me to maintain and build on this great institution and to restore the morale that he and some of his colleagues have been attempting to destroy.

MULTICULTURALISM—FUNDING OF TORONTO ORGANIZATIONS (B) GOVERNMENT POLICY

Mr. Sergio Marchi (York West): Madam Speaker, congratulations on your appointment to the chair. I would like to refer to questions which I asked both the Secretary of State (Mr. Crombie), responsible for multiculturalism and the Minister of State for Immigration (Mr. Weiner) during the last week. There is a crisis in multiculturalism as it affects this Conservative, Tory-blue Government. It emanates largely from the two reports which I tabled in the House. One of these reports was from a Tory group consisting of Members of

Parliament and Senators from Toronto who suggested that the programs of immigration and multiculturalism should be manipulated to the advantage and political benefit of the Conservative Party of Canada. The report reads:

It was stressed that there should be nothing arbitrary about funding cuts or increases; Liberal funding patterns sould be disposed of—

—as if they exist—

—and a politically-intelligent PC pattern take their place. This may be accomplished by a gradual process of funding cuts and reallocations.

In very basic English, the Conservative Members and Senators from Toronto are saying that if the organization is Conservative, it will receive funding, but if it does not happen to share the philosophical bent of the Conservative Party of Canada, it will not receive funding. That is a shame. It is immoral, not only to think that, but to document it and to send it to the Prime Minister (Mr. Mulroney) of the country.

The second report to which I refer was written by one Peter McCreath, the Vice-Chairman of the Canadian Multiculturalism Advisory Council, a body consisting of 60 men and women appointed to advise the Government on multiculturalism policies which is funded to the extent of $350,000. Of the Council and its members, Mr. McCreath said:

They are all committed supporters of the Progressive Conservative Party of Canada, the Government of the Right Honourable Brian Mulroney, and the Minister of State for Multiculturalism—

He goes on to say:

Furthermore, our voluntary commitment to the Government, and our wish to see it survive beyond the next general election, together, give us the luxury of being able to assess the situation and present our recommendation solely in the context of what we truly believe is in the best interests of—the Government of the day.

He continues:

Whatever weakness may be inherent in any recommendations to Government from the CMC, they at least reflect informed advice and opinion from a selection of the Government's principal supporters from across Canada.

I suggest to you, Madam Speaker, that both reports are repugnant. Both reports are trying to manipulate immigration and multiculturalism structures which are in place to serve the ethnocultural community, which is a special interest group in this society, as are the farmers, fishermen, businessmen, labour unions, students and young people. These programs have a specific use and are not to be used as part of a Tory chess game in which the pawns are moved around like chattels.

The Prime Minister refused to get up in his place and defend the very essence of multiculturalism. He and his wife go across the country making great speeches and grand pronouncements about how rich Canada is with respect to its multicultural plurality. However, when it comes down to a request for him to stand up and defend the integrity of multiculturalism, the intregity of the role of a Canadian multiculturalism council, and to protect the integrity of ministerial permits rather than be abused for political gain, he refuses to do so.

• (1825)

The Secretary of State responsible for multiculturalism, treats it as a joke and says that he has not seen nor read the report. I suggest that it is high time that the Minister responsible for multiculturalism, who is a decent man and very well respected as a politician and former Mayor of Toronto, come clean and begin to defend the interests of his Department and his national constituency which he represents as the Minister responsible for multiculturalism, rather than defending and hiding behind the interests of members of the Conservative Party, be they elected or appointed.

The Parliamentary Secretary to the Secretary of State and Minister Responsible for Multiculturalism (Mr. Della Noce), with his Italian background, I believe shares some of the sensitivity of some of these groups in a very real and profound way. I look forward to him rising in his place because I asked his boss, the Minister responsible for multiculturalism, to refute the Tory report, to distance himself from it and say very categorically that it does not reflect the programs of the Government. He has failed to do that.

As far as the McCreath Report is concerned, I asked two specific questions. First, will he ask for the resignation of Mr. McCreath immediately because he can no longer serve in a non-partisan, effective way? Second, will he conduct a full review into the affairs and budget of this council so that the motives that have been impugned by Mr. McCreath will be eliminated and its integrity and credibility restored so it may do the honourable job for which it was designed? I look forward to answers to these questions from the Parliamentary Secretary or we will have to go to the Standing Committee on Multiculturalism to ask for a full investigation.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister responsible for Multiculturalism): Madam Speaker, this being the first time I have the pleasure of taking the floor while you occupy the Chair, I also want to congratulate you on your appointment.

Madam Speaker, I should like to respond to my colleague from York West (Mr. Marchi). I know he is dedicated to multiculturalism since we both share similar views, but I must tell you that our colleague the Hon. Member for York West is usually long on rhetoric and that oftentimes he has a tendency to blur the facts, especially with respect to the Toronto region. It is unfortunate that my colleague does not try to see things from a positive angle. He usually takes a rather negative approach. And I do not agree at all with what he said. During the little time I am allowed, not being as lucky as the Hon. Member who is allowed twice as much, I would like to start with the grants issue where I think the Hon. Member is not quite correct when he says that multicultural grants are strictly the preserve of Conservative Party members. Well, Madam Speaker, I can inform my hon. friend that the exact opposite happened when the Liberal Party was in power. And I

could tell him about the Montreal area where I come from. He may not know about the situation there, but we are going to make sure he does, because—

Mr. Marchi: Prove it!

Mr. Della Noce: Yes, I'm going to, right now. It was during my election campaign. When I went to speak to the Italian community, I said all Italians would be treated the same. Not just the Liberal Italians, as when his party was in power. And I want to use this example, because this year, I divided the small piece we got for multiculturalism fairly and squarely, and I can assure you that in addition to the Italian-Canadian Association and Congress, to which you would have given the whole pie, I decided to give a fair share as well to a group with Conservative leanings which was receiving a grant for the first time. The Ethnic Congress of Laval and the Sons of Italy have been around for 20 years, and they never got a cent from the Liberal Party because they had Conservative leanings. Actually, one person was Conservative and the 62 others were Liberals. He should talk! He wants to give us a lesson in moral behaviour. I can give my hon. friend all the proof he wants.

When the Hon. Members says that multiculturalism is on the way out, I can inform him that multiculturalism has progressed by leaps and bounds since the Conservative Party came to power.

If anyone is declining here, it's the Liberal Party, not multiculturalism which now has a brilliant future, no thanks to the Liberal Party. I can tell you that everybody, all the different ethnic groups are treated the same, no matter how much money is available. I can guarantee, Madam Speaker, that multiculturalism has a brilliant future in Canada.

The Acting Speaker (Mrs. Champagne): The Hon. Member's time has expired.

A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

APPENDIX A

(*See p. 495*)

MEMBERSHIP OF CABINET COMMITTEES*

Communications	
Chairman	The Hon. D. Mazankowski
Vice-Chairman	The Hon. M. Masse
Members	The Hon. R. Hnatyshyn The Hon. P. Beatty The Hon. H. Andre The Hon. T. McMillan The Hon. P. Carney The Hon. B. Bouchard The Hon. B. McDougall The Hon. M. Vézina The Hon. J. Charest
Economic and Regional Development	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. J. Crosbie
Members	The Hon. F. MacDonald The Hon. J. Wise The Hon. H. Andre The Hon. T. Siddon The Hon. C. Mayer The Hon. W. McKnight The Hon. T. McMillan The Hon. P. Carney The Hon. A. Bissonnette The Hon. B. Bouchard The Hon. M. Côté The Hon. M. Masse The Hon. B. McDougall The Hon. G. Merrithew The Hon. M. Vézina The Hon. S. McInnes The Hon. F. Oberle The Hon. L. Murray The Hon. P. Dick The Hon. P. Cadieux The Hon. B. Valcourt
Foreign and Defence Policy	
Chairman	The Right Hon. J. Clark
Vice-Chairman	The Hon. P. Beatty
Members	The Hon. F. MacDonald The Hon. J. Crosbie The Hon. J. Wise The Hon. T. Siddon The Hon. T. McMillan The Hon. P. Carney The Hon. M. Côté The Hon. J. Kelleher The Hon. M. Masse The Hon. F. Oberle The Hon. P. Dick The Hon. M. Landry The Hon. G. Weiner
Legislation and House Planning	
Chairman	The Hon. D. Mazankowski
Vice-Chairman	The Hon. L. Murray
Members	The Hon. G. Hees The Hon. R. La Salle The Hon. E. MacKay The Hon. R. Hnatyshyn The Hon. D. Crombie The Hon. J. Kelleher The Hon. P. Dick The Hon. J. Charest
Priorities and Planning	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Hon. D. Mazankowski
Members	The Right Hon. J. Clark The Hon. F. MacDonald The Hon. J. Crosbie The Hon. E. MacKay The Hon. J. Epp The Hon. R. Hnatyshyn The Hon. D. Crombie The Hon. R. de Cotret The Hon. P Beatty The Hon. M. Wilson The Hon. P. Carney The Hon. B. Bouchard The Hon. M. Côté The Hon. M. Masse
Security and Intelligence	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Hon. D. Mazankowski
Members	The Right Hon. J. Clark The Hon. R. Hnatyshyn The Hon. R. de Cotret The Hon. P. Beatty The Hon. M. Wilson The Hon. P. Carney The Hon. B. Bouchard The Hon. J. Kelleher

**N.B.* The Deputy Prime Minister, Minister of Finance and President of the Treasury Board are *ex officio* members of the Cabinet Committees on Economic and Regional Development, Foreign and Defence Policy, and Social Development. All Ministers are free to attend meetings of these Committees.

Social Development	
Chairman	The Hon. J. Epp
Vice-Chairman	The Hon. R. Hnatyshyn
Members	The Hon. G. Hees The Hon. F. MacDonald The Hon. D. Crombie The Hon. O. Jelinek The Hon. W. McKnight The Hon. T. McMillan The Hon. B. Bouchard The Hon. J. Kelleher The Hon. B. McDougall The Hon. S. McInnes The Hon. L. Murray The Hon. P. Cadieux The Hon. J. Charest The Hon. M. Landry The Hon. G. Weiner
Special Committee of Council	
Chairman	The Hon. D. Mazankowski
Vice-Chairman	The Hon. R. Hnatyshyn
Members	The Hon. E. MacKay The Hon. O. Jelinek The Hon. T. Siddon The Hon. C. Mayer The Hon. A. Bissonnette The Hon. B. McDougall The Hon. G. Merrithew The Hon. M. Vézina The Hon. L. Murray The Hon. P. Dick The Hon. T. Hockin The Hon. M. Landry
Treasury Board	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. M. Wilson
Members	The Hon. B. McDougall The Hon. M. Vézina The Hon. S. McInnes The Hon. F. Oberle
Alternates	The Hon. C. Mayer The Hon. T. McMillan The Hon. A. Bissonnette The Hon. T. Hockin The Hon. B. Valcourt The Hon. G. Weiner
Privatization, Regulatory Affairs and Operations	
Chairman	The Hon. B. McDougall
Vice-Chairman	The Hon. J. Crosbie
Members	The Hon. E. MacKay The Hon. R. Hnatyshyn The Hon. M. Wilson The Hon. H. Andre The Hon. M. Côté The Hon. M. Masse The Hon. P. Cadieux The Hon. T. Hockin The Hon. B. Valcourt
Federal-Provincial Relations	
Chairman	The Hon. L. Murray
Vice-Chairman	The Hon. R. Hnatyshyn
Members	The Hon. J. Crosbie The Hon. J. Epp The Hon. B. Bouchard The Hon. M. Masse The Hon. J. Charest The Hon. G. Weiner
Priorities and Planning Sub-Committee on Trade	
Chairman	The Hon. P. Carney
Vice-Chairmen	The Right Hon. J. Clark The Hon. M. Wilson The Hon. M. Côté
Members	The Hon. F. MacDonald The Hon. J. Crosbie The Hon. J. Wise The Hon. R. de Cotret The Hon. H. Andre The Hon. T. Siddon The Hon. B. Bouchard The Hon. J. Kelleher The Hon. M. Masse The Hon. B. McDougall The Hon. G. Merrithew The Hon. L. Murray The Hon. P. Cadieux
Ministerial Committee on the Development of the Montreal Region	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. M. Masse
Members	The Hon. R. La Salle The Hon. D. Mazankowski The Hon. A. Bissonnette The Hon. B. Bouchard The Hon. L. Murray The Hon. P. Cadieux The Hon. M. Landry The Hon. G. Weiner

APPENDIX B

THE CABINET
ORDER IN COUNCIL DESIGNATING ACTING MINISTERS

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise:

1. that in the absence from the National Capital Region of the Prime Minister or in the event of his being unable to perform the functions of his office
   (a) the Deputy Prime Minister, the Honourable Donald Frank Mazankowski, or
   (b) in the absence from the National Capital Region of the Deputy Prime Minister, the Honourable Donald Frank Mazankowski or in the event of his being unable to perform the functions of the office of the Prime Minister, the next Minister named in order of priority in the list of Ministers set out in Schedule A who is in the National Capital Region and is able to perform the functions of the Office of the Prime Minister,

   be authorized to act for the Prime Minister;
2. that in the absence from the National Capital Region of a Minister whose name is set out in Column II of an item of the Schedule B, or in the event of that Minister being unable to perform the functions of his Office, the Minister whose name is set out in Column III of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;
3. that in the absence from the National Capital Region of the Ministers named in Columns II and III of an item of the Schedule B, or in the event of both of those Ministers being unable to perform the functions of their Office, the Minister whose name is set out in Column IV of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;
4. that in the absence from the National Capital Region of the Ministers named in Columns II, III and IV of an item of the Schedule B, or in the event of all those Ministers being unable to perform the functions of their Office,
   (a) the Prime Minister,
   (b) in the absence from the National Capital Region of the Prime Minister or in the event of the Prime Minister being unable to perform the functions of his Office, the Deputy Prime Minister, the Honourable Donald Frank Mazankowski, or
   (c) in the absence from the National Capital Region of the Prime Minister and the Deputy Prime Minister, the Honourable Frank Mazankowski, or in the event of both of them being unable to perform the functions of their Office, the next Minister named in order of priority in the list of Ministers set out in Schedule A, who is in Ottawa and is able to perform the said functions,

   be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of that item;
5. that, where an Office set out in Column I of an item of Schedule B is vacant, the Minister whose name is set out in Column III of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item;
6. that, where an Office set out in Column I of an item of Schedule B is vacant, in the absence from the National Capital Region of the Minister whose name is set out in Column III of that item, or in the event of that Minister being unable to perform the functions of the Office set out in Column I of that item, the Minister whose name is set out in Column IV of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item; and
7. that, where an Office set out in Column I of an item of Schedule B is vacant, in the absence from the National Capital Region of the Ministers named in Columns III and IV of that Schedule, or in the event of those Ministers being unable to perform the functions of their Office,
   (a) the Prime Minister,
   (b) in the absence from the National Capital Region of the Prime Minister or in the event of the Prime Minister being unable to perform the functions of his Office, the Deputy Prime Minister, the Honourable Donald Frank Mazankowski, or
   (c) in the absence from the National Capital Region of the Prime Minister and the Deputy Prime Minister, the Honourable Donald Frank Mazankowski, or in the event of both of them being unable to perform the functions of their Office, the next Minister named in order of priority in the list of Ministers set out in Schedule A, who is in Ottawa and is able to perform the said functions,

   be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of that item.

SCHEDULE A

LIST OF MINISTERS TO ACT FOR THE PRIME MINISTER IN HIS ABSENCE OR IN THE EVENT OF HIS BEING UNABLE TO PERFORM THE FUNCTIONS OF HIS OFFICE

The Hon. D. Mazankowski
The Right Hon. J. Clark
The Hon. F. MacDonald
The Hon. J. Crosbie
The Hon. E. MacKay
The Hon. J. Epp
The Hon. R. Hnatyshyn
The Hon. R. de Cotret
The Hon. M. Wilson
The Hon. P. Carney
The Hon. M. Masse
The Hon. M. Côté
The Hon. G. Hees
The Hon. R. La Salle
The Hon. J. Wise
The Hon. D. Crombie
The Hon. H. Beatty

The Hon. H. Andre
The Hon. O. Jelinek
The Hon. T. Siddon
The Hon. C. Mayer
The Hon. W. McKnight
The Hon. T. McMillan
The Hon. A. Bissonnette
The Hon. B. Bouchard
The Hon. J. Kelleher
The Hon. B. McDougall
The Hon. G. Merrithew

The Hon. M. Vézina
The Hon. S. McInnes
The Hon. F. Oberle
The Hon. P. Dick
The Hon. P. Cadieux
The Hon. J. Charest
The Hon. T. Hockin
The Hon. M. Landry
The Hon. B. Valcourt
The Hon. G. Weiner

SCHEDULE B

LIST OF ACTING MINISTERS

	Column I	Column II	Column III	Column IV
	Office	Name	Acting Minister	Second Acting Minister
1.	Minister of Agriculture	J. Wise	C. Mayer	G. Merrithew
2.	Minister of Communications	F. MacDonald	D. Crombie	P. Cadieux
3.	Minister of Consumer and Corporate Affairs	H. Andre	W. McKnight	M. Côté
4.	Minister of Employment and Immigration	B. Bouchard	G. Weiner	J. Charest
5.	Minister of Energy, Mines and Resources	M. Masse	G. Merrithew	P. Carney
6.	Minister of the Environment	T. McMillan	T. Siddon	J. Wise
7.	Secretary of State for External Affairs	C. Clark	P. Carney	M. Landry
8.	Minister of Finance	M. Wilson	T. Hockin	R. de Cotret
9.	Minister of Fisheries and Oceans	T. Siddon	J. Crosbie	T. McMillan
10.	Minister of Indian Affairs and Northern Development	W. McKnight	J. Epp	P. Carney
11.	Minister of Justice and Attorney General	R. Hnatyshyn	J. Kelleher	J. Crosbie
12.	Minister of Labour	P. Cadieux	B. Bouchard	W. McKnight
13.	Minister of National Defence	H. Beatty	P. Dick	H. Andre
14.	Associate Minister of National Defence	P. Dick	H. Beatty	H. Andre
15.	Minister of National Health and Welfare	J. Epp	O. Jelinek	D. Crombie
16.	Minister of National Revenue	E. MacKay	B. McDougall	T. Hockin
17.	President of the Privy Council	D. Mazankowski	R. Hnatyshyn	E. MacKay
18.	Minister of Public Works	S. McInnes	M. Vézina	W. McKnight
19.	Minister of Regional Industrial Expansion	M. Côté	B. Valcourt	A. Bissonnette
20.	Minister of State for Science and Technology	F. Oberle	M. Côté	M. Masse
21.	Secretary of State of Canada	D. Crombie	F. MacDonald	B. Bouchard
22.	Solicitor General of Canada	J. Kelleher	R. Hnatyshyn	H. Beatty
23.	Minister of Supply and Services	M. Vézina	S. McInnes	T. McMillan
24.	Minister of Transport	J. Crosbie	A. Bissonnette	D. Mazankowski
25.	President of the Treasury Board	R. de Cotret	M. Wilson	B. McDougall
26.	Minister of Veterans Affairs	G. Hees	H. Beatty	R. La Salle
27.	Minister of State (Privatization)	B. McDougall	R. de Cotret	M. Wilson

HOUSE OF COMMONS

Tuesday, October 21, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

DISARMAMENT

ARMS CONTROL AND INTERNATIONAL SECURITY

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, over our Thanksgiving weekend, the eyes of the world were focused on Reykjavik. There, the Leaders of the United States and the Soviet Union met to reinvigorate the summit process begun last year in Geneva and to narrow some of the many differences which divide them. Their goal was to give the process impetus, and they succeeded.

Arms control and security are the central international issues of our time and the manner of their resolution will shape the global outlook for decades to come.

It is still too early to provide a final assessment of this latest meeting. The task now in Washington and in Moscow is to ensure that the progress which appears to have been made is not wasted. All Governments share in this responsibility and we in Canada must do our part.

Today, as a contribution to our own discussion and debate within this House, and in the country at large, I would like to make some brief observations about the nature of the Reykjavik meeting in the broad context of East-West relations.

[*English*]

First, Sir, it would be well to remember that Reykjavik was but one staging point in the difficult and unending process of managing the relations between East and West. During the meeting, both sides moved more than anyone had thought possible. Immediately after the meeting, both sides reflected their disappointment that the breakthrough that was so close did not occur. Now, reflecting on that progress, both sides agree that the proposals made in Iceland are still on the table, still in negotiation.

This process of building East-West relations has been proceeding with renewed intensity since January, 1985. Reykjavik was designed not to conclude new agreements but to lay the ground for them. Whether history will judge it a success depends entirely on the use that is made of the progress in Iceland.

The most notable aspect of the Reykjavik meeting is the extent to which both sides were able to reach understandings on the whole range of nuclear weapons and testing. They agreed provisionally to reduce by 50 per cent within five years the main components of their strategic nuclear arsenals: land-based missiles, submarine-launched ballistic missiles and strategic bombers. At one point in their discussion, they also agreed to eliminate ballistic missiles completely in 10 years.

On intermediate-range nuclear weapons, there was similar provisional agreement on their complete elimination from Europe within five years, with the U.S.S.R. and the U.S.A. each retaining only 100 warheads in Soviet Asia and the continential U.S.A. respectively. The U.S.A. and the Soviet Union also agreed on the need to negotiate reductions in short-range nuclear arsenals.

There was mutual acceptance of a step-by-step process for reducing nuclear tests, leading eventually to a complete cessation of tests once nuclear weapons had been abolished. There was a broad convergence of views on the verification procedures to be applied to the various measures.

The fact that such detailed discussions occurred and resulted in such wide-ranging, if tentative, agreement attests to the seriousness and dedication with which the two sides have been approaching their task. The main significance lies in the demonstration that major, negotiated reductions in nuclear arsenals need not be an impossible dream.

At Reykjavik three lessons were reinforced. The first two are: both sides are serious; and arms control is possible. But the third lesson is that arms control will not come easily. It is a deliberate and difficult process.

The more sobering element of reality as it has emerged from Reykjavik lies in the fact that the two sides remain far apart in their views on the future role of strategic defences. This is not a question of saying yes or no to SDI but of finding a way of managing the research on defensive weapons in which both sides are engaged.

A key issue between the two Governments is whether research is limited to the laboratory under the existing ABM Treaty. That, Sir, is a treaty with two signing parties: the United States and the Soviet Union. Its text does not refer directly to research, although the private negotiating record of either side may mention research. The agreement on what precisely is intended in that treaty is for these two Governments which are the parties to the agreement to work out.

It is important to note that this is a different issue from the debate we have seen in recent months over what is allowed by agreed statement "D" of the ABM treaty referring to ABM systems based on other physical principles. Our interest in

Canada is to ensure strict adherence to that treaty, and continued respect by both sides for the integrity of this fundamental arms control document.

The situation today in no way represents a step backward from the situation as it existed prior to the Reykjavik meeting. Technological, political and legal uncertainties and disagreements have always characterized the debate on strategic defence. Even in this area, however, there has in our judgment been some movement toward better mutual understanding, in that the legitimacy of research related to strategic defence is now accepted by both sides. In a treaty that refers explicitly only to "development, testing and deployment", the issue has become, in effect, what are the limits of permissible research.

[*Translation*]

Mr. Speaker, we ought not to allow ourselves to focus exclusively on nuclear and strategic arms questions as if they constituted the totality of East-West relations. True, these issues have inescapably become the central element of this relationship, but they should not be seen in isolation from the broader context. There are other areas of arms control, most notably in relation to chemical weapons, where there is ground for cautious optimism. Further, we understand that on human rights questions and on a range of bilateral matters, progress continues to be made.

Mr. Speaker, I should add that I was encouraged by my own talks on human Rights with Soviet Foreign Minister Shevardnadze, when he visited Ottawa. Our discussion was frank and more open than I believe has been the case before. Canada believes progress here and on regional issues is essential to enable us to establish trust in each other's intentions. This process of building trust is far from finished.

Peace and security require patience and persistence. Emotional swings between exaggerated expectations and gloomy foreboding do not facilitate the necessarily careful and painstaking way in which difficult policy choices must be tackled.

As both the Prime Minister (Mr. Mulroney) and I have made clear, the USA and USSR have made remarkable progress on the central arms control and disarmament issues over the past months. They are still seriously engaged in the task of seeking compromise on remaining areas of disagreement.

• (1110)

We are encouraged by the public undertakings of both the President and the General Secretary to build on the progress which was achieved at Reykjavik. The resumption last Wednesday in Geneva of the nuclear and space negotiations can only be regarded as more good news.

[*English*]

The superpowers have succeeded in bringing a major arms control agreement tantalizingly close.

We cannot stop here. We have to move ahead. Arms control is a fragile process. Its environment must be protected. It is therefore doubly important that all actions be resisted which might be seen as weakening or unravelling the existing international framework on which East-West relations and arms control are built.

Much attention has been focused on SDI and the ABM Treaty. The Geneva negotiations will need to resolve the differences that continue to exist here. Progress in other areas should not be held hostage to the resolution of these difficulties. Our European allies are especially concerned with intermediate nuclear forces. Canada would like to see an agreement in this area as well as in the area of strategic weapons, which threaten us directly.

Canada believes firmly in the value of the confidential negotiating forum. It is, in the end, irreplaceable. But it can be aided through techniques such as special envoys and, as we have just seen, by summits. We would urge both superpowers to continue to use all these techniques, and not rely on negotiating in public.

If a summit in Washington this fall is now unlikely, setting a date for early next year could help maintain the impetus of the process.

Canada is involved in East-West relations as a member of the NATO alliance. That alliance is the foundation of our security. What happens at the negotiating table between the U.S.S.R. and the U.S.A. has a direct bearing on our own security. We are at the same time a nation dedicated to peace. Canadians have always worked for peace and international understanding. We have not, and will not, hesitate to make our views known: Publicly when that is appropriate; privately on a permanent basis.

But Canada's role is not simply to give advice. Many of the persisting obstacles to negotiating progress arise directly from a lack of trust. The priority attention Canada has given to verification issues in particular attacks this question directly. Arms control agreements alone do not produce security; confidence in compliance produces security. Verification justifies that confidence. Such an approach enhances the credibility of Canada's counsel.

Canada's participation as a western country in the process of building East-West relations will continue. The visit to Canada in the last month of Soviet Foreign Minister Shevardnadze and the Czechoslovak Prime Minister were part of this process. Early next month I will travel to Vienna for the opening of the CSCE follow-up meeting which deals with East-West relations from the human rights, security, economic and human contact dimensions. It provides us with yet another opportunity to move the process ahead in an integrated comprehensive manner.

Our hopes for real progress in East-West relations were strengthened by the developments at Reykjavik. Canada has been in touch with both sides, before and since the meeting in Iceland. We will continue to use all our resources to help the United States and the Soviet Union build on what they began.

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I should say at the outset that I have rather mixed feelings about the appearance here today of the Secretary of State for External Affairs (Mr. Clark) and the comments he has just made. I should also say at the outset that he had the courtesy to deliver to me a copy of his comments this morning so I have had an opportunity to look at them. I am pleased that he is here and using the House as a forum within which to advise the Canadian people and parliamentarians of the policy of the Government. However, I hope that when he appears before the Standing Committee on External Affairs and International Trade he will be somewhat more forthcoming and somewhat more courageous than he has been here today. It is not clear to me why this statement has been delivered in the House of Commons.

[*Translation*]

I must say I was very disappointed in the substance of what he just told us, Mr. Speaker. We have been offered nothing but generalities and *clichés* on disarmament and Canadian policy.

[*English*]

His comments are optimistic in the aftermath of the Reykjavik Summit meeting. He saw progress arising from that summit between Mr. Reagan and Mr. Gorbachev. To a degree I share that optimism. However, I must say it has been very much tempered by the outcome.

[*Translation*]

In my view, a historic opportunity was lost in Reykjavik. Will there be others? We can only hope so. Mr. Speaker, behind the clouds the sun continues to shine and for a few moments in Reykjavik, the clouds lifted.

[*English*]

Yet the clouds returned and, as I said, the opportunity was lost. It was lost because of the insistence of the United States on continuing to develop its star wars initiative, the Strategic Defence Initiative, beyond laboratory testing.

The Minister declared, and I read from his statement:

[*Translation*]

"Canadians have always worked for peace and international understanding. We have not hesitated, and will not hesitate to make our views known: Publicly when that is appropriate, privately on a permanent basis."

• (1120)

[*English*]

Canada has not made known its true views on the SDI initiative of the United States. The Secretary of State for External Affairs certainly did not do that this morning. In fact, if anything, the Minister's statement waffled on a very important issue. I am amazed at the extent to which the Secretary of State for External Affairs has attempted not to speak out, having declared in the closing paragraphs of his remarks that Canada never hesitates to speak out.

The Minister referred to the Limitation of Anti-Ballistic Missile Systems Agreement which was adopted in May, 1972, between the superpowers. That ABM Treaty is very much at the heart, from a legal point of view, of the disputes surrounding the Strategic Defence Initiative. With respect to it the Secretary of State for External Affairs said:

The agreement on what precisely is intended in that treaty is for these two Governments who are the parties to the agreement to work out.

That sounds as though this were some sort of private contractual relationship between two individuals or two corporations. As the Secretary of State for External Affairs himself has said, this treaty goes to the very heart of world security, yet he refuses to offer the Government's view as to how the star wars initiative can be rationalized with the terms of that treaty.

I will read the most relevant article from the treaty. Article V reads:

1. Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based.

2. Each Party undertakes not to develop, test, or deploy ABM launchers for launching more than one ABM interceptor missile at a time from each launcher, nor to modify deployed launchers to provide them with such a capability, nor to develop, test, or deploy automatic or semi-automatic or other similar systems for rapid reload of ABM launchers.

Does the Secretary of State for External Affairs not have a view on the application of Article V to the Strategic Defence Initiative of the United States? I suspect that he does have a view and has not yet disclosed it to us in the House. I hope he will before the committee.

My real point this morning is not to debate legalities, not to get into nitpicking legal argument as to whether something is or is not covered by Article V. The real issue is political will, the importance of world leaders exercising their respective judgments on behalf of the peoples they lead and not being the captives of nitpicking bureaucrats. That applies to the Soviet Union as it applies to the United States and the Minister. If I ever saw a statement which was prepared by nitpicking bureaucrats, it is the one which the Minister read to us this morning. When Pierre Elliott Trudeau put the nuclear accountants in their place he made the point that it is up to leaders to exercise their judgment. That is the only way in which progress is going to be made. That is the way in which progress must be made. There must be trust between the leaders.

I suggest to the Minister and my colleagues in the House that the Strategic Defence Initiative is, by definition, a statement of mistrust. We in our Party see it as much more than a statement of mistrust. We see it as destabilizing, as an escalation in the arms race and as an incredible waste of precious resources which could and should be applied to raising the quality of life on this planet, especially in the Third World. We all know that in the long term it is that growing economic disparity which poses the greatest threat to mankind.

The Secretary of State for External Affairs has not spoken out. He has not revealed his true beliefs. Surely he saw

Reykjavik as a unique opportunity for a major breakthrough in arms control and disarmament, and that major opportunity has been jeopardized. I know that as the Minister watched this scenario unfold he probably recalled the words of Shakespeare who said:

> There is a tide in the affairs of men,
> Which, taken at the flood, leads on to fortune;
> Omitted, all the voyage of their life
> Is bound in shallows and in miseries.

I ask the Minister to do his part, to speak out to the United States, the Soviet Union and the world to ensure that that tide is recaptured in the interest of international peace and security.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will begin my comments by agreeing with the Secretary of State for External Affairs (Mr. Clark) that the whole world was indeed watching what was taking place at Reykjavik on Thanksgiving weekend. It watched with a great deal of hope that the two superpowers might reach an agreement, not simply on limiting weapons of one kind or another but on serious reductions of weapons. That was the hope, not only of Canadians but of people throughout the planet.

[*Translation*]

The Secretary of State for External Affairs said that the superpowers have made progress. That is true. The Minister stressed that the two parties have agreed to put certain suggestions they discussed in Reykjavik on the table. They intend to continue their discussions, and I agree. We have seen progress at certain levels, but it is also true that the superpowers have lost an historic opportunity. I hope that this time, the loss will be only temporary, but the fact is there just the same.

[*English*]

They did lose what was almost within their grasp. It is with some sadness that the people of Canada and all the people of the world note this reality.

In this context we in this House have been rightly critical of the Soviet Union for many years, not only on internal arrangements about civil liberties, on which there is total agreement in this House, but in particular of the Soviet Union's reluctance to open itself to outside observers to ensure that agreements entered into were implemented. As I said, we have been rightly critical. Those of us who live in open societies have been trying to feel our way toward sensible proposals which could lead, not only to arms control but to disarmament. We have been critical of the Soviet's reluctance to open up.

• (1130)

A year ago last summer in Geneva I had occasion to have very serious discussions, back to back, with the principal Soviet negotiator Mr. Karpov on the one hand, and the principal American negotiator, Max Kampelman, on the other. Let me say, in the context of what took place at Reykjavik, that having had these conversations with these two key representatives of the two superpowers I certainly did not come away with any high degree of optimism. It seemed to me a year ago last summer that both the Soviet Union and the United States were locked into positions that made it almost impossible for an agreement to be reached. Neither side seemed willing to make key concessions.

I wish the Secretary of State for External Affairs had been open on this point.

If one looks at what was agreed to at Reykjavik in terms of the shifting of positions, I think it is clear that the Soviet Union made the major moves. There were half a dozen key positions, including verification procedures, to which they rigidly held. We saw them shift ground as they needed to shift ground. It seems to me that when we in the House and throughout western democratic society see that kind of move taking place, particularly under new leadership in the Soviet Union, which may now be challenged as a result of some shifts that have been taken, we ought to give credit where credit is due. I see the Secretary of State nodding his head in agreement with that point.

There were moves on both sides, but the major moves were taken by the Soviet Union. I think we must carefully look for the stumbling block that led to the breakdown of what could have been an historic agreement. I believe the evidence is very clear, if we do not blind ourselves to it. The stumbling block, as I see it and which, frankly, as disinterested observers in Europe and indeed the United States and our country see it, was in fact President Reagan's insistence on the United States' right to go ahead with the development of testing of star wars during the next 10 years and the right to deploy such a system at the end of the decade. I use those words with care and say to the Secretary of State for External Affairs that such development, testing and deployment are in clear violation of Article V of the ABM Treaty.

I would have liked the Secretary of State for External Affairs to say that clearly in the House today. It is very important for us to understand as a nation, and very important for the world to understand that the stumbling block to reaching an agreement in terms of all the documents that have emerged and statements that have been made has been the United States' insistence in these discussions on its right to break the existing ABM Treaty. I believe that is the unvarnished reality.

The spokesperson for the Liberal Party has read Article V so I will not repeat it. However, not only is the U.S. proposal a violation of Article V, it is important to note that by pursuing this course of action at Reykjavik the United States in fact reversed Secretary of State Shultz's commitment to a "restrictive interpretation" of the treaty which is very precise in prohibiting testing and development of the star wars system.

In this context let me say that the Secretary of State for External Affairs himself cited Mr. Shultz on this point in the Standing Committee on External Affairs and National Defence on December 4, 1985. He cited with approval Mr. Shultz's restrictive interpretation definition of the ABM

Treaty. Furthermore, not only did our External Affairs Minister correctly stress the restrictive interpretation and correctly point out that Mr. Shultz, in disagreement with some other U.S. officials, had taken this restrictive interpretation, since the two key members of the U.S. delegation who in fact negotiated the ABM Treaty have confirmed that the intent and wording of the ABM Treaty was to exclude the development and testing of systems like star wars. Mr. Gerard Smith and Mr. John Rhinelander, two principals of the team that the Americans had negotiating the ABM Treaty, are saying that that treaty prohibits quite categorically the development and testing of a star wars type system. That is precisely what President Reagan was insisting upon as the United States, right at Reykjavik.

In today's statement the Secretary of State for External Affairs made no reference whatsoever to this crucial point, which is the nub of the issue. Why is the Secretary of State for External Affairs avoiding the central question? It is one matter to go and talk about the precise limits of research, but it is quite another to miss the key point, as the Secretary of State for External Affairs has done.

Not many weeks ago he was quite happy to talk in specific reference to the ABM Treaty and a restrictive definition. Now he has shifted ground entirely and says that what is at issue and what must be talked about, according to the Secretary of State, are: "the limits on permissible research which now has become the issue". Surely such a narrow discussion as "the limits on permissible research" is now described as the issue only because the United States administration has refused to back away from insisting on its right to test and deploy the star wars system. Instead of forthrightly criticizing the Reagan administration for this, the Secretary of State for External Affairs is now helping them get the focus away from their desire to violate the ABM Treaty. I say to the Minister that this is unacceptable to the people of Canada and unacceptable to all those who want independent nations to work toward disarmament at this point in world history.

Surely Canada must show some real independence in this matter. We must be telling the Reagan administration that it is wrong. The Secretary of State for External Affairs says: "It is not a question of saying yes or no to SDI but of finding a way of managing the research on defensive systems in which both sides are engaged". With respect, I say to the Minister that he is wrong. It is a matter of saying no to SDI, whether it is developed in the Soviet Union or the United States. The ABM Treaty was quite specifically designed to avoid the development of new technologies for this kind of weapons system. It is time that we put an end to this kind of lunacy in the world and we have an oblilgation to say so.

What seems to be clearly involved in the pursuit of the Reagan administration—not the American people—is the scuttling of the ABM Treaty. The Minister talked about looking at these new grounds for discussion and new grounds for agreement. I ask him, what use can a new agreement be if we stand by and watch either one of the superpowers undermine existing agreements? We have now a rather fragile instrument in the world in this field and that is the ABM Treaty. We have an obligation as a nation not to stand back and let the superpowers do whatever they will. We must exercise our influence with dispassion, with care and with intelligence, and that means when one of them is clearly wrong we should say they are wrong. When one of them is taking steps which could seriously jeopardize the development of peace, we should be saying so.

• (1140)

I want to say in this context that the Right Hon. Pierre Elliott Trudeau—despite all those other particular matters about which my Party and I disagreed with him—had an appropriate sense of the role that Canada could play. He, along with Olaf Palme, the Prime Minister of India and the President of Mexico, had shown remarkable independence in criticizing both the United States and the Soviet Union when they were wrong. I wish we had that kind of independent thought functioning in foreign policy, especially on disarmament, today.

I urge the Secretary of State for External Affairs to think carefully about what he has said, note that he missed the essence of the problem, reconsider his policy and start showing some independence which could have some concrete results leading to disarmament in this world of ours.

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NATIONAL ANTHEM ACT

MEASURE TO AMEND

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-232, an Act to amend the National Anthem Act.

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

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, this Bill to amend the National Anthem Act remedies a situation which has existed in the words of our National Anthem "O Canada" since it was first approved by the Parliament of Canada, particularly the reference to "all our sons" which leaves out a very important sex in our society. This amendment would eliminate those words "all our sons" and replace them with the words "all of us", thereby eliminating the sexist reference in our National Anthem.

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

Introduction of Bills

CRIME VICTIMS ASSISTANCE ACT

MEASURE TO ENACT

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-233, an Act to provide assistance for victims of crime.

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

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, this Bill enacts a new statute called the Crime Victims Assistance Act. Those who are familiar with the administration of justice in Canada will know that there is no recognition or status given in our system to the victims of crime. This legislation will remedy that situation and provide specific remedies for victims of crime. It is the kind of legislation which is long overdue.

It was referred in the last session of the House of Commons to the Committee on Justice for consideration.

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

* * *

MISSING CHILDREN SEARCH ACT

MEASURE TO ENACT

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-234, an Act to require assistance in the search for missing children.

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

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, this Bill would enact the Missing Children Search Act. There are some problems in society about which we can do little. One problem about which we can do much is the subject of missing children. This is one measure to assist in that problem and I hope it receives the favourable consideration of the House.

This Bill in the first session of this Parliament was considered by the special committee which considers Bills and rejected. With the wide interest there is in this Bill across Canada, I think that decision should be considered as the Bill comes again before the committee.

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

JUDICIAL APPOINTMENTS ACT

MEASURE TO ENACT

Mr. Alan Redway (York East) moved for leave to introduce Bill C-235, an Act to amend the Federal Court Act, the Northwest Territories Act, the Supreme Court Act, the Tax Court of Canada Act and the Yukon Act.

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

Some Hon. Members: Agreed.

Mr. Redway: Mr. Speaker, as you know, under the new rules of the House, all appointments that are made by the federal Government to federal boards and agencies are subject to review by Parliamentary Committee. That right does not apply when the federal Government appoints a judge to a federal court. This Bill would require after the appointment, or upon the appointment of judges by the federal Government, that the appointment be reviewed by a Parliamentary Committee.

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

* * *

SOCIAL INSURANCE NUMBER ACT

MEASURE TO ENACT

Mr. Reginald Stackhouse (Scarborough West) moved for leave to introduce Bill C-236, an Act respecting the use of Social Insurance numbers.

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

Some Hon. Members: Agreed.

Mr. Stackhouse: Mr. Speaker, the objective of this proposed legislation is to protect the privacy and freedom of the individual. Increasingly, the Social Insurance number has been employed as a kind of national identifier. It has been used by landlords, merchants, banks, credit agencies and insurance companies in a way which involves the potential invasion of the privacy of the individual, opening up to institutions and agencies information which should not be publicly available.

• (1150)

The intent of this Bill is to restrict the requirement of the Social Insurance Number only to those activities that are covered by Acts of Parliament and require the use of that number, which was the original intent of the SIN. My Bill would restore that practice.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed from Monday, October 20, consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: I wish to inform the House that because of the ministerial statement Government Orders will be extended by 38 minutes beginning at one o'clock.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the last 48 hours I have had the opportunity to spend several periods of time talking with various agricultural organizations and groups in western Canada. It is hard to put into words the depth of concern and anxiety that they feel about the incredible crisis being felt in our commodity markets. Western Canada and, indeed, the entire agricultural sector of Canada know that they are in the fight of their lives, that many signs and portents are clearly apparent which point to a challenge and a threat to the basic underlying strength of this sector. I say this because of the actions by other countries to substantially increase the support and assistance they give to agricultural export markets.

The problem we face is one of basic over-supply of many of our basic commodities, particularly in the area of grain. We all know exactly how serious that is and how, at the present time, there is no apparent answer. I grant full well that the decision taken at the meetings in Uruguay to commence negotiations was a step in the right direction. However, it is a step that will take years to bring to fruition. In the meantime we are faced with the actions in the United States under the U.S. Farm Bill, which are not over. Those who think that the worst impacts of the U.S. Bill have been felt up until now are kidding themselves. It is clear that the discretion under that piece of U.S. legislation to continue to ratchet down prices and provide export subsidies will continue. The discussions I had with U.S. officials in Punta del Este, Uruguay, only confirmed that.

It is clear that the objective is basically to put a lot of us in the agricultural trade out of business. The high volume-low price theory is being emphasized. No mercy will be shown to any country. This clearly points out the necessity for an export strategy, a world-wide trade strategy specifically designated to assist our agricultural sector. We do not have this at the present time. There is no trade strategy on agriculture. There is but a series of *ad hoc*, capricious reactions to events. There has been a wide variety of attempted bail-outs, but there is nothing coherent, nothing that is able to provide any clear direction as to how we might meet the challenge we face.

I would like to give Hon. Members an example of this. At the negotiations undertaken in Uruguay to put agriculture on the table it was clear that many countries felt that Canada was not playing its role to the fullest, in essence, not pulling its fair share. I say this because one of the things we obviously avoided doing at those meetings was make any effort to introduce into the talks how we could substantially increase the earnings and incomes of many Third World countries which, as a group, have come to form our second-largest customer over the years.

The level of Canadian agricultural exports to Third World countries over the last five years has dropped by almost 40 per cent. No one can take satisfaction in that figure. One would think that it would be in the Canadian interest to put into place the type of measures or proposals which would give much stronger levels of assistance to those countries in order to increase their cash flows so that they might be able, once again, to come back in to the market and procure our various commodities. However, Canada took no such initiatives in that direction. I report to Members of the House that this inaction caused a great deal of regret on the part of many officials of other countries to whom I spoke who asked, "What is wrong with Canada?" I was asked why we were not out there leading in this particular area.

I see that the Minister of State for the Canadian Wheat Board (Mr. Mayer) is in the House. I would like to repeat to him what his colleague from Argentina had to say about the performance at Cairns. It was not particularly complimentary. In other words, Canada did not achieve the type of stimulation in terms of a broad-based discussion of the areas we had to initiate.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Madam Speaker, Members opposite laugh. Out of deference to the sensitivities of the Minister I will not repeat the words that were used and printed in *The Financial Post* and other newspapers for all to see.

The fact of the matter is we do not have a clear strategy as to what we are attempting to achieve. To make matters worse,

we now have legislation before us to dissolve Canagrex after some two years. Once again the Government has shown its dispatch in terms of dealing with these types of matters. The formation of Canagrex was designed to give Canada the opportunity to develop new markets around the world for a wide variety of agricultural products that are not covered by the Canadian Wheat Board. In a sense, Canagrex was the equivalent of the Canadian Wheat Board. It dealt with a range of alternate commodities. I only wish to point out what is apparent, that is, the illogic and inconsistency of Conservative Members of Parliament from western Canada who on any and almost all occasions stand up and swear by the sanctity of the Canadian Wheat Board, but who are not prepared to grant the same type of resources to other agricultural commodities. How is it logical to say that what is good for grains is not good for fruits, vegetables, honey and other products?

• (1200)

Mr. Malone: Because farm groups don't want it.

Mr. Axworthy: I hear a tinny voice from the background. Of course the farmers want it. The Canadian Federation of Agriculture supported it. Is that not a farm group? The last I heard, it represented a lot of farmers.

I suppose the Conservative Party no longer recognizes the Canadian Federation of Agriculture. Tory Members have dismissed it. I want it put on the record that members of the Conservative Party no longer recognize the Canadian Federation of Agriculture. That will come as some news to the Federation. Now we know one of the reasons why the Government is getting rid of Canagrex. It refuses to recognize a large part of the Canadian agricultural sector. It says it does not exist. It is invisible to the eyes of Tory Members. Now I begin to understand. It is simply this kind of blindness on the part of Conservative Members that prevents us from keeping Canagrex.

What was Canagrex designed to do? Who is going to quarrel with me when I say that it was designed to do market development? A primary and essential requirement is to open up new markets for agricultural commodities. Anyone who is involved in international trade will say that it takes time and resources to develop a market. It is not developed overnight. There has to be investment, there has to be a cultivation of networks and there has to be promotion. It may take three or four years before sales begin and, as we well know, many producers do not have those kinds of resources. They do not have the staying power to go into a market and use their front-end investments to allow them over a period of years to develop the capacity to sell. Yet that is the only way to do it. Canagrex was designed to do that initial market promotion and development and to give it a chance to stick.

What was wrong with having an organization representing a number of commodity sectors doing market development and promotion on behalf of all commodity sectors and opening up those opportunities? We hear such brave words about the need to open up access to markets. As we all know, the Conservative Party virtually restricts itself to the United States of America. That is the only place about which it is concerned. For many of the other countries of the world where there is demand for our products it is not prepared to invest the time or money or to put the organizational skill to work to make that happen.

I can give you an example of this, Madam Speaker. Three or four years ago I went on a tour of refugee camps in Central America. I found to my delight that one of the major products we sold to that area was beans from Manitoba, a potential alternate crop that will pick up the slack that will occur as our grain markets are faced with a squeeze-play between the United States and the European Economic Community. There is an incredible opportunity to open up those markets in many of those countries. Again, those markets in Central America were opened up through very careful work which occurred over a long period of time. That example could be applied to a wide variety of nations throughout the world.

It is clear from all the testimony and evidence the committee heard that many Canadian farm groups and farm producers are not capable of mounting a long-term developmental investment. Therefore, we brought in Canagrex to make it happen, to allow those groups to find the markets and to invest in the promotion. That has now been taken away. Once again, these groups have been side-swiped by the great theology of the market-place: go forward on your own. However, that is not the way it works.

Certainly every other country including the great fountainhead of market-place theology, the United States, is making every effort to provide major support for various commodity sectors. We are not doing it, though. We are being too pristine and pure about it. God forbid that Canada should advance and expand its agricultural markets. That would run against the grand theology.

When looking at the figures, it is interesting to note how these markets have been shrinking in the last couple of years. Yet this brave new Government is eliminating one of the few major resources we had designed to offset that shrinkage. Furthermore, I think the Government can be properly accused of fooling and perhaps even misleading many of the farm organizations. The Government said it did not like Canagrex but that it would replace it with similar resources and similar efforts through other government organizations. It said that it did not want another Crown corporation because it already had enough, so it would use the Export Development Corporation and the trade offices of External Affairs. It said it would put new money in the Estimates of the External Affairs Trade Department in order to provide an effective alternative or replacement.

Where is that replacement? Can anyone find it? Is there anything in the Export Development Corporation that will provide an effective alternative to Canagrex? No. In fact, suggestions have been made by the press that the Tories want to get rid of the Export Development Corporation. They want to wipe it off the books and restrict its activities. Where is the new money for agriculture in the Estimates of the External

Affairs Department for development and promotion of trade? Once again, there is nothing but a blank page. There is no alternative being provided.

At a crucial period in the life of Canadian agriculture, a time when it is fighting for its life to maintain markets around the world and to acquire new ones, the Canadian Government has made a clear and unmistakable decision to pull the props out, to retreat, to withdraw and to recede from those markets. It is absolutely incomprehensible. It defies logic, common sense and intelligence.

At a time when we face this incredible problem around the world, when we face the attack of the U.S. Farm Bill, when we see the kind of export promotion the European Economic Community is doing and when we face incredible pressure on grain trade, knowing that we have to find and develop new markets, why is the Ministry in full retreat? It is in retreat simply for reasons of ideological purity or theological precision. No one can understand the kind of curious motivation which works inside the heads of Tories. However, we do know that Canadian farmers are being left stranded in the international market with no support, no resources and no capacity to compete.

One can only say that eventually Tories will pay the price. We know what is happening in the farm sectors across Canada now. We are aware of the kind of protests that are being raised and of the kind of anger that is being shown. We are aware of the frustration that exists.

This Government came in with a pocketful of promises. Every time the Prime Minister (Mr. Mulroney) saw two farmers at a crossroads he had five more promises to make.

Mr. Boudria: Three hundred and thirty-eight altogether.

Mr. Axworthy: Three hundred and thirty-eight promises, and the count is still rising. Everywhere there was a promise: "I will do more. I will provide more. I will pay more." But when you get down to the hard reality, it is retreat, withdrawal, elimination.

• (1210)

It is very clear that one of the important elements in developing new international markets is research and development, to develop new products and new strains of commodities. Yet, once again what do we have from the Conservative Government when it comes to agricultural research and development? We have cut back, elimination, close down, shut off. Once again, there is a total contradiction between promise and performance.

We feel it is important to bring to the attention of Canadians the reason we oppose this Bill. This Government is guilty of indifference to the important issue of how Canadian farmers are going to be able to survive and grow in a very tough and competitive international trading environment.

Canagrex

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Foster: I was interested in the speech by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). He crystalized the whole down-grading which has taken place in agriculture commodities and sales.

If you look through the approximately 20 Tory promises in the 1984 election you will see that a lot of those promises have been broken. Try as you may, nowhere do you find in those Tory promises that they are going to destroy or take away Canagrex from the producers of the less volume commodities.

Clearly, when Canagrex was established there were a lot of commodity groups who looked for support and assistance from the Government. Now they are being dashed by this action to destroy Canagrex. If we look at the promises the Tories made in the 1984 election we see many things, but they certainly did not promise to take away Canagrex.

For instance, they promised to abandon Section 31 of the Income Tax Act to reflect the principles of equity. Even though that was referred to a standing committee, and that committee made a report, no action was taken in that regard. They promised to establish a board of authority to control tobacco production and prices. The passage of that legislation was expedited in one sitting of the House, but still the Government has not passed the necessary Order in Council. They promised to expand the Prairie Farm Rehabilitation Act into a national farm and forestry rehabilitation act. They have never carried out that promise.

It seems to me that the Hon. Member for Winnipeg Fort—Garry has provided an excellent documentation of how the Government makes promises, but does not keep them, and how the Government talks about increasing export sales. The Prime Minister (Mr. Mulroney) in Prince Albert in July of 1984 said he was going to make Canada a superpower in agriculture commodity sales around the world. We only have to look at what his friend the President of the United States has done, and how he has responded, to see that Canadian farmers have never been put in a worse financial position in their lives. Not since R.B. Bennett was the Prime Minister has the situation been worse than the situation we have today under the present Government. The Hon. Member has made some excellent points. I would just ask him to respond to the questions I have raised.

Mr. Axworthy: Madam Speaker, I will be more than happy to go through the Hon. Member's recitation. What he is pointing out very clearly is that the problems that we face do require some very skillful and important forms of government legislation and initiative. It is not sufficient to withdraw the assistance of Government itself. We know full well that the export market in agricultural commodities is one that is shifting quite substantially. The danger posed to many of our agricultural products, because of the Canada-U.S. trade negotiations, is also very serious. Yet what we see happening on the domestic side, in terms of preparation by investing

resources, investing in research, investing in a proper support system, investing in export assistance, is that none of that has taken place.

The proposals that we open up our access to markets seems to somehow preclude taking the appropriate action within our own domestic spirit. We are not helping to modernize the system, or provide for the innovation in the system, or the development of the markets in the system. That goes back to a fundamental flaw in the approach to trade, whether it is in agriculture or any other product. You cannot improve your capacity for trade unless you are also improving those products within your own domestic market-place, and the capacity to meet international demands and requirements.

Not only is it a question of promises not being fulfilled, but many of the important and constructive programs are being eliminated. How can a cut-back in agricultural research be justified? How can anyone in their right mind assume that we will be able to respond to new international competitive forces when we are cutting back on our research stations, or university programs on agricultural research? It simply begs logic and common sense to do that. Yet, that is what is going on. You only have to look at every resolution passed by every farm organization to say, "For God's sake, stop this insanity." At least in one area give us the capacity to keep our industry and commodities up to date and innovative. Nothing but a blind eye and a deaf ear has been turned to those pleas. As a result, we are substantially weakening the ability of our agricultural sector to compete and provide for the kind of forward-looking markets needed in the future.

Mr. Gauthier: I would like to ask my colleague for Winnipeg—Fort Garry a question relating to the last point he made. Indeed, we are playing into the hands of the Americans somewhat in destroying Canagrex and reducing the competitiveness of Canadian farm producers by not having a government corporation doing the marketing for those farmers. How does he see this having an impact on our commercial relations with the Americans? Does he see this as a move on the part of the Government to destroy Canagrex so that they will kowtow to the Americans a little better and make friends? Then they indeed can get the free trade deal back on track, so the Americans feel happy about it? Does he feel that there is any relationship between the free trade negotiations and the fact that the Government has destroyed Canagrex?

Mr. Axworthy: It has been quite apparent in the statements made by the trade negotiator for the United States, as well as other officials in the United States, and Members of Congress, that they do not like the way we do business in Canada. They think we should be like them. As a result, one of the threats that we face in the Canada-U.S. negotiations is a clear challenge to things like our marketing board system, our supply management system and our transportation support programs. They are clearly part of what is being challenged.

• (1220)

I might refer the Hon. Member to a study done by the Canada West Foundation which came out just this month. It points out that a number of key agricultural sectors in western Canada, such as the feather trades, egg, poultry, turkey, and others, and the vegetable and horticultural trades would be wiped out at a moment's notice: they would not last 24 hours under Canada-U.S. negotiation.

It is very clear that what this Government is doing right across the board is tailoring many of its own domestic responses and programs to suit what it thinks is a compatible appearance and perception by the Americans. As a result the Americans do not like the idea that we would use the constructive ability of government to assist in these areas, whether it be by marketing boards or trading corporations to try to develop those areas. I think the Hon. Member has made an important point. We cannot ignore the clear relationship between the obsession regarding Canada-U.S. trade and the unwillingness to go forward to help our commodity producers to develop new markets through an operation like Canagrex.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The period provided for questions and comments has now expired. Is the House ready for the question? The question is as follows:—

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I was afraid for a moment that you had not seen me. I would not want to miss this opportunity to contribute to the debate on the destruction of Canagrex by the Tories.

I would like to begin my remarks by congratulating you on your new position in the Chair which I have not yet had the opportunity to do. I know that you will discharge your functions with utmost non-partisanship. I am sure you will excel in that way and I want to take this opportunity to offer you my personal congratulations.

I am going to speak a little bit about this measure of the Conservative Government to dissolve Canagrex, although the words should really be to destroy Canagrex. Why are the Conservatives so bent on getting rid of this organization? Is it merely a partisan gesture on their part? You, being the non-partisan person that you are, Madam Speaker, would know how partisan those Tories can be on occasion. But why destroy Canagrex? Why do it now?

Let me look into those two issues; first, the Bill. It is a very small piece of legislation with very few clauses. It has enormous ramifications as I see it on the agricultural industry of our country. The question that begs to be asked is, does this Bill have support in the farming community? It does not if we go back to the original group of people who supported the concept of having an international strategy through Canagrex in the first place. Let me list some of the people who advocated Canagrex and supported its establishment: the Canadian Federation of Agriculture, the Eastern Ontario Potato

Producers Council, the New Brunswick Potato Agency, the National Farmers Union; l'Union des producteurs agricoles du Québec; the Ontario Bean Producers Marketing Board; the Canadian Pork Council; the Canadian Horticultural Council; the Ontario Flue Cured Tobacco Marketing Board; the Ontario Wheat Producers Marketing Board and the Ontario Soybean Growers. I understand there were others who supported the original Bill to establish Canagrex provided that it had slight modifications. Those who supported that Bill were: the Canadian Food Processors Association; the Canadian Cattlemen's Association, the Alberta Swine Breeders, the Manitoba Cattle Producers; the Alberta Cattle Feeders; the PEI Potato Marketing Board; the Alberta Beekeeper's Association and the Western Stock Growers.

For whom does the Government pretend it is speaking in trying to dissolve the Canagrex Corporation?

[*Translation*]

Madam Speaker, perhaps the inherent contradiction in professing to be both progressive and conservative is becoming ever more obvious. In light of its policy aimed at dismantling Canagrex, it looks as though their Party should be labelled regressive conservative instead of progressive conservative. Is it one of the basic tenets of the Conservative Party that the state should not interfere like this with market forces? Is this the real identity of the Conservative Party? Did the Party's right extremists pressure the Minister of Agriculture (Mr. Wise) and lobby to have Canagrex put to rest? I wish Conservative Members opposite would enlighten us because it is crystal clear that the farming community does not support the abolition of Canagrex.

Madam Speaker, in my mail this morning I received an invitation from *Le regroupement agro-alimentaire de Prescott-Russell*, a groups of constituents who would like me to attend a seminar on the marketing of farm products. Here we have this Conservative Government bent on annihilating a Government agency designed to promote the marketing of agricultural products, yet a group of people from my own riding—which you know quite well, Madam Speaker, since you have to travel through it every time you leave your own riding to come here on Parliament Hill—has set up this seminar for November 29 this year. Here is what they are asking me: "Immediately reserve Saturday November 29 to come and promote the agricultural food industry in our counties. Saturday the 29th will be set aside to inform, educate, enlighten and brief all seminar participants on the possibility of processing and selling more farm products." As you can see, Madam Speaker, my constituents—like those in all other agricultural ridings throughout Canada, I am sure—want to boost the sale of their products precisely when the Conservative Party is trying to destroy Canagrex, our very own national marketing agency.

[*English*]

Why is it important to have Canagrex, Madam Speaker? Why is it important to keep it, particularly now? First, we should look at the fact that the Progressive Conservative Party during the last election campaign promised the Canadian people that it would improve sales of agricultural products. I see a Conservative Member across the way from an agricultural area. I have something to read to him. I will read it slowly so that he can understand everything. The Conservative Party put out a press release dated July 5, 1984 entitled "Prince Albert Caucus Progressive Conservative Agenda for Government Policy Area: Agriculture". Here are some of the things the Tories said during the election campaign in that press release:

Canada can be a world superpower in agriculture. We have the land base, the climate, the technology and, most importantly, a strong and determined farm community.

Under Progressive Conservative Commitments, which is a euphemism for Tory promises we find:

We will work with all producers, whether they choose to establish a marketing board or another type of marketing sytem. Some commodities are sold and promoted by marketing boards and agencies; others are sold and promoted in different ways. A PC Government will respect any decision made by the producers.

I have just finished reading to you a list of producers who wanted to have a Canagrex agency, Madam Speaker.

• (1230)

I ask the Hon. Member, when he votes on this Bill will he respect the commitment made on July 5, 1984 by the Conservative Party? How will he reconcile his conscience with the way he votes? I suppose Tories can reconcile anything with their consciences. Let me read further:

A PC Government will respect any decision made by the producers. Our goal is to assist farmers and, through such systems, to develop greater sales and a greater return for their various products.

What happened to that?

Let me read further:

We have always recognized the valuable contribution of grain and oilseed exports to Canada's balance of payments. We will, therefore, work to increase exports and stimulate production to meet those export demands.

Another commitment:

A PC Government will develop a healthy Canadian agricultural industry by providing a strong agriculture research base through greater assistance for agricultural colleges, more funding for agricultural research and development and amending tax policy to encourage private sector investment.

I think all those promises I have read to you, Madam Speaker, have been broken in this Bill before us today. Every single one of them.

The next question is, why should we have a Canagrex, particularly now? The Member across the way who is heckling from behind the curtains should know that Canada is faced with a very grave situation in agriculture right now. This has been caused in large measure by an initiative outside of this country known as the U.S. Farm Bill. The official name is the Food Security Act of 1985 of the United States of America.

Mr. Malone: On what commodities?

Mr. Boudria: That Bill applies to a large variety of commodities, to answer the Hon. Member. Although he heckles a

lot, he seems to be at least paying attention to my speech. The U.S. Farm Bill will affect everything from grain to milk to meat products, honey, and a variety of other commodities which will now be subsidized by the U.S. Government to a large and significant extent. The purpose is to displace foreign sales and replace them with U.S. sales. Some $70 billion U.S. will be injected into support programs to compete against Canadian products and others.

What are we doing as a country, as a Parliament, to ensure that we do not lose those sales? We are abolishing whatever small measures we have to help our agricultural industry. Some Tories across the way laugh at that. They are so partisan. Why can they not think for a minute about the agricultural community that sent them here? I guess they will have to reconcile that later, if not with their consciences at least with their voters. The agricultural community is not going to like this one bit.

Mr. Malone: I will take you on in any agricultural community anywhere in Canada.

Mr. Boudria: The agricultural community of my riding is very upset with this Government, and rightfully so.

Mr. Malone: Look at their Member.

Mr. Boudria: The agricultural community right across this country is displeased with the way this Conservative Government has failed to deliver on its promises.

Mr. Malone: What happened in Saskatchewan last night?

Mr. Boudria: I see the Minister of Agriculture (Mr. Wise) in the House. I will remind him that he said on February 4, 1985, in this House, as recorded in *Hansard* at p. 1963:

Mr. Speaker, I want to make it very clear that this Government will very aggressively follow the export market for agricultural commodities.

Mr. Wise: And we have.

Mr. Boudria: He continued:

Our Department has already entered into negotiations—

Mr. Wise: And we did.

Mr. Boudria:

—and had discussions and that role will be carried on more effectively—

Mr. Wise: And the results are showing.

Mr. Boudria:

—and more successfully with the Export Development Corporation properly financed.

Mr. Wise: We have done that. We have made those changes.

Mr. Boudria: I ask the Minister what happened to that commitment?

Mr. Wise: It is being fulfilled.

Mr. Boudria: What happened to that commitment?

Mr. Wise: Look at the facts.

Mr. Boudria: The Minister of Agriculture made those statements in this House on February 4, 1985, and in December of the same year the U.S. Farm Bill was passed with hardly any lobbying by Canadian authorities to ensure that it would not pass.

Mr. Wise: Nonsense.

Mr. Boudria: I was in Washington; I spent three days looking at the U.S. Farm Bill.

Mr. Wise: Why did you not stay home? That is your problem.

Mr. Boudria: I asked the people in Washington what kind of lobbying—

Mr. Wise: They told me not to send you down again.

Mr. Boudria: —did the Government of Canada undertake in Washington to ensure that the U.S. Farm Bill would not pass? What was the name of the lobbying firm that was hired? After all, Canadians hired Michael Deaver for some other lobbying. I understand he lobbied very well but he was a rather controversial and expensive guy to have around.

Mr. Orlikow: They paid him pretty well.

Mr. Foster: Some $100,000.

Mr. Boudria: For acid rain we had Michael Deaver. We have hired lobbyists in the past for other things. Yet, when it came time to lobby for Canadian farmers what happened? I asked our embassy in Washington who was the lobbyist, how much time was spent and how much money was paid? Do you know what they said? None, no lobbyist was hired. We have one person working in agriculture in Washington and she did some lobbying on her own. That is what we had to offer to Canadian farmers concerning a Bill involving $70 billion U.S. aimed directly at stealing our customers. We failed miserably, and what are we going to do now? We are going to compound the failure by abolishing our national agency—

Mr. Wise: No, we are just trying to eliminate one of your many failures.

Mr. Boudria: —to provide the marketing. The Minister calls Canagrex a failure. That agency was supported by all the groups I mentioned, and I can repeat the list for the Minister's benefit, yet he calls it a failure. He has questioned the support of the agricultural community which I have just read for you, Madam Speaker. In so doing he is taking partisan shots, not at me but at all those agricultural organizations who wanted a Canagrex type of organization.

Mr. Malone: Have the courage to read the whole list.

Mr. Boudria: Worst of all, he never even allowed the agency to work. Yet I am not convinced that he, although it is his Bill, was in favour of abolishing Canagrex.

Mr. Foster: Certainly was not.

Mr. Boudria: Because I remember speeches he made in this House before the 1984 election when he liked the idea in the first place.

Mr. Horner: No one liked it.

Mr. Boudria: The Member from the agricultural riding of Mississauga North says no one liked it. I invite him to read *Hansard*. It is excellent material and he should try reading some of the speeches of the now Minister of Agriculture in his days in opposition.

I think the Minister of Finance (Mr. Wilson), when he delivered his November 8, 1984, economic statement, chose randomly to abolish a number of things and left his colleague, the Minister of Agriculture, to carry the can. That is when he cancelled a number of agricultural research projects, Canagrex, and a whole list of other good measures which the Minister had previously supported. The Minister of Agriculture was forced to carry the can, but he should not. He should not be here to apologize for the Minister of Finance. He should let him make his own mistakes. He should tell the Minister of Finance to introduce his own dissolution Bills. The Minister of Agriculture should have told the Minister of Finance that he would not put up with this, that the Minister must reinstate Canagrex or he would move back to the back benches and do his job there for the farmers of Canada. That is what he should have done. But instead he took the easy, partisan role. He sat in his place and defended actions which he did not believe in.

• (1240)

As I said before, I believe that this move is wrong, particularly at this time when there are international pressures on our agricultural commodities. Let us reinstate Canagrex, give it back personnel and make it work for the benefit of Canadian farmers.

Mr. Redway: Madam Speaker, I am sure the Hon. Member is aware that he is the fifth Member from his Party to speak on this legislation. It has been made quite clear to us in this House that the Hon. Member and his Party oppose the legislation to wind up Canagrex. Is the Hon. Member aware that by continuing to put up speakers on this Bill he is delaying the opportunity of the House to deal with another very important piece of legislation relating to farmers, that is Bill C-12, an Act to amend the Prairie Grain Advance Payments Act which will provide Canadian farmers with more money now when there is such great concern for Canadian farmers?

Some Hon. Members: Shame, shame!

Mr. Redway: The Hon. Member indicated that he supports Canadian agriculture. Would it not make a lot of sense for him and his Party to wind up their discussion on this Bill and to move quickly to Bill C-12 in order to show that the Hon. Member and the Liberal Party support the provision of more money for farmers at this critical time in the life of Canadian agriculture?

Mr. Boudria: Madam Speaker, that is an excellent question. It is not very well thought out, but it is excellent nevertheless—probably by accident. I have consulted with my colleague, the official critic, and we are perfectly willing to give unanimous consent to move to the other Bill. We could give it passage within 15 or 20 minutes and then revert to the Canagrex Bill, if that is the wish of Members across the way. I am sure we could get consent of all Parties in order to do that.

Mr. Wise: You had better check with your House Leader if you have one today.

Mr. Boudria: I thank the Hon. Member from the vastly rural riding of York East for bringing this to my attention.

With regard to the fact that I am the fifth speaker on this issue, I have no moral lessons to take from Tories who delayed this House for one month for no reason other than to get Dalton Camp to write better speeches for the Prime Minister (Mr. Mulroney). The only reason these Bills are taking longer to deal with is that the Government failed so miserably to bring the House back at the proper time. I am the deputy critic on agriculture for my Party. I represent 2,500 farmers and I am going to speak for them in this House, whether or not the Member for York East (Mr. Redway) or anyone else likes it.

Mr. Malone: Well, I sure don't like it.

Mr. Orlikow: Madam Speaker, I apologize to the Member for coming in a few minutes late. I missed part of his speech.

Mr. Wise: You're lucky, Dave.

Mr. Mayer: What a shame that was.

Mr. Orlikow: Could the Member help me by indicating which agricultural organizations support his proposal?

Mr. Boudria: That is an excellent question, Madam Speaker. I regret that he was not able, by his own admission, to listen to my entire speech. I could speak longer with the unanimous consent of the House.

I will review for the Member the organizations which had offered their support for the original Bill and those which had offered their support on the condition that slight modifications be made. The Member will understand that the Canadian Federation of Agriculture is an umbrella group which represents 200,000 producers. It had offered its support on behalf of the agencies and organizations it represents. Other organizations which offered their total support to this Bill are the Eastern Canada Potato Producers Council, the New Brunswick Potato Agency, the National Farmers Union, the *Union des producteurs agricoles du Québec*, the Ontario Bean

Producers Marketing Board, the Canadian Pork Council, the Canadian Horticultural Council, the Ontario Flue Cured Tobacco Marketing Board, the Ontario Wheat Producers Marketing Board and the Ontario Soybean Growers.

Associations, which supported the Bill providing minor modifications were made, include the Canadian Food Processors Association, the Canadian Cattlemen's Association, the Alberta Swine Breeders, the Manitoba Cattle Producers, the Alberta Cattle Feeders, the P.E.I. Potato Marketing Board, the Alberta Beekeepers Association and the Western Stock Growers.

In direct response to the Member's question, not only large private corporations supported the deal, it was also supported by such groups as the Union des Producteurs Agricoles du Québec which represents practically every farmer in that province. It had very wide support, as I am sure the Hon. Member knows.

Mr. Malone: Madam Speaker, it is imperative that that which is absolutely and totally false not be allowed to stand in the House of Commons. The Western Stock Growers Association adamantly opposed Canagrex, as does the Alberta Swine Growers Association. For political reasons the Member chooses to put on the record the initial reaction when the Bill was announced. Those reactions were reversed when the Bill was studied, and there was massive opposition from the organizations which the Member says support this Bill. They sent delegations to Ottawa to tell Canadian parliamentarians to oppose that Bill. What he refers to as insignificant and modest changes were changes in the buy-sell clause which was offensive and wrong and put the independence of Canadian agriculture under government control in Ottawa. He may call that small, but that is why the Canadian farm community reacted with the distaste and disgust with which it did. It is unfortunate that a Member would put on the record of the House of Commons things which he knows are absolutely false.

Mr. Boudria: Madam Speaker, had the Member listened instead of heckling, as he did for most of the time that I was speaking, he would have heard me list those organizations which indicated support at the time the original Bill was presented. If he spent more time listening and less time talking in this House he would have heard that. I invite him to review *Hansard* tomorrow and apologize later.

Mr. Foster: Madam Speaker, I am interested in the comments of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). I think there is a deliberate move by the Government to do everything it can to hurt the agriculture industry. We need only look at the $23 million cut in the budget for agriculture research this year. It is clear that the Minister had the ground cut out from under him by the Prime Minister's office and the office of the Minister of Finance (Mr. Wilson) on black Thursday, November 8, 1984. It was a decision by the Department of Finance and the Prime Minister's Office.

• (1250)

In his testimony before the Agriculture Committee, the Minister of Finance apologized for this decision being taken by the Government. He also phoned the President of Canagrex, Mr. Ed Story. Obviously, the Hon. Member for Crowfoot (Mr. Malone) is screaming his view because the Tory caucus was very divided on this issue and the Minister of Agriculture (Mr. Wise) was in opposition—

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the Hon. Member for Algoma (Mr. Foster) but the time for questions and comments has terminated. Resuming debate.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Madam Speaker, let me congratulate you on your new position. I look forward to working with you in the House and I know you will do an excellent job.

Many things have been said this morning that I believe cannot go unchallenged. In many ways it is unfortunate that the Opposition chooses such a tone in this debate because, while there are problems in Canadian agriculture as everyone knows, I believe that any fair minded person would have to admit that the Government is making an effort to address those problems. I can give specific details of those efforts if the occasion rises.

However, when one hears the Opposition come on as strongly as it does, and indicate that nothing is being done in light of some very significant problems, surely it is not doing a service to Canadian farmers, to the House or to anyone who takes pride in being associated with this institution. I say that more in sorrow than in anger.

Let me suggest to Hon. Members opposite that they would serve the people whom they represent and would serve the House much better in debate if they were to talk about some of the things that the Government has done. While they may be critical of the Government, they should at least recognize some of our accomplishments.

For example, they can talk about what we are doing for our export markets internationally. Last year, there was good news as far as the export of Canadian agricultural products was concerned. Members of the Official Opposition should know that last year Canada's share of wheat exports actually rose.

Mr. Boudria: That was before the U.S. Farm Bill.

Mr. Mayer: The Hon. Member should listen and put into practice some of the suggestions he makes for our side. That is after the U.S. BICEP Program and the Farm Bill had been in effect for about a year. We told the Americans when they were contemplating the U.S. Farm Bill that we did not think it would work, because a farmer's normal reaction to lower prices is to increase production and maintain revenue by having more volume at lower total revenue. That has in fact been borne out, because last year Canada's share of total wheat exports went up while the American share went down.

Any farmer in western Canada will say that they went into the crop year at the beginning of August with the lowest on-farm carry-over on record. It was approximately 800,000 tonnes, which is significant. No one in the Opposition pays any attention to that.

Let me put this in greater perspective. We faced the same situation in the early 1970s when there was a rather large surplus of grain around the world which was depressing the market. It is very similar to what is happening today, but our attitude today is that we will not let our farmers down. We will sell their grain and not see granaries full of unsold grain—even at low prices. We are much better off to sell at a lower price and keep the volume up than we are to do what the former Government did in the 1970s, which was to introduce a LIFT Program. I have the figures in front of me. Our exports went down from 18 million tonnes in 1969-70 to nine million tonnes in 1970-71. That was a direct result of a previous Liberal Government reacting to the farm community and not selling. We are not doing that. We are selling at record volumes.

The Prime Minister (Mr. Mulroney) said that we will sell their grain, and that is what we are doing. This year we have prospects of increased export sales over last year, when our share of world markets went up.

Let me talk about specific customers. China bought less grain in total last year than it bought in the previous year, but it bought approximately the same amount from Canada. This means that our percentage of their requirements went up. That is not a failure, that is a success story. It would be useful if Hon. Members used some of those facts on the record to put their remarks in a better context.

Let me indicate what happened with exports. At the end of August and the beginning of September in Vancouver, this country hosted a food exhibition for the first time. It was called Food Pacific 86. Its purpose was to bring all the countries in the Pacific region together at an international exposition of food products to let the world know what we had to offer. It was an absolutely resounding success. We give a lot of credit to the British Columbia Government for initiating this exposition and a lot of credit to many people in the federal Government who worked very hard. Eighty-one countries, provinces and various forms of Governments were represented. There were over 800 exhibitors, and some 25,000 buyers attended in four days. Does that sound like a Government and country that is not concerned or doing anything about agricultural exports? Perhaps we can do more, but the Opposition does no service to anyone, above all the farmers who we are here to represent, when it suggests that we have been doing nothing.

I do not wish to prolong the debate, I simply want to put some facts on the record in order to balance the debate. We talk a lot about the U.S. Farm Bill. There is no doubt that we believe it causes problems, but I think the major problem is still with the European Community. No matter how one looks at it, they have increased their production in percentage terms more than anyone else. They have done this through continual subsidies, not only with respect to grain and oil seeds but with almost every agricultural product, including dairy products, pork, beef, wine, grain and sugar-beets.

I know it is fashionable for the Opposition to be anti-American, but if they want to be honest and consistent they must talk about the Europeans in context with the Americans. They should not continue to blame the United States. They should give credit to the Americans when they deserve it. While we may have disagreements with the Americans, they have offered to put their U.S. Farm Bill on the table if the Europeans will agree to do the same. We have yet to see such an offer come from the European Community. If the Europeans were willing to discuss the problem as openly as the Americans, we could make some progress.

We have expressed our doubts to the Americans that the U.S. Farm Bill is working. We told them that they will not get markets simply on the basis of price alone. This has been borne out by the BICEP Program since it was introduced in May, 1985. I can send Hon. Members opposite copies of speeches I have made in the United States in which I have pointed this out to them directly. However, I believe that the main culprit is still the Europeans. The average increase in wheat production by the Europeans since 1968-69 has been almost 20 per cent. They started with a larger base than Canada. The average increase in the United States is 13.3 per cent. This points out again that the major problem in cereal production world-wide is the European Community. Canada comes third with a 3.5 per cent increase since 1968-69, and Australia and Argentina increases are smaller than Canada's.

• (1300)

When we have a debate like this and talk about the very serious problems which face a very productive sector of our economy, I would very much like to have some balance. I think if we could have that balance we might get some useful suggestions from the opposition. We, as a Government, have shown a willingness to sit down and work with people and listen to ideas. If members of the Opposition have some useful ideas we would be more than happy to listen to them. I would like to suggest that if all the Opposition is going to do is take a one-sided, narrow, partisan and political approach, it will not be helpful to any of us, especially the farmers we represent.

Mr. Foster: I think this is an excellent opportunity now, Madam Speaker, to hear what the Minister responsible for the Wheat Board has to say. Of course, this Bill deals with practically all farm commodities besides those commodities handled by the Canadian Wheat Board, so the Minister was slightly off topic. But this is such a sterling opportunity to make some comments about the subject that I would not want to miss doing so.

The Minister talks about the great things he has done. He certainly did something last spring when he announced the initial price for wheat, which was $130 per tonne. That is the lowest wheat price since the 1930s in real dollars. He sort of skipped over that and told us about the wonderful meetings he

held and about the meetings he tried to hold around the world. But he did not mention the grinding reality of wheat prices, the lowest since the 1930s. The response of the Government to that reality has been negligible, if not non-existent.

The Minister said he wanted some useful suggestions. The Leader of the Opposition (Mr. Turner) and I met with the presidents of the Prairie Wheat Pool in Regina in mid-May. We recommended that there be a deficiency payment. Every other farm organization I know of has also recommended a deficiency payment. We received a glancing kind of commitment from the Prime Minister (Mr. Mulroney), mostly aimed at assisting the Premier of Saskatchewan, in the Address and Reply to the Speech from the Throne, but we still do not have any specific commitment as to whether we are going to get a deficiency payment, some kind of aid program or some kind of guaranteed program, or whatever. We made that suggestion some five months ago. Every prairie premier and every farm organization has been suggesting it since then. But five months down the pipe we still have no specifics as to whether there will be a deficiency payment, whether there is going to be some loan guarantee or, indeed, anything is going to be provided in spite of the lowest grain prices in 50 years in real dollar terms.

Mr. Boudria: Madam Speaker, I have just a few comments. The Minister said in his address to us today that we have criticized his Government unfairly, and perhaps upon occasion we are rather severe at criticizing the Government. However, I think it deserves a fair level of criticism because, of course, it gave itself the mandate it did; it made the 338 Tory promises which you and I, Madam Speaker, have had to listen to. Those promises are on PC logo letterhead and those promises are what I want to bring to the attention of the Minister today.

Perhaps to expect a Government to live up to its commitment is something that is beyond reality. However, that is not for us in opposition to decide. This is something the Government has created for itself and I think it owes it to Canadians to issue some kind of revised list of promises, telling Canadians that it has now decided that 229 of the 338 promises never should have been made and it apologizes for making them to start with. But as long as that list holds, it is our job to hold this Government accountable for what it said it would do, for what it is doing and for what it is not doing.

The Minister said to us today that the Government had done some things well and, in particular, in the year 1985 it had increased commodity sales. I pointed out to him, and I am sorry I interrupted him to do so that it was before the U.S. Farm Bill, but he said it was after. I would like the Minister to be a little more precise on that answer. If the U.S. Farm Bill was passed on December 23, 1985, and the Minister said those sales were for 1985 after the U.S. Farm Bill, were those sales between December 24 and December 31, because there were only seven days left in the year at the time the U.S. President signed his Bill into law?

Mr. Mayer: Madam Speaker, I can certainly respond to that. The Hon. Member should know that the BISEP program, which is still the export enhancement arm of the U.S. Farm Bill, was introduced in June of 1985. That is over a year ago. This is October of 1986. The crop year that we base statistics on for our wheat exports starts on August 1, 1985, some two months after the BISEP program was introduced. So the crop year to which I was referring runs from August 1, 1985, to July 31, 1986, for which time—the full-time—the BISEP program was in effect. It was in effect two months prior to the beginning of the crop year for which I quoted the Hon. Members statistics. If the Hon. Member wants to do his homework, and be a little less willing to jump to conclusions which assume the worst, he would know that Canada has increased its exports of wheat in spite of some very massive amounts of money the U.S. Government has been spending to try to increase its market. We have been successful. No one has said prices are good. There is no room for joy as far as prices are concerned; we know that. We are attempting to address that on the international scene with discussions, with GATT, and so on. We have been successful in selling, which is entirely different from what happened in the early 1970s when the previous Government walked out on Canadian farmers. It told them not to grow. It introduced the LIFT program which hurt our exports and our reputation as a reliable supplier. We have no intention of seeing that happen this time around because we are going to do our very best to sell the grain Canadian farmers produce.

I should also say that when we talk about grain, it is genuinely a Canadian problem. Ontario is the third largest producer of grain in this country, following Saskatchewan and Alberta, and then my home Province of Manitoba. So it is a national issue and we are addressing it as such.

Mr. Foster: Mr. Speaker, I thought the Minister might respond and make it clear whether there was going to be a deficiency payment for Canadian grain producers, exactly how much it will be and when it will be announced. The Saskatchewan election is over. The vagueness has been played out. It seems to me it is now up to the Government to announce clearly just what the deficiency payment will be, whether it will be cash, on what basis it will be paid, whether it will be on an acreage basis or delivery basis. I think it would be really helpful if the Minister responsible for the Wheat Board, since he is here and is asking for suggestions and ideas, could make that clear. He has talked about how there was no incentive in the early 1970s. I ask him now, where is the great incentive for grain producers in Canada today when grain prices are the lowest they have been since the 1930s? Grain is now being sold at $130 per tonne and today, on October 21, there are still no quotas for even one bushel of grain in most rural delivery points.

• (1310)

Mr. Mayer: Madam Speaker, with respect to the last comment of the Hon. Member, he should know that there is no

question that quotas are slow in coming this year, for a couple of reasons. First, there were several quotas announced at the beginning of last week. Last Friday there were general quotas of approximately three bushels for the whole Wheat Board area. So there are some quotas.

Second, the Hon. Member should also know that there are some very good grain movements planned for between now and freeze-up in the St. Lawrence going east, and there are some heavy sales commitments that the Canadian Wheat Board and others have going out to the West Coast. So we look for some pretty substantial movement of grain between now and Christmas, which is certainly good news.

I would like to make it clear that there are quotas, admittedly longer in coming than any of us would have liked, but there are certainly quotas in place now.

With regard to the deficiency payment, I do not know what else I can say in this regard. The Prime Minister (Mr. Mulroney) has talked about $1 billion. We have said that it will be additional money for agriculture and that no existing program will be cut. The Minister of Agriculture (Mr. Wise) has said it is not a loan guarantee.

In my view, there was no confusion in the minds of the Saskatchewan farmers who went to the polls yesterday and voted. Everyone understands that this Government has made a firm commitment and intends on following through with it in as fair and as equitable a fashion as we possibly can, and as quickly as we possibly can.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Next time when the Hon. Member for Algoma (Mr. Foster) wants a reply, perhaps he could make his question or comment a little shorter. This time I let the Minister reply, but we are about one minute over time. Resuming debate. The Hon. Member for Papineau (Mr. Ouellet).

Hon. André Ouellet (Papineau): Mr. Speaker, I rise to make my contribution to the debate on Bill C-2, an Act to dissolve Canagrex, and a piece of legislation which I personally find very regrettable.

We are often asked what the fundamental difference is between the Liberal Party and the Conservative Party. I think this is an excellent opportunity to demonstrate clearly the difference between the two major political parties. The Liberal Party has always taken the position that it is important to have Crown corporations in order to help our economy develop in certain areas where the private sector either does not have the will or the means or simply does not have an opportunity to be active. Consequently, Crown corporations are supposed to play a supplemental role in supporting the Canadian economy, acting as a complement to the private sector. It is clear that the Conservative Government has an entirely different philosophy. It is against Crown corporations. What it wants, and I cannot blame it for doing so, since during the last election campaign, the Conservatives clearly said they wanted to sell and dismantle a number of Crown corporations and let the private sector take over. However, I think this Bill is a mistake. I agree it is in line with the commitment made by the Conservatives to dismantle a Crown corporation. However, the question we must ask today is: Is the Government right to follow up that commitment?

We have just heard the Minister responsible for the Canadian Wheat Board make an excellent speech, explaining the work of the Board whose role is to sell Canadian wheat, mostly produced by farmers in western Canada, on foreign markets.

When the previous Liberal Government decided to create Canagrex, farmers in Eastern Canada, especially in my own province, the Province of Quebec, were very much in favour of this plan, because the *Union des producteurs agricoles du Québec* was telling us at the time: Why do we have a Crown corporation that promotes the concerns of Western producers and sells western wheat throughout the world, while we have no corporation to market farm products from Quebec or the Maritimes or to bring the products of UPA members to international markets?

Canagrex was established by the former Liberal administration in a climate of open opposition. When the then Minister of Agriculture, Mr. Whelan, introduced the Bill the Conservative Party opposite government benches did indeed raise very strong objections. As you may recall, companies like Canada Packers with offices practically in every country around the world—not necessarily to sell Canadian products, but rather to promote their own interests—were adamant in their opposition to the creation of a corporation like Canagrex which in certain cases might step on the international scene and operate in a way which a company such as Canada Packers would not necessarily appreciate.

Still the majority of Members of Parliament endorsed the creation of this Crown corporation because they knew that many small farmers throughout Canada would at long last have an agency like Canagrex to defend their interests, and market and sell their products for them in foreign countries. As a matter of fact, a farmer from the riding of Rimouski, Montmagny or Drummond simply cannot go and sell his own products abroad, but another one from Weyburn, Moose Jaw or Manitoba can indeed expect an agency like the Canadian Wheat Board to sell his wheat overseas.

Why should an eastern Canada producer not be able to rely on a national agency or a Crown corporation to sell his products on foreign markets?

Obviously I am disappointed that the Conservative Members should be seeking to put the axe to this agency set up by the previous administration and losing all interest in providing fair service to all farmers anywhere in Canada through a Crown corporation whose mandate is unmistakable.

I can only conclude that Canagrex was never given a real chance to become operative: The moment this Government

took office it did everything possible to get rid of the corporation, and this Bill is the best evidence of that.

The Government of Canada is not alone in trying to sell products abroad. I have only to quote what Minister Whelan said when Canagrex was established to remind the House that nearly every country has agencies or programs to assist farmers.

It is therefore regrettable that the Conservative Government would want to remove this tool from Canadian agricultural producers, especially the members of the *Union des producteurs agricoles*, who were relying on the assistance of Canagrex.

If I may quote what Minister Whelan said at the time:

• (1320)

[*English*]

The United States of America, with more than $36 billion in agricultural and food exports in 1979, has a number of tools, such as its Foreign Agriculture Service, the Co-operative Program, and the Commodity Credit Corporation—

Those are there to help the American farmer. It goes on:

You can see the other programs that other countries have by their different names.

France, for instance, has SOPEXA, Denmark, the Agriculture Marketing Board—Germany has the CMA; Britain, the British Overseas Trade Board; Australia, the Export Development Council Commodity Board; Israel, Agrexco; Mexico, Conasupo.

[*Translation*]

Naturally, all these Government agencies play a role to help farmers in their own countries. The previous Liberal Government believed that a national agency such as Canagrex could play a vital role in helping Canadian farm producers, to complement the role already played by certain private organizations. I find it regrettable that the Conservative Government now wants to rely only on private initiative to sell our farm products abroad, except for Canadian wheat.

I therefore close by asking this question: If it is now, has been in the past and will continue to be in the future a good thing to sell Canadian wheat abroad, why would a similar agency not be just as useful in selling other products, such as beef, poultry, fruits, and vegetables in other countries in the best interests of Canadian farmers?

The Acting Speaker (Mrs. Champagne): Questions and comments. The Hon. Member for York East (Mr. Redway).

[*English*]

Mr. Redway: Madam Speaker, I have a question for the Hon. Member. He will know that he is the sixth Member of his Party to speak on this particular piece of legislation. He and all of the other Members of his Party who spoke prior to him made quite clear the position of the Liberal Party with respect to this Bill. There is another piece of legislation designed to assist farmers, which is the next matter on the Order Paper for this morning and that, of course, is Bill C-12, an Act to amend the Prairie Grain Advance Payments Act to put more money into the hands of agriculture.

I know the Hon. Member represents an urban riding, as I do. In fact, the Hon. Member at one time was the Minister of Urban Affairs. I am sure he really does have the best interests of Canadian farmers at heart. I wonder if he would urge his colleagues to not put up any further speakers to filibuster this Bill but to get on with its quick passage so that we can deal with the next Bill to put money into the hands of Canadian farmers. I know the Hon. Member wants to do that.

Mr. Gauthier: Madam Speaker, I rise on a point of order. I know the Hon. Member to be reasonable, and a gentleman. I do not think he should be imputing motives or blaming us for filibustering the Bill. We are discussing an important Bill.

We did not impute motives to Conservative Members when we spent two days discussing Bill C-11 last week. We did not mind the Conservative Party putting up everyone it could find to have Throne Speech debates put on the record. We did not say that Conservative Members were filibustering Bill C-11. I cannot believe that the Hon. Member was serious when he said that we are filibustering the Canagrex Bill.

Mr. Redway: Madam Speaker, as the Hon. Member for Ottawa—Vanier (Mr. Gauthier) well knows, the rules of the House provide for a certain set time to debate the Speech from the Throne. Irrespective of whether the Government wants to proceed with legislation quickly or slowly, there is no way it can do so given the requirements of the Standing Orders of the House with respect to the debate on the Speech from the Throne. Of course, that does not apply to this Bill. That is why I am sure the Hon. Member would agree that his Party should get on with the next piece of legislation rather than filibuster this one.

The Acting Speaker (Mrs. Champagne): Hon. Members have a right to debate this Bill. I think the Hon. Member for York East (Mr. Redway) knows that very well. It was not a point of order on his part.

[*Translation*]

Mr. Ouellet: Madam Speaker, I would like to reply to the Hon. Member who seems to find it surprising that six Liberal Members would take part in the debate on Bill C-2. Naturally, the Liberal Party, which created Canagrex under the previous administration is very sad to see it disappear, and I do not think that anyone in this House will blame us for expressing our disagreement, for reminding the Government of the reasons why this Crown Corporation was created, and, most important, for saying why we think that the Government should not go forward with this Bill. There is a saying that if you repeat something often enough, something might come of it. It seems obvious to me that on this matter government Members have their ears plugged, which means we have to repeat over and over again, and go on repeating if we are to get some sense into them, if we are to get them to make better decisions for Canadians.

So it is clear to me, Madam Speaker, that the Hon. Member is not aware how seriously involved I was with farm groups in the Province of Quebec. For 15 years I have been meeting periodically with representatives of the *Union des producteurs agricoles du Québec*, and Madam Speaker would know full well that I often travelled to her constituency, because the Saint-Hyacinthe area has one of the major and more progressive farm producers' associations and our Government in the past has always been very sensitive to the recommendations and suggestions from the *Union des producteurs agricoles*, and in co-operation with them we have implemented things that were very important in the Saint-Hyacinthe—Bagot area, to the benefit of farm producers.

I know that this debate is of great concern in many ways to thousands of farm producers, small farmers who hoped that a large corporation such as Canagrex could provide easier access to markets and, above all, since market forces would have it that if you are a corporation such as Canada Packers dealing with a small beef producer and you are probably the only domestic buyer, that farmer is at a tremendous disadvantage to sell his product. Which means in the final analysis that the seller has to accept the buyer's price. On the other hand, with a corporation like Canagrex that could have acted as a globetrotting agent or salesman for a multitude of small producers, it could have been a seller's price, rather than a buyer's, as it is often the case with a large multinational corporation, whose concern is far more for profits than for the survival of the Quebec farmer and farming industry.

The Acting Speaker (Mrs. Champagne): Questions, comments? Debate.

I now recognize the Hon. Member for York Centre (Mr. Kaplan).

Hon. Bob Kaplan (York Centre): Madam Speaker, as a few of my colleagues who have not yet risen in your presence, I would first like to congratulate you on your appointment to the Chair and offer our support in your difficult task, because working in the Chair is truly demanding. Having gone through two decades of Speakers, I can say, Madam Speaker, that you have the potential for being one of the best. Congratulations!

• (1330)

[*English*]

If the Hon. Member for York East (Mr. Redway) is right about the numbers, and he always is, I am the eighth Liberal to speak today on this debate on the dissolution of Canagrex. It is a very bad decision by the Government. As the Hon. Member knows, if eight of us are rising, that is certainly not enough to keep this important Crown corporation alive. The Conservative Government will have its way. The company will be dissolved. But, the Hon. Member should not begrudge us the opportunity, which is limited by our small numbers, to put on the record the great hopes that we and a very large constituency of Canadians, particularly in the agricultural sector, had for this corporation.

I do not want to belabour arguments, lists, and so on, that other Hon. Members have put forward. I hope the Hon. Member for York East was here when my colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) read the large number of agricultural sector organizations that were in favour of Canagrex and felt that Canagrex could play a part in taking the products of Canada's agricultural sector to world markets. It was a very long list, including bee keepers, grain dealers, all types of livestock dealers. I had not heard that list before. I was impressed to hear that support for the Bill when it was brought forward by our former colleague, Eugene Whelan, when he was Minister of Agriculture, and that so many voices from the agricultural community were asking for exactly this type of a selling agent for their goods.

I am glad to see that the Minister of Agriculture (Mr. Wise) and the Minister responsible for the Canadian Wheat Board (Mr. Mayer) are here. The experience of the Canadian Wheat Board ought to have demonstrated to the Conservatives that an agency like this can do the job. If the Government wanted to be consistent, it would be wanting to abolish the Wheat Board. The Government knows that an attempt to abolish the Wheat Board would meet resistance. If only it had the foresight to see that the potential of Canagrex is larger than the potential of the Canadian Wheat Board, it would support it. It is not their style to try and look ahead. The style of the Conservatives is to cut, cut, cut Government out of an ideology. This is not something that costs a great deal of money, but it is something that has a lot of potential. Yet, they want to cut it because of ideology. They will be going to the people in the next election with a list. There is a constituency out there that wants to see Government savaged, wants to see as much reduction as possible. Anything that the Government can discard, any responsibility that can be taken away from it, is to the good. We are dealing with a fringe of public opinion that feels that the less Government there is the better. Sometimes there is too much Government, but sometimes there is too little. In this area of world marketing of agricultural products I do not think there is enough. I think Canagrex is needed. It had the support, it had a role, and it was off to a good start. Good people were recruited to make it work. The Government wanted to add one more to the list in its ideological commitment of so-called achievements of demolition and destruction of vital organs that serve the Canadian people. Canagrex was so young it could be destroyed with less damage than the destruction of some other agencies that maybe are not doing such an important job, or maybe do not have the kind of potential that Canagrex had. The Government considered it an easy kill in the list of Crown corporations. The Liberals cannot let that pass. We came to the decision to establish Canagrex after a lot of thought and consultation.

I would like to remind the House what Canagrex was doing. It was to provide market identification and intelligence; to offer promotion and information services; to provide loans and guarantees; to enter into joint ventures with private companies, marketing boards and co-operatives; to act as an agent of the Crown in negotiating state-to-state contracts.

If I can stop in this long list of functions that was to be performed by Canagrex on that role of acting in the negotiation of state-to-state contracts, you will see the kind of function that this corporation of the Crown would have provided that cannot be provided by Canada Packers, Burns Brothers, or all of the different heavy hitters in agriculture. If those companies had seen the Government decision to estabish Canagrex in the proper terms, they could have been part of the promotion of Canagrex, and made money on it at the same time as farmers were benefiting from finding larger markets for their products.

Another important function of Canagrex was to provide grants and contributions to help accelerate product development, promotion, or the provision of needed infrastructure. A Crown corporation has a much longer horizon than a private company. It does not try to maximize profits in the short term, or consider itself responsible for the assets of which it holds the title. A Crown corporation takes a larger view of its responsibility in the economy and to the Canadian people. I remember when they were talking about cutting off—sorry, has my time expired?

The Acting Speaker (Mrs. Champagne): It is with regret that I must interrupt the Member for York Centre (Mr. Kaplan) at this time. He will have 12 minutes when Government Orders are resumed.

[*Translation*]

Order, please. It being 1.38 p.m., I now leave the chair until 2 p.m.

At 1.38 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AUDITOR GENERAL'S REPORT

TABLING OF ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the Table the report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1986. I remind Hon. Members that, under Standing Order 96(3)(f), this report is deemed to have been permanently referred to the Standing Committee on Public Accounts.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENT CANADA

SIZE OF DEPARTMENT'S BUDGET

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on Friday last, in a statement under Standing Order 21, on the budget of Environment Canada, I inadvertently neglected to deduct the budget of the Canadian Forestry Service transferred to Agriculture Canada in 1985. To take this transfer into account, the 1984 budget of Environment Canada should read $741 million, not $886 million. This year's Environment Canada's budget shows $745 million, $3.6 million more than the 1984 budget.

To avoid the erosion caused by inflation at 4.2 per cent per year, in 1985 there should have been an increase of $31 million in Environment Canada's budget amounting to $772 million, and again in 1986 an increase of $32 million amounting to $805 million. At a time when Canadians are asking the Government to play a stronger role in the environment, there is a slippage of $59.9 million over the past two years in Environment Canada's purchasing power, without counting budget cuts.

* * *

LABOUR RELATIONS

BRITISH COLUMBIA PORTS DISPUTE OVER HANDLING OF CONTAINER CARGO

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I would remind Members of this House that the time clock is ticking for a negotiated settlement in the ports of British Columbia, particularly with regard to the container clause. When the clause was negotiated in 1970 it was expected that it would maximize work opportunities for longshoremen, but to some extent it has had the opposite effect. In 1980 containers bound for Canada via Seattle/Tacoma amounted to 30,000 units, and via Vancouver 55,313 units. By 1984 these figures were 79,600 units via Seattle/Tacoma, and for Vancouver 66,300 units, an increase of 165 per cent and 19.9 per cent respectively.

In the report of the Conciliation Commissioner, Donald Larson points out that were it not for the container clause a large number of the containers shipped through Seattle/Tacoma and then trans-shipped by truck to Vancouver would be shipped through the Port of Vancouver. He recommends the removal of article 26:05, the container clause, and suggests a guaranteed number of hours to cover this clause.

I urge both parties in their meetings to use the report's recommendations as the basis for settlement.

CANADIAN NATIONAL RAILWAYS

SUBCOMMITTEE'S REPORT ON PENSIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, soon it will be six months since the report of the subcommittee on CN pensions reported back to the House through the transport committee. The ball has been in the Government's court with respect to this issue now for almost half a year.

I want to take this opportunity to call on the Government to indicate to the House and to the many tens of thousands of CN pensioners just what it intends to do about this particular issue. It is an issue that has been long studied by the House. Great expectations were raised by the striking of the subcommittee. I know that not all pensioners were happy with every jot and tittle of the report. Nevertheless, it remains the case that a great many things were recommended by that subcommittee which, if implemented by the Government, would be to the great benefit of pensioners and people in active service at the CNR.

I call on the Government to act with respect to this issue that has been before the House for so long, and to indicate to pensioners and to railway workers just what the Tories intend to do about something that they very often said when in opposition they would do something about.

* * *

SOCIAL SECURITY

FINANCIAL NEEDS OF ELDERLY SINGLE WOMEN

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the Government had made real progress toward the goal of ensuring that all Canadians enjoy a secure retirement. Pension plans are now more portable and we have made it easier for individuals to save for retirement through RRSPs. More than 50,000 older people, mostly women, have a higher income today because we made the spouse's allowance available to all financially needy widows and widowers between the ages of 60 and 64. Another 35,000 Canadians, again mostly women, have recovered the Canada Pension Plan survivor benefits they initially lost when they remarried.

• (1405)

The system is substantially better than it was but there is still room for improvement, particularly in the case of divorced or never married women who are therefore not eligible to receive the spouse's allowance. We must recognize the contribution which women make as individuals and provide a decent standard of living for all women regardless of their marital status. While their circumstances may be different from those of widows and widowers, the financial needs of older women who are divorced or who have never married are just as real.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT EARLY RETIREES BE REIMBURSED RETROACTIVELY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, it has now become quite clear that the Forget Commission is urging the Government to make retroactive payments to the 50,000 early retirees who were unfairly penalized by this Conservative Government.

Mr. Speaker, it is important to remember that these people were deprived of an annual income of about $10,000 to which they were entitled, simply because plant closings forced them to withdraw the pension funds they had accumulated with private sector employers.

Mr. Speaker, it is getting ever more shocking to see that the same Government should find it quite normal to finance the Forget Commission to the tune of $5.8 million taken directly from the unemployment insurance fund. In my view, all Members of the House—New Democrats, Liberals and Conservatives alike—must put pressure on the Prime Minister (Mr. Mulroney) to announce this week that these 50,000 early retirees will indeed get refunds, including 15,000 in Quebec and others in the rest of Canada.

* * *

SMALL BUSINESS

OUTLOOK ON THE FUTURE

Mr. Gilles Bernier (Beauce): Mr. Speaker, the Canadian Federation of Independent Business reveals that the number of small- and medium-sized businesses is growing at a 5-to-1 ratio, and that freer trade with the United States will have a positive impact on our business sector. Some 22,528 members were polled, which goes to show clearly that practically all small- and medium-sized businesses are not afraid to face American competition. As they do in Beauce, they stand ready, confident and quite optimistic to face this exciting challenge.

Our people take a very realistic approach to this question. However I would caution our negotiators, for we do have a very vulnerable sector—agriculture—where they must be careful not to bargain our vested interests away.

Indeed we have everything to gain by opening up our borders. Small- and medium-sized businesses are the cornerstone of the Canadian economy.

We must come up with challenging ideas and find new markets to create new wealth in Canada.

Good luck to small business in Beauce, Quebec, and the rest of Canada!

S.O. 21

[*English*]

APARTHEID

SOUTH AFRICA—WITHDRAWAL BY GENERAL MOTORS CORPORATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I rise today to take note of the decision by General Motors to pull out of South Africa. GM, the largest U.S. operation in South Africa, took its decision essentially for three reasons: first, a disappointment with the pace of dismantling apartheid; secondly, the recent imposition of stricter U.S. trade sanctions against South Africa; thirdly, the adverse effect on domestic sales resulting from GM's presence in South Africa. It is also worth noting that this is a company from which originated the Sullivan principles dealing with codes of conduct.

The American people are to be congratulated for having mobilized an effective campaign against apartheid which, two weeks ago, forced the hand of a President and now that of the largest corporation in the world. There is a message in this for Canadians opposed to apartheid. When people join together to act according to their convictions, even the mighty will fall into line with what is right. The corporations of Canada should take note, as should the Government of Canada which should not weaken in its resolve to provide leadership in the struggle against apartheid.

* * *

PUBLIC ACCOUNTS OF CANADA

NEW REPORTING FORMAT SUPPORTED

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the recently published Federal Government Reporting Study done jointly by the office of the Auditor General of Canada and the United States General Accounting office is a most useful document. The Public Sector Accounting and Auditing Committee of the Canadian Institute of Chartered Accountants has, as have many parliamentarians, been advocating more useful, understandable, reliable and relevant financial reporting. The study, if implemented, will take us a long way toward these goals. In particular, the illustrative annual financial report of the Government of Canada, with its three consolidated statements of operations, financial requirements, and financial position, provides information in a useful, broad, and complete way. It is to be hoped that this new reporting format might be used on a continuing basis for part of the Public Accounts of Canada.

[*Translation*]

UNEMPLOYMENT INSURANCE

CONSEQUENCES OF BENEFITS REDUCTION OR LOSS FOR ATLANTIC REGION FISHING INDUSTRY EMPLOYEES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, today in New Brunswick, we find the following on the first page of the newspaper *Le Matin*:

> According to the Director General of the Economic Council of New Brunswick, the Prime Minister was unable to clarify the role of the Atlantic Canada Opportunities Agency.

One wonders whether the Prime Minister (Mr. Mulroney) knew what he was doing when he made the announcement in the Speech from the Throne. Maybe he just wanted to give us the impression he was going to give special attention to the Atlantic region.

Well, I hope the Prime Minister got the message when the fishermen showed they were not happy with the recommendations in the Forget report.

The message is clear: A reduction or the elimination altogether of benefits for persons working in the fishing industry would be a disaster for the region and raise angry reactions from the entire industry.

* * *

FORESTRY

PRELIMINARY U.S. DECISION TO IMPOSE COUNTERVAIL DUTY ON CANADIAN SOFTWOOD LUMBER

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I rise today in the House to speak on behalf of the forestry industry and forestry workers in my region. On the weekend, I met a number of workers who expressed their grave concern following the preliminary decision by the U.S. Department of Commerce to impose a countervailing duty on our lumber exports.

Mr. Speaker, this decision is unjustified and unacceptable. The Government, together with the industry, the unions and the provinces, must express its displeasure in no uncertain terms and threaten the Americans with retaliatory action of a political and commercial nature if they do not reverse this unfortunate decision.

Mr. Speaker, I want to give my constituents the assurance that their Member will be watching developments very closely and the forestry industry in my region can count on my unstinted co-operation.

• (1410)

[*English*]

FINANCE

NON-PAYMENT OF INCOME TAX BY CREDIT FONCIER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to announce today the seventh winner of our great untaxed corporation award. Today's award goes to Credit Foncier. That company has been granted by successive Liberal and Conservative Governments, through tax concessions, the right to claim tax credits in 1979 and 1982 on millions of dollars of profits. In 1980, 1981, 1983 and 1984, when it did pay current corporation taxes, the tax rate was so low it was almost non-existent, only an average of 1.5 per cent.

Had the tax system been fair and had Credit Foncier been required to pay a tax rate of even 25 per cent on its more than $43 million in profits since 1979, taxpaying Canadians would have paid $10.3 million less in taxes because of this one company alone. We hope this reminder to the Government will result in an immediate, real, comprehensive tax reform.

* * *

AUDITOR GENERAL'S REPORT

COMMENTS ON GOVERNMENT'S FISCAL RESTRAINT POLICY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, today the Auditor General tabled his report to Parliament. The report comments on the very positive progress that has been made by the Government. The Auditor General cautions readers: "I emphasize to readers that they should give special weight to those observations that are positive for while briefly stated they do indeed balance if not outweigh negative observations".

About last year's report he says: "In most instances positive action has been taken or is under way in response to the major recommendations". On the Government's policy of fiscal restraint he says: "This new approach seems to me a good sign of an imaginative initiative being brought to the whole area of spending taxpayers' money with increased prudence". In closing he stated: "Those responsible for spending taxpayers' money are doing so more carefully. I believe that MPs and the taxpayers of Canada should be heartened by the genuine improvements".

[*Translation*]

TRIBUTE TO GREAT QUEBECERS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, this week we are celebrating the anniversary of the Person Case, and I would like to take this opportunity to pay tribute to two Canadian women, two *Québécoises*, who passed away not long ago, namely, Mrs. Andrée Paradis, President of *La Revue des arts* and Mrs. Françoise Gaudet-Smet, a great educator and communicator.

With their commitment to social causes, their concern for perfection and their compassion, these women gave a vast audience access to information that opened up whole new vistas. Their dedication deserves special mention because they were instrumental in developing and enriching our social and cultural life in Canada and, especially, in Quebec.

On behalf of all Canadian men and women, I want to thank Mrs. Paradis and Mrs. Gaudet-Smet for the leading role they played in promoting the arts and social concern in this country.

* * *

[*English*]

PROVINCIAL AFFAIRS

RE-ELECTION OF PROGRESSIVE CONSERVATIVE GOVERNMENT OF SASKATCHEWAN

Mr. Jack Scowen (Mackenzie): Mr. Speaker, the Progressive Conservative Government of Saskatchewan, under the excellent leadership of Premier Grant Devine, did it again by coming out victorious in the Saskatchewan provincial election yesterday.

Some Hon. Members: Hear, hear!

• (1415)

Mr. Scowen: Premier Devine and his cabinet colleagues showed that our main industry, agriculture, is first and foremost in the economy of Saskatchewan, and rural Saskatchewan came out in full force and backed him up.

I am pleased to say that five Progressive Conservative provincial Members in my riding were re-elected with a substantial majority. Premier Devine has shown what federal-provincial co-operation can do for the country, and what happens when we have a Prime Minister (Mr. Mulroney) in Ottawa who listens to and acts upon the many concerns of the people in provincial ridings.

My congratulations and best wishes to the re-elected majority Progressive Conservative Government in my home Province of Saskatchewan.

Some Hon. Members: Hear, hear!

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY *QUESTEUR* OF FRENCH NATIONAL ASSEMBLY

Mr. Speaker: Order! I would like to bring to the attention of Hon. Members the presence in our gallery today of Mr. Francis Geng, Deputy *Questeur* of the French National Assembly, and leader of a parliamentary delegation on an official visit to Canada, within the framework of bilateral exchanges with the Canada-France Inter-Parliamentary Association.

Some Hon. Members: Hear, hear.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—REQUEST THAT PRIME MINISTER SEEK STANDSTILL AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Would he deem it appropriate to tell the President of the United States that we will need a standstill agreement between the two countries to forestall any further unilateral harassment, like the action against lumber, if we are seriously going to continue trade negotiations with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have been reading the comments on trade of the Right Hon. Leader of the Opposition. I note that he is not only in disagreement with the Member for Winnipeg—Fort Garry, but also with himself. He would know that no kind of arrangement that would be the conclusion of a trade negotiation can be arranged before that negotiation is concluded.

Mr. Turner (Vancouver Quadra): The right hon. gentleman was here during the Throne Speech debate when I said that we in no way supported the initiative of the Prime Minister, himself, or of the Government on these trade negotiations, that he got this country into a mess and painted Canada into a corner, and where do we go from here?

[*Translation*]

REQUEST THAT PRIME MINISTER SEEK AGREEMENT WITH UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): But in any case, Mr. Speaker . . . If I may put another question to the Prime Minister? Why is he systematically refusing to try and reach a standstill agreement on duties with the President of the United States, so as to forestall unilateral harassment for the duration of our trade negotiations with the United States? I think it is a reasonable suggestion, even for the Prime Minister and his Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister for International Trade has transmitted the Canadian position to the U.S. Administration. In a trade relationship of the size that exists between our two countries, there will always be problems and obstacles. We must deal with these in a responsible manner, and that is what we are trying to do, because as the Economic Council of Canada pointed out yesterday in its report *Changing Times*: "—the increase in the number of jobs would be over 370,000 in 1995." Hundreds of thousands of jobs will become available to Canadians if we manage to conclude this kind of agreement. That is why the Government of Canada is working towards this goal.

[*English*]

UNITED STATES POWER TO IMPOSE COUNTERVAIL DUTIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to put a third question to the Prime Minister, or perhaps to the Secretary of State for External Affairs since he referred to the end result of negotiations as meeting the problem of countervail. How can the Government continue to say we need trade talks with the United States in order to reach an agreement to stop countervail when the President of the United States, in a letter he wrote on April 24 to the Senators he persuaded to adopt the fast track, said quite clearly that he will not negotiate the American right to countervail, and those instructions were given to their chief negotiator, Peter Murphy, by the Congressional Committee? What are we talking about here when the Americans said right at the outset, by the pen of the President, that countervail is not negotiable?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are talking about a negotiation in which a number of issues, including the capacity to countervail, are on the table, as they are in the GATT. We are also here talking about a response by a Government of Canada to a protectionist situation in the United States that dates well back to days when the former Liberal Government refused to accept its responsibilities to protect the Canadian interest. That kind of protectionist assault upon Canada would exist whether or not there were trade negotiations. The trade negotiations offer us an opportunity to stop that kind of assault and to protect Canadian interests. That is why we are pursuing them.

UNITED STATES SURTAX ON IMPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister or the Secretary of State. In posing my question I would only remind them that in 1983 we won a lumber decision in the United States. We did not have to back down.

In light of the statements made yesterday by the Minister for International Trade that all appropriate actions would be taken against the United States imposition of a surtax if the President refuses to veto the Bill, and in light of the statement by the presidential spokesman that he will not veto the Bill, would the Minister please tell us what appropriate action the Government now intends to take? Will we be going to GATT? Will we be talking to our allies? Will we be imposing a customs duty? Will the Minister tell us what we will now be doing?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question was raised yesterday and the Minister for International Trade answered it and indicated we are looking at a wide range of responses, including going to the GATT, including action which might be open to us as a result of provisions in the Auto Pact, and including other measures.

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): In addition to the imposition of a surtax on imports, the United States Congress has now passed a Bill which will put a tax on all cargo, loaded and unloaded, in U.S. ports, which once again will have a major impact on Canadian exporters and importers. Will the Government tell us what it is going to do about this additional harassment and trade restriction imposed on us by the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker, I certainly can. As the Minister for International Trade indicated yesterday, we have lost some cases and have won some 10 cases protecting Canadian interests in the United States. The fact is we are dealing with a major protectionist pressure in that country which hits Canada as it hits other countries.

The opposition Parties, if it were left to them, would apparently have simply condemned the United States. What we are trying to do is put in place a negotiated arrangement which will protect Canadians better than they were protected under the system we inherited from the Liberal Party.

* * *

[*Translation*]

PENITENTIARIES

CONSTRUCTION OF PRISON IN PORT-CARTIER—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the President of the Treasury Board. According to the Auditor General's report tabled today, the Minister and Treasury Board made the decision to build a new prison at Port-Cartier without considering the requirements of a new prison. My question is quite simple: Does the Minister agree with this incredible revelation?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have said on many occasions, this was a government decision. It was made to assist an economically depressed area. I would like to point out to Hon. Members that this is a statement confirmed by the Auditor General in his report and, I may say, using institutions to assist economically depressed areas is a view shared by my predecessor, the Solicitor General of the former Liberal Government.

• (1425)

TREASURY BOARD DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my next question is directed to the Prime Minister who has the responsibility for the administration of his Ministers. Considering that the Auditor General said that Treasury Board made a decision without even considering the report by Corrections Canada that there was no need for a prison, and considering that $41 million has been wasted, and considering that no tender was called, does the Prime Minister believe that this type of decision to locate this type of facility in his riding is consistent with good public administration?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, if I may, I would like to read from the Auditor General's Report paragraph 7.90 which states:

Our review of the related files indicated that the building of an institution at Port-Cartier was based on non-program-related considerations such as providing—

Some Hon. Members: Oh, oh!

Mr. Kelleher: If I may have the privilege of replying:

—such as providing economic benefits to a depressed area.

We make no apologies for that. It is the same as what we did when we scrapped the PGRT and when we gave $1 billion to assist farmers.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Conservatives may cheer about the waste of $41 million, but I can tell them that the people of Canada will not be cheering when they see this.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): I wish to ask the Prime Minister, who sits reading his notes, does he believe a decision to waste $41 million of public money was why the people of Canada elected him as Prime Minister? Will he answer that question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend should not get too exercised. If he reads the Auditor General's Report at paragraph 7.97 he will see that it states:

We conclude, therefore, that in the larger national interest of providing economic benefits to a depressed area, CSC was required to build an institution—

Mr. Broadbent: "CSC was required" by the Government to—

Mr. Mulroney: Of course. It was a government decision, in much the same way as the Government took a decision two weeks ago to put $1 billion into the hands of the western farmers, because of the same kind of considerations to help economically depressed areas. If the Hon. Member is opposed to it, then he should stand up and say that he is opposed.

Some Hon. Members: Hear, hear!

* * *

FINANCE

TAX EXPENDITURES—AUDITOR GENERAL'S REPORT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. In his report tabled today the Auditor General points to the issue of inadequate government control over tax expenditures—estimated at about $28 billion a year—as being an extremely serious threat to control of the public purse. Will the Minister state what plans he has to improve controls over these expenditures?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the plans to improve control started some while ago when we started to eliminate a number of these tax expenditures, as my hon. friend well knows. In addition to that we issued in August, 1985, a book entitled *Account of the Cost of Selective Tax Measures*, another phrase for tax expenditures, as the Hon. Member well knows. I do not recall hearing any suggestions from the Hon. Member with respect to what tax expenditures in the report might be removed.

However, I point out to the Hon. Member that in the tax reform proposal on which I have been working there will be, and there is already under way, a vigorous review of all tax expenditures to see which ones we will be able to eliminate and, in so doing, reduce the level of tax rates as a whole.

MEASURES TO IMPROVE CONTROLS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question did not address the matter of removal of tax expenditures. I spoke of controls. At the present time the costs are buried. They do not appear in the fiscal plan, the Estimates, or the Public Accounts of Canada. Since this Government has been in power we have seen a retroactive change to legislation which was treated as part of a series of technical amendments to the Income Tax Act even though it was designed for one particular company. What is the Minister doing to improve controls and information to Parliament?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I did comment quite specifically on the effect of the process of tax reform we are going through right now. It will involve a very, very rigorous review and evaluation of all of those tax expenditures to see which ones we can remove. I would hope that the Hon. Member would participate in this during the course of the work that is to be done involving Members of Parliament.

* * *

PENITENTIARIES

PORT-CARTIER MAXIMUM SECURITY PRISON—AUDITOR GENERAL'S REPORT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, would the Prime Minister admit that he did not complete the sentence that he was reading from the Auditor General's Report? I am sure he would not want to mislead anyone about what the Auditor General had to say about a prison being built in the national interest. He said it was being built at a security level higher than the one at which the need existed.

Will the Prime Minister not concede that building a maximum security prison rather than a medium security prison costs the taxpayers, at a most conservative estimate according to the Auditor General, $32,000 per inmate, and that other estimates might be $100,000 per inmate? Will the Prime Minister admit that this excessive use of maximum security, whatever the so-called national interest is, is a very poor use of the taxpayers' money?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed in a response I referred to 7.97 and that indeed is the full quote. I pointed out the paragraph and obviously that is it. I also acknowledge that the one stated in the report is clearly the assessment of the Auditor General. The Auditor General exercises his good judgment in regard to public expenditures. We think he does a fine job and we commend him on his work.

Mr. Broadbent: But he said you wasted $41 million.

Mr. Mulroney: It is our responsibility as the elected Government of Canada to make decisions such as the one we made two weeks ago to put $1 billion into the hands of farmers, to eliminate the PGRT, to help Newfoundlanders, and to use federal instruments for purposes of regional economic development. That we have done and that we will continue to do.

FORECAST OF UNNEEDED CAPACITY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Prime Minister not concede that the Auditor

General reports that by 1992 there will be 659 additional unneeded spaces in maximum security institutions although there is a shortage at medium security institutions, that most of these are in Quebec and, in short, that we are going to have at least two unneeded maximum security institutions in Canada? Will he concede that this is certainly not a good and productive use of the taxpayers' money?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would point out to the Hon. Member that the shortage of beds to which she refers in the Auditor General's Report is—

Mr. Blackburn (Brant): We are not talking about hospitals.

Mr. Kelleher: —cells, is a projected shortage, not an existing shortage.

Mr. Broadbent: He said a surplus.

Mr. Kelleher: With the greatest of respect, the Auditor General has lumped together security institutions and protective institutions. The need was there for a protective institution. That is what we have built.

REQUEST THAT CONSTRUCTION BE HALTED

Mr. John Nunziata (York South—Weston): Mr. Speaker, it is really unbelievable that the Prime Minister should continue to try to justify—

Some Hon. Members: Question!

Mr. Speaker: Order, please. I would ask the Hon. Member not to start right off by being argumentative. Would the Hon. Member put a preamble in order to help him put his question, and would he then put his question?

Mr. Nunziata: Mr. Speaker, today the Auditor General confirmed what we have been saying for a number of months. He indicated that the cost of the decision to relocate the prison in Port-Cartier will cost Canadians an additional $41 million. The Auditor General also points out that there is no need for a protective custody prison at Port-Cartier.

In view of the Auditor General's investigation and his scathing attack on the Government's decision to relocate the prison to Port-Cartier, will the Prime Minister stop playing games with taxpayers' money, halt construction of the prison immediately, and refer the entire matter to the Public Accounts Committee for consideration?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have said on many occasions and as has been confirmed by the Auditor General, the site was selected for economic reasons. In his testimony before the Justice Department, the former Solicitor General said that "the site was chosen bearing in mind considerations of regional development as well as considerations of corrections and that in fact he thought that every Department of Government ought to take account of regional disparity in dealing with its own priorities". That is what we did, and that is a view confirmed by the former Solicitor General.

Mr. Nunziata: Mr. Speaker, it is time that the Prime Minister stopped playing gigolo with his constituents at the taxpayers' expense.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I recognize the Hon. Member for Ottawa Centre.

* * *

FINANCE

TAX EXPENDITURES—REQUEST FOR DISCLOSURE OF CORPORATE RECIPIENTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance and arises out of the Auditor General's repeated confirmation that there has been an enormous loss of revenue. Some $28 billion was lost to Canadian taxpayers because of tax expenditures and the Auditor General said that these flowed without control, without accountability, and without adequate information to Parliament. Will the Government restore public confidence in the tax system by moving to change the Income Tax Act to provide that every corporation that receives more than $50,000 in tax expenditures from Canadian taxpayers will be reported by name to Parliament?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in response to the general point the Hon. Member has raised, the Department of Finance is in the process of developing an evaluation unit so that we can look more closely at tax expenditures. In the meantime we are evaluating these on a very rigorous basis in the process of tax reform, as I indicated in answer to the previous question.

On the question the Hon. Member has raised just now, I am not quite sure he understands exactly what he has requested. A tax expenditure has a very broad definition. Any company receiving the low tax rate for small business, any company receiving research and development credits, and any company taking deductions for capital cost allowances would be included in the definition the Hon. Member has just raised.

TAX REFORM POLICY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, rather than leaving this to be evaluated secretly in-house by the Finance Department, will the Minister move to ensure that the people of Canada, through Parliament, can evaluate the 80,000 companies that are profitable but do not pay any tax because of tax concessions or the $1 billion which fell out on the "Little Egypt" bump because of a tax loophole?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows that we moved very quickly to cancel the so-called "Little Egypt" bump to which he has referred. I have yet to hear any commendation for that from the Hon. Member or any of his colleagues.

During the course of tax reform, we will review these in a very rigorous way. I throw back to the Hon. Member the challenge I threw back to his predecessor. We released a booklet entitled *The Cost of Selective Tax Measures* over a year ago, and I think I have received five recommendations from members of the New Democratic Party. Let them put some words behind the rhetoric, come up with some recommendations and participate in tax reform in a positive way.

* * *

UNEMPLOYMENT INSURANCE

FORGET COMMISSION—FINANCING OF COMMISSION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and deals with the Forget Commission. Yesterday the Minister misled the House when he tried to compare—

Some Hon. Members: Order!

Mr. Allmand: —an internal inquiry conducted by a public servant at the request of his Minister with a Royal Commission appointed under the Inquiries Act by the Prime Minister. How can the Minister justify the expenditure of $5.6 million from the unemployment insurance account for the Forget Commission when Section 135 of the Unemployment Insurance Act says that these funds can only be used for unemployment insurance benefits and for the cost of administration of the Act? By what stretch of his imagination is this gutting of the Unemployment Insurance Program considered administration?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I maintain exactly what I said yesterday. To satisfy the Hon. Member, we checked with the Department, and Section 135 of the Unemployment Insurance Act is quite clear. It refers to the possibility of paying for the administrative expenses, research costs and the like of any commission.

As for the other reference, Mr. Speaker, it makes no difference whether the Commission was internal or external, since the exact same procedure was followed for the Forget Commission as for the first one. It makes no difference whether the Commission was headed by a public servant or was a royal commission of inquiry, since we followed the same procedure, and this is all quite normal and proper and legal, and, once again, Mr. Speaker, I did not mislead the House in any way.

• (1440)

[*English*]

REQUEST THAT MINISTER SECURE LEGAL OPINION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, would the Minister refer this matter to the Minister of Justice for a legal opinion to determine whether the use of these funds from the unemployment insurance account was legal considering Article 135? Would the Minister also tell us why this Royal Commission appointed by the Prime Minister was not financed out of the Privy Council Office like all other Royal Commissions under the Inquiries Act?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I repeat that we followed the normal procedure, and I think it is high time the Hon. Member stopped using these scare tactics. We are getting calls at our office from people who say we are going to cut benefits the day after the Forget report is published. You are responsible for spreading panic among Canadians.

* * *

[*English*]

TRADE

EFFECT OF UNITED STATES TARIFF ON CANADIAN SOFTWOOD LUMBER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. Lumber forwarders and shippers say that they expect the new 15 per cent tariff to go on transport costs too, which will kill 1,500 handling jobs in Ontario alone. Could the Minister tell us what he is doing to prevent this further disaster to our economy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker. The most direct answer is that we are trying to put in place, by negotiation with the United States, a system which protects Canada from that very kind of exposure which the Member complains of day after day after day. He lives in some kind of dream world or he pretends that sitting back and crying foul will stop protectionist pressures in the United States. Obviously it won't. You have to act. We are accepting the responsibility to act.

Mr. Broadbent: Yes, cancel the talks. Put the talks on hold.

Mr. McCurdy: Give the Canada Award for it too.

GOVERNMENT ACTION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question. The Minister is clearly not even aware that his own Ministry is making representations on

this transport cost issue. Will the Minister commit himself to help the lumber forwarding and shipping industry save these jobs rather than just leaving it to a U.S. decision whether they live or die?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I not only know what my Department is doing, I know what my colleague, the Minister for International Trade, is doing. She is meeting today with provincial Ministers of Trade and of Forestry from across the country to continue a common approach based on practical actions open to Canada, and also to carry on the discussions of means by which we might protect Canada against this kind of protectionist surge that we are seeing in the United States. What is needed here is practical action, not ideological attacks upon a neighbour.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for York South—Weston on a short supplementary question.

* * *

PENITENTIARIES

LOCATION OF PRISON AT PORT-CARTIER—AUDITOR GENERAL'S REPORT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary question is for the President of the Treasury Board. In view of Paragraph 7.99 of the Auditor General's Report, can the President of the Treasury Board tell the House today whether, prior to making the decision to relocate the prison from Drummondville to Port-Cartier, he had at his disposal all the facts that were necessary in order to determine whether or not there was a need for a protective custody prison at Port-Cartier?

[*Translation*]

Hon. Robert de Cotret (President of Treasury Board): Mr. Speaker, I think it is generally known that the decision made in the case of the Port-Cartier prison was a Government policy that was referred to Treasury Board for preliminary approval, and as you know, Treasury Board is not a political committee. It is a committee that reviews decisions from a financial point of view. And yes, we had the information we needed to make that decision.

[*English*]

DISARMAMENT

UNITED STATES STRATEGIC DEFENCE INITIATIVE—APPLICATION OF ANTI-BALLISTIC MISSILE TREATY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Secretary of State for External Affairs. The Secretary of State for External Affairs said in his statement this morning that the issue has become, and I quote: "What are the limits on permissible research" for SDI under the ABM Treaty? What does the Government of Canada say are the limits for permissible research under the ABM Treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know if the Hon. Member was in the House today during the exchange on the question of arms control. If he were, he would know the issue that failed to be concluded at Iceland was precisely what those limits are—that is an issue, a disagreement between the two parties signatory to the ABM Treaty. He would also know that there is a written treaty that makes no reference to research, and he would know that there might be private documents in the hands of both the Soviet Union and the United States which might elaborate on other agreements that they made with respect to research. Only they can know that. All that we can ask is that the integrity of the ABM Treaty be respected and that there be a strict adherence to it. That is the position of the Government of Canada.

POSSIBLE RESEARCH UNDERTAKEN BY CANADIAN COMPANIES

Mr. Derek Blackburn (Brant): Mr. Speaker, Clause 5 of the ABM Treaty forbids testing in space. The Americans have indicated that they wish to change that, abrogate it, or rewrite the ABM Treaty. In view of the fact that Canada supports the private sector industries in joining in on the research for SDI, and in view of the fact that that research may indeed take SDI out of the lab and into space, is it not fair for us to ask the Government not to support that private research in case that private research does result in the abrogation of Clause 5 of the ABM Treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am asked for an opinion as to whether or not such a request would be fair. My opinion is no.

* * *

NATIONAL RESEARCH COUNCIL

JOB LOSS INQUIRY

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Minister of State for Science and Technology. In this House last Wednesday the Minister of State for Science and Technology said: "There will be no lay-offs at the NRC". Today we learned from the Vice-President of the National

Research Council in charge of laboratories that 100 to 150 persons will lose their jobs as a result of the Minister's cuts. Why does the Minister say one thing, that there will be no lay-offs, and a Vice-President of the National Research Council say the direct opposite? Whom are Canadians to believe?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, what the Hon. Member has learned, he has learned from *The Globe and Mail*. Two hours ago I spoke with the President of the NRC who assured me once again that the NRC will honour the Government's request to make certain that every conceivable effort is made to minimize the impact on individuals who would have to be replaced or re-assigned to other duties, and that there will be no lay-offs and no pink slips in the current year particularly, and perhaps none at all even in subsequent years.

REQUEST THAT MINISTER SUSPEND FUNDING DECISION

Mr. David Berger (Laurier): Mr. Speaker, perhaps the Minister could tell us how a 58 year-old reseacher, Dr. Basinski, who has devoted his whole life to a certain area, can be recycled at age 58?

[*Translation*]

If the Minister is right, would he be prepared to put his decision on hold so as to enable the parliamentary committee to make an in-depth study of it?

• (1450)

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, again, the person to which the Hon. Member makes reference will not have his research position phased out or cancelled. It will remain intact. May I remind the Hon. Member that what happened at the NRC was not my decision or that of the Government. It was a decision of the board on which the Government relies to manage the affairs of the NRC.

* * *

SCIENCE AND TECHNOLOGY

FUNDING OF RESEARCH IN UNIVERSITIES

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the same Minister. Can he assure my constituents associated with one of Canada's best research organizations, the University of Western Ontario, that new thrusts announced in the Throne Speech and the reallocation of NRC resources will mean more research will be done in universities across Canada with federal support, rather than being concentrated in government laboratories in Ottawa?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, we are moving very decisively in two areas. The first is to revitalize in-house research capabilities, which includes the NRC and Ottawa laboratories. The second is to strengthen the capability and competence of universities to respond to a new set of national priorities, that is, the teaching of future scientists and permitting universities to play a role in strengthening our industrial competence in foreign markets.

* * *

NATIONAL RESEARCH COUNCIL

FUNDING OF SPACE RESEARCH PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister of State for Science and Technology came close to reconciling the contradiction between the vice-president in charge of laboratories who should know what is going on, and himself, with respect to the lay-offs. When he answers this question I hope he will remember Pinocchio.

He claims that $800 million in new money is going to go into space research. Is it not true that one of the reasons we are having lay-offs at the NRC now is because the NRC is being savaged for that space program?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, let me tell the Hon. Member what is happening. What this Government has done is to allow the NRC to resume its work as Canada's principal research agency. Unlike the former Government, we do not believe you can advance the cause of science and technology through bricks and mortar. The NRC has carried on about $150 million in construction projects over the last three years. They are now completed and phased out; that is why there has been a major reduction in the budget of the NRC. We just do not think that is a proper way to advance the cause of science and technology.

MINISTER'S POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the people involved are not made of bricks and mortar. Remember Pinocchio.

Some Hon. Members: Order!

Mr. McCurdy: Would you please reconcile your statement—

Some Hon. Members: Order!

Mr. McCurdy: —that $800 million in new money is going into the space program with the fact that money is being taken out of the NRC to pay for it? As well, would you reconcile your statement—

Mr. Speaker: Order!

An Hon. Member: How is your Mazda?

Some Hon. Members: Oh, oh!

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I would encourage the Hon. Member to read the transcript of a committee meeting where he said that the comprehensive space program will perhaps be the single largest repository of new knowledge. He was totally in support of it. I make absolutely no apologies for identifying new priorities that will permit this country to stay in the fast current that will take us into the next century, with him or without him.

* * *

PENITENTIARIES

PORT-CARTIER PRISON—AUDITOR GENERAL'S REPORT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. The Solicitor General has been quoting me to try to justify the traditon of combining Corrections' decisions with regional development policies. The Auditor General, in Section 1.90 of his report, points out that that cannot be done in this case because there is no Corrections' basis for the decision. Does the Prime Minister realize that he is damaging his own constituents by putting forward and relying on a Corrections' policy which will lead taxpayers to lose their confidence in regional development programs altogether?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I have some difficulty with the question posed by the former Solicitor General because in his testimony before the Justice Committee in May of 1982 he said: "When a Ministry has a project that is required, and in this case we did require this institution or will require it in 1986, we took account of the economic conditions in the part of Canada where it was needed in deciding precisely where it would go. I do not think there is anything to apologize for there. I think the Canadian people broadly support that." To that I say amen, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, that is a very good statement—

Some Hon. Members: Hear, hear!

Mr. Kaplan: —but it does not apply to a penitentiary that is not needed, which is the case here.

ROLE OF TREASURY BOARD

Hon. Bob Kaplan (York Centre): Mr. Speaker, my supplementary is directed to the President of the Treasury Board. In light of that answer has it become the practice of the Treasury Board just to rubber-stamp decisions it gets from the Government? Or is it supposed to look at decisions on an economic basis? If so, how could it do that in this case where the Auditor General notes in Section 7.99 that the Treasury Board did not have the information it needed to make an independent decision?

[*Translation*]

It was just a matter of nodding assent.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to assure my colleague that the Treasury Board does indeed scrutinize all recommendations and submissions it receives and, hopefully, always makes the right decision.

* * *

[*English*]

HUMAN RIGHTS

VIOLATIONS IN U.S.S.R.

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. As he will know, the Conference on Security and Co-operation in Europe will hold a review on compliance with the Helsinki Final Act in Vienna, beginning November 4. Can he assure the House that the Canadian delegation to the conference will bring to bear the full weight of Canada's influence in the international community to ensure that the Soviet Government is held to account for its obvious and numerous violations of basic human rights, particularly with respect to religious freedoms?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. I know of his long-standing interest in these issues. I will be attending the follow-up conference of the CSC in Vienna. I can assure him that we will raise then, as we have consistently in the past, the questions to which he refers. I further invite him to make me aware of any particular cases he thinks it would be useful for me to pursue at Vienna.

Mr. Speaker: The Hon. Member for Winnipeg—Birds Hill, one question, please.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. I am sure he will know that last Friday was the anniversary of the meeting between himself and the U.S. EPA director, Lee Thomas, at which time Canada was promised a vigorous program to clean up the waste leaking into the Niagara River

from the American side. Will the Minister take this opportunity to say why we do not have that concrete program yet and when he expects it to be forthcoming from the U.S?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, some solid achievements have been made by the U.S. and Canada in this connection. I will be meeting with Lee Thomas on October 28, one week hence, to review that progress with the hope of building on it. I am going to use the occasion of this meeting in Ottawa to share with the Hon. Member, other Members of the House, and the public our plans for the coming year.

Mr. Speaker: The Hon. Member for Algoma, one question, please.

* * *

AIR CANADA

CANCELLATION OF SAULT STE. MARIE SERVICE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Transport and concerns the plans of Air Canada to close down services in a number of cities in Ontario, including London and Sault Ste. Marie. The City of Sault Ste. Marie has already lost hundreds of jobs this year and I want to know if the Government is prepared to take action to stop the loss of these Air Canada jobs and the services of the national airline, and show some confidence in the city?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is late in his representation because the Solicitor General has been dealing with me on this matter now for many weeks.

Mr. Gray (Windsor West): With no success.

Mr. Crosbie: Nevertheless, his representation, even if belated, is welcome.

We are doing what we can to assist in that situation. Air Canada does not wish to serve that city any longer. It has guaranteed that it will look after and deal fairly with the employees involved. Air Ontario, I believe, is going to operate the necessary services there. In the meantime we are looking at certain other problems which have arisen and we will do everything we can to see that Air Canada operates and treats everybody concerned, including the customers, fairly.

• (1500)

DISARMAMENT

U.S.-U.S.S.R. SUMMIT—STATEMENT MADE BY NEW DEMOCRATIC PARTY LEADER

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question is for the Secretary of State for External Affairs and is with regard to the recent summit meeting at Reykjavik. There was a statement made this morning in this House by the Leader of the New Democratic Party. He stated that the Reykjavik meeting foundered because President Reagan was intent on scuttling the ABM treaty. Does the Secretary of State for External Affairs agree that this is really what prevented full agreement in Reykjavik?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the New Democratic Party will have to choose between encouraging arms control and fabricating occasions for attacking the United States. The NDP Leader said today that the Americans were trying to scuttle the ABM Treaty. Quite the opposite occurred. The United States agreed at Reykjavik to respect that treaty for another 10 years. That is real progress.

Mr. Blackburn (Brant): No, no.

Mr. Clark (Yellowhead): Earlier today the New Democratic Party Leader congratulated the Soviet Union for having made some positive moves at Reykjavik. The Soviet Union did. So did the United States. The NDP should recognize that.

Mr. Blackburn (Brant): You're wrong.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1.38 o'clock p.m. there were 12 minutes remaining in the speech of the Hon. Member for York Centre (Mr. Kaplan).

Hon. Bob Kaplan (York Centre): Mr. Speaker, I was just about to conclude my remarks before we adjourned for lunch. I simply wanted to indicate what a sad thing it is when a Government will force a decision on an important agricultural entity based on—

Mr. Speaker: Order, please. I ask Hon. Members please either to either take their seats or leave the Chamber. The

Hon. Member for York Centre (Mr. Kaplan) has the floor and is continuing debate.

Mr. Kaplan: I was regretting that ideology is so important to the Government in connection with Crown corporations that it will not study what the Crown corporations want to do and then allow the good ones to continue while winding up or changing the mandate of the ones which are not worth while. In the case of Canagrex, the Government has an easy shot because, with it being so new, it has not yet had the oportunity to live up to its potential. My Party and I consider it very regrettable that the Government is not giving Canagrex the opportunity to live up to the expectations for it, or to fulfil the goals of the numerous constituencies in the agricultural community. In our view this is only one terrible mistake in a poor track record of a hopeless Government.

Mr. Redway: Mr. Speaker, during his comments the Hon. Member referred to the fact that he was the eighth speaker for the Liberal Party on this Bill. I have been listening very carefully to the comments of all eight members of the Liberal Party, including this Hon. Member. I have now heard the same comments, arguments and positions repeated close to eight times. Would the Hon. Member agree that it is time for the Liberal Party to end its filibuster of this Bill?

Mr. Kaplan: Mr. Speaker, I simply reject the suggestion that this is a filibuster. We have strong views about this matter. Some of my colleagues fought very hard to establish Canagrex. They had to convince a lot of people who were at first of the opposite view. For Canagrex to go down just to give the Government one more check mark on its list of cuts is very hard for us to stomach. If 30 or 40 members of my caucus spoke about the dissolution of Canagrex, that would not be too many.

Mr. Foster: I think it is really out of spite and bitterness that the Government has destroyed this Crown corporation which was designed to help small agricultural commodity producers who do not have the strength or scope to have international marketing capabilities. This mean-minded Government withdrew the funds in November of 1984 to destroy Canagrex. The Government is so vain, weak, desperate and lacking in ability to help agriculture that the first item called in the new session of Parliament, with agriculture facing its most difficult time since the 1930s, is a Bill to destroy the marketing capacity which Canagrex would have given to those farmers of the country facing incredibly difficult times. Farmers are losing their farms, homes and income. They are facing the humiliation of moving into big cities where the jobs exist. This is a black day for Canadian agriculture and for the Government which is so bereft of innovation, ability and design that the first item it calls in this most desperate time in agricultural history is a Bill to destroy Canagrex, a trading corporation designed to help small farmers to market their commodities in an increasingly competitive international market-place. This is a sad commentary on the mentality and the ability of the Government to deal with the agricultural problems which face the country at this desperate time.

Mr. Gauthier: Madam Speaker, I have only one comment to make. The Bill before us is strictly a housekeeping Bill. The Government has already killed Canagrex by removing all of its funds. Many of us in the Liberal caucus feel strongly about this measure because Canagrex was a Liberal initiative about which we felt strongly. I take exception to Conservative Members of Parliament blaming us for delaying this Bill when last week during debate on Bill C-11, which was another administrative Bill, the Conservatives put on the record comments about how great and good they are. We are just trying to make the point that we feel badly about this measure. We will vote against it and we will now interrupt our debate to have the question put.

• (1510)

[*Translation*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is as follows: Mr. Wise, seconded by Mr. Mazankowski, moved that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): On division?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion (Mr. Wise), which was agreed to on the following division:

Prairie Grain Advance Payments Act

(Division No. 13)

YEAS

Members

Andre
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Browes
Cadieux
Caldwell
Champagne (Saint-Hyacinthe—Bagot)
Clark (Yellowhead)
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Cook
Cooper
Cossitt
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
de Cotret
Desjardins
Desrosiers
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fraleigh
Fretz
Gagnon
Gass
Gérin
Girard
Graham
Gravel
Guilbault (Drummond)
Gurbin
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Ladouceur
La Salle
Layton
Lewis
Lopez
MacDonald (Kingston and the Islands)
Mailly
Malone
Mantha
Martin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McInnes
McKenzie
McKinnon
McMillan
Minaker
Mitges
Moore
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Pennock
Porter
Price
Redway
Reid
St. Germain
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stewart
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson (Etobicoke Centre)
Wise
Witer—135

NAYS

Members

Allmand
Althouse
Angus
Berger
Blaikie
Boudria
Caccia
Copps
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Frith
Gagliano
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Henderson
Hovdebo
Kaplan
Keeper
Killens
Langdon
Malépart
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Nunziata
Orlikow
Parry
Pépin
Prud'homme
Robichaud
Rossi
Tobin
Young —37

[*Translation*]

Mr. Speaker: I declare the motion adopted.

Motion agreed to, Bill read the second time and referred to a legislative committee.

• (1550)

* * *

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)) moved that Bill C-12, an Act to amend the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is no secret that we face some very difficult times in the grain and oilseeds business, not only around the world, but especially in Canada. This Government has been attempting to respond to that situation in several ways.

We face some serious problems largely because of the subsidies offered by the European Economic Community, and the U.S. Farm Bill that has resulted in literally a trade war that has driven down the prices worldwide, and as a result has driven down the prices to our producers. This problem has been coming for some time. The only long-term solution to this problem is to have it addressed and looked at internationally. What the countries in the European Economic Community do within their own borders is entirely their own affair. However, when they are able to increase their production dramatically through subsidies, and on that basis become very competitive with us for some of the international markets that Canada has traditionally been able to supply, we have legitimate reason to make observations and to complain about that situation. That is precisely what has been happening.

Our farmers are very efficient. We have a good climate and soil and in many respects we enjoy significant competitive advantage, or comparative advantage, in economic terms. That allows us to produce a very high quality product that is in demand around the world. What is increasingly difficult for our farmers is to be able to compete with the treasuries of the European Economic Community and the United States.

I would like to give you a couple of examples as to why that is difficult. First of all, looking at the average income dollar that a Canadian farmer has, about 50 cents out of every dollar come from exports. Using these same criteria in the United States, about 25 cents of every income dollar that a farmer has come from exports. On that basis, exports are very important to the Canadian farmer. Looking at some of the specific commodities, grain and wheat, in Canada we export roughly

80 per cent of all the wheat that we grow. About 10 per cent is used in domestic consumption in bread, cookies and pastry. The remaining 10 per cent is used for seed, industrial use, feed, and those purposes. In the European Economic Community, the figure is almost exactly reversed. The European farmer is only reliant on exports for 20 per cent of his production. In other words, 80 per cent of the European farmer's production of wheat is consumed within the European Economic Community. On that basis, as far as wheat is concerned, in comparison to the European Economic Community, Canada is very dependent on exports.

Some of the subsidies that the Europeans currently have available to them are very large. In the southern Prairies we produce Durum wheat, which is second in quality to none in the world. It is as good as any. It is very high quality grain. Our farmers this year are receiving $130 per metric tonne as an initial payment. The European farmers are receiving $450 per metric tonne. On that basis, it then becomes very difficult for the Canadian farmer to deal with that. It is not because we are inefficient; it is because we have a smaller population on which to rely for a domestic market. Therefore, we are much more reliant on exports. That is why this Government has taken the lead in addressing some of these problems at the international level.

When the Prime Minister (Mr. Mulroney) visited Japan for the Tokyo Summit in May, he raised agricultural trade and subsidies as Canada's agenda item. That is the first time that had ever happened. A month later I had the opportunity to host the four other major wheat exporting countries. This was the first time ever that such a meeting had been held in Canada. It was held at Whistler, in British Columbia. The five major wheat exporting countries meet regularly to discuss problems at the bureaucratic level, but this was the first time such a meeting had been held at the political level. In August, Canada also participated in an international meeting at Cairns, Australia, prior to the agenda setting GATT at Uruguay, in which Canada played a major role. The Secretary of State for External Affairs (Mr. Clark) gave the lead-off speech and set the tone for the meeting. The result was that agriculture was included on the GATT agenda for the first time in the seven meetings that had been held. We are making some progress there. Unfortunately, that progress is slow and it will take time. In the meantime, our farmers need to have some support.

We have supported our farmers in many respects. We removed the tax on farm fuel. We froze freight rates this year. The grain commission froze the maximum tariffs under which the grain companies operate. We amended the Western Grain Stabilization Act to provide assistance at a more opportune time during the year. If there is going to be a triggering of a pay-out under the Western Grain Stabilization Act, the money is available prior to spring seeding when farmers need it the most. This amendment was put through the House in February of 1985. Many initiatives have been taken on the agricultural side in terms of supporting our producers, and especially our grain producers.

One of the other things that we are doing is to support the Canadian Wheat Board and the Ontario Wheat Producers Marketing Board, plus private institutions that market our grain and oil seeds. The record shows that over the past crop year, Canada increased its sales over the previous crop year. In 1985-86 we exported over 2 million tonnes more than we did in the previous crop year. At the end of the crop year, which is on July 31, our farmers went into the new crop year with the lowest on-farm carry-over ever. That is a result of sales.

Canada now has long-term sales agreements that total more tonnes than any other wheat exporting country. We have a long-term grain sales with Egypt which runs for five years. That was signed in the spring of 1985. We concluded a three-year term with Brazil. Last month we renewed a major long-term sales agreement with the Soviet Union. That is certainly good news for Canadian farmers in these very difficult times. Again, just to emphasize, price is still a major problem and there is not a lot of room for optimism. On the volume side we did very well last year. We increased our share of world wheat markets. With the sales program that is in place for this crop year, if it holds up for the rest of the crop year, we have the potential to increase our grain sales this year and our percentage of world grain markets.

I have here a clipping from *The Ottawa Citizen* of October 3 that talks about the Soviet grain deal. It shows a picture of the Prime Minister and the Soviet Foreign Minister. The caption reads "U.S.S.R. Signs Five Year Grain Deal". Seeing a Prime Minister of Canada in a newspaper in conjunction with a long-term grain sales agreement is something I find refreshing after what we had from previous Governments, their attitudes about grain and how they approached the problem. This is an encouraging sign. To see the Prime Minister's picture in the paper seems entirely natural and appropriate based on the record of our Government in dealing with agricultural problems.

• (1600)

This brings me to the Bill at hand. It is a Bill to amend the Prairie Grain Advance Payments Act. It is a Bill that was first introduced and passed by the Progressive Conservative Government of the Right Hon. John Diefenbaker in 1957. I see the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton), a distinguished Member of this House and a distinguished former Minister of Agriculture here in the House. He is the one who was responsible for starting the wheat sales with the People's Republic of China. He has made a great contribution not only to this House but to Canadian agriculture in general. He informs me that the Prairie Grain Advance Payments Act was one of the first pieces of legislation to be introduced by the Diefenbaker Government in 1957. It has served farmers very well and it is being used more and more.

We are introducing today some amendments to this Act to make it more responsive to farmer's needs to help them deal with their cash flow situation. Let me explain what this Bill does. When farmers harvest grain, it takes considerable time to market it. Depending on weather, harvest season lasts a month in the Wheat Board area. Farmers will harvest all their grain in a month and the grain will then be sold throughout the remainder of the year. The Prairie Grain Advance Payments Act provides a cash advance for grain which the farmers have already harvested and have in store against the day when they can sell it. It is a way for farmers to realize cash once they have harvested their grain before having the opportunity to sell it. The Government provides the cash advances interest-free. The interest charges are picked up and the Canadian Wheat Board administers the Act.

What we are doing today in giving this Bill second reading is streamlining it. Upon review of the Act the Government found that changes in the administration of this legislation should be made, changes that would make the program more timely and more responsive to the needs of those who are using the Bill. I will list what the proposed amendments will do, Madam Speaker.

One of the amendments will make the Act fairer in the sense that presently producers are able to acquire cash advances based on a quota factor or on the number of acres they farm. There is no consideration for how productive is each acre that that farmer farms relative to other farmers. We are introducing an amendment to allow the cash advance to be calculated on the amount of grain a farmer has in store as opposed to the number of quota acres that he has. That will assist many producers in being able to make better use of the cash advance in the sense that the farmer will be able to get a larger cash advance if he has the productivity to back it up.

We are also proposing to amend the Act in this Bill to allow producers who have been in a default position to have their interest rates adjusted on a regular basis. There are producers who have had problems repaying loans. The default ratio though has been minimal. When you are dealing with literally tens and hundreds of thousands of producers, roughly 140,000 permit books in the Wheat Board area, you can understand that producers have problems, Mr. Speaker. There are producers who have been in default, for four or five years. Once they are in default the interest rate is set at the level of interest at that time. People who have been in default for four or five years when interest rates were 15 per cent and 16 per cent are still paying interest rates on their defaulted loan at those levels. We are proposing to amend the interest rates charged on defaulted and prepaid loans to reflect the interest rates in effect at the present time.

One of the amendments is to make it easier for farmers who are tenants to obtain a loan. Now you require the landlord's signature as well as the tenant's signature. Sometimes that takes a period of days, weeks or months and it delays the time at which a farmer can obtain a cash advance. We propose to simplify that. Farmer tenants will now be able to sign affidavits to the effect that they have clear title to the grain grown on another's land. It will simplify things substantially and make it easier for producers to get cash advances.

Several regulations of the Prairie Grain Advance Payments Act must be amended each year even though these amendments are routinely and largely administrative in nature. This process takes time and in many cases too much time. We propose to remove these administrative hold-ups so that needless red tape does not come between the farmer and the advance payment.

The Canadian Wheat Board will be responsible for final approval of the Prairie Grain Advance Payments Act application form which changes little from year to year. Presently we have to go through an Order in Council every year to approve a form which does not vary very much from year to year. We are going to simplify that.

We are also going to simplify the emergency provisions under the Act whereby cash advances are made available for unthrashed grain after November 15 if there is a significant amount of grain that has not been harvested. Producers can obtain a cash advance against grain that is unharvested and still in the field. Producers are also eligible for cash advances to assist in drying costs. We want to improve the administration so that those things can be done without an Order in Council and so make the whole thing easier.

We are also introducing an amendment that will give producers equitable access to cash advances right across the country.

Another amendment that I think will be welcomed by producers is that as the Canadian Wheat Board administers the Act it will have greater latitude in dealing with producers who have defaulted but who can show that extraordinary circumstances prevented them from being able to deliver against their cash advances. You run into situations in the spring with a road or a bridge that is out, situations such as that. Presently the Act does not allow for any leniency or any interpretation in that respect. We are amending the Act to give the Canadian Wheat Board, the administrators, some latitude in dealing with extraordinary circumstances. I think that will be a very useful and welcome change as far as producers who use the Prairie Grain Advance Payments Act are concerned. This would have been useful had we been able to have it in effect at the beginning of the crop year which started on August 1, Madam Speaker.

I hope the Opposition will look at this legislation very favourably and give it reasonably quick passage. There are a couple of provisions which, if we can pass this Bill without a lot of delay, can actually be of some use to producers this year. Most of the amendments will have to wait until next year before they will have full effect, but some amendments, if we can have reasonably quick passage of the Bill, will be of use to producers this year.

These amendments are being made by the Government to try to be as responsive as we possibly can to grain and oilseed producers in this very difficult time. With that, Madam Speaker, I want to conclude and thank Hon. Members in the House for their kind attention.

Some Hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Madam Speaker, I have a few comments with regard to Bill C-12, an Act to amend the Prairie Grain Advance Payments Act. Many of the amendments are technical and will be of great value to the agriculture producers in the west. Clearly the Minister of State for the Canadian Wheat Board (Mr. Mayer) has suggested we have quick passage. As I think back to all the legislation which the Minister and the Government have brought in during the last two years, I see that the problem has never been to get quick passage, the problem has been to get legislation into the House.

I think back to the months and months and years when the Conservative Party fought the former Minister of Agriculture, Mr. Whelan, on every little amendment that he brought in to any Bill whether Canagrex or something else. Canagrex I think was in the works for some two years. That entity would have had an opportunity to get fully functional and prove itself, but the Conservative Party was bound and bent to ensure that any legislation which the former Minister brought in would be denied passage no matter how valuable it was to the agricultural community. Certainly every Bill the Government brought in has been passed in either one or two sittings of the House, even something as complicated and detailed as the legislation dealing with Farm Debt Review Boards. That should have been brought in a year ago, as the Minister promised in July of 1985. There should have been detailed discussions for several weeks, but it was belatedly brought in in about the third week of June. We passed it in two sittings of the House. Clearly the Opposition has co-operated in passing every piece of farm legislation brought before the House, whether it be the Western Grain Stabilization Act or the Farm Products Marketing Agencies Act. The Minister does not have to ask for quick passage of his legislation because he knows that every piece of legislation he has brought before the House has been passed expeditiously.

• (1610)

It seems to me that although many of the provisions in this legislation before the House today are of a technical nature, they will be very valuable. Farmers with very productive soil and who produce large volumes of wheat or barley on small acreages will now be able to get a cash advance based on the amount of grain they have in storage rather than on an acreage-based formula. The idea of a floating interest rate on cash advances which bear interest is a good idea. I am amazed that the Minister waited for two years to bring in that kind of provision because it is clearly a severe hardship for farmers to be paying 14 per cent or 15 per cent, which is what interest rates were in 1982 and 1983, and they are still paying them today. One of the election promises made by the Government was to provide adequate funding for current day interest rates.

I am also glad to see the amendment relating to cash advances being made available to people who lease or rent farms. It seems to me that the swearing of an affidavit by the producers concerned is adequate protection for the Government.

Then we have the emergency provisions. The Minister raised this with me last spring. He wanted to have simply an order by the Minister responsible for the Wheat Board in order to allow cash advances. I think that is a good decision. There is a provision which says that a farmer can only receive a $30,000 cash advance based on the Prairie Grain Advance Payments Act and the Agricultural Products Marketing Act in total. I would like to hear the details when the Minister is before the committee. It seems to me that the idea of an escape clause related to farmers in distress through an emergency situation and being unable to make a delivery is a good move as well.

I must say I was very struck with the Minister's comments regarding how rapidly the Government has responded to the agricultural emergency. Although he seems to believe that most of the problem lies with the European Economic Community, clearly the bottom fell out from under the grain prices when the U.S. Farm Bill was introduced. The Americans are determined to win back their share of the international market, both from us and from the EEC. Although both trading groups are probably equally at fault for falling grain prices, clearly the impact of the U.S. Farm Bill has been most dramatic for our farmers. Some economic forecasters say that net farm income will drop by 20 per cent as a result. If that is the case, it certainly will be the most Draconian measure ever used against the Canadian farm industry by any foreign Government.

I must say that I do not share the Minister's view that the Government is moving dramatically to help farmers. It seems to me that every responsible farm group in the country has been arguing for six or eight months now that there should be some kind of deficiency payment. We will be interested to see when the Government gets around to actually announcing that payment.

Mr. Mazankowski: Farmers in Saskatchewan do not hold that view.

Mr. Foster: I think the Deputy Prime Minister (Mr. Mazankowski) is applauding himself on how skillfully the Government has been able to hoodwink the people of Saskatchewan into believing they are going to get $1 billion—

Mr. Mazankowski: They are a lot smarter than that.

Mr. Foster: When they find out that money is spread across Canada rather than just provided to the prairie provinces, they will find it is not very great. The Prime Minister (Mr. Mulroney) announced he was going to negotiate $1 billion worth of aid with Premier Grant Devine.

Mr. Mazankowski: That is not what he said and you know it.

Mr. Foster: That was during the Leaders' debate. Two days later he said he had to get emergency aid—

Mr. Mazankowski: On a point of order, Madam Speaker. I know the Hon. Member would not want to misinterpret what the Prime Minister (Mr. Mulroney) said. What he said was that he would be "working closely over the next month with Premier Devine and other provincial Governments to devise an effective financial assistance program to enhance the cash flow of Canadian farmers". That is consistent with the August 27 meeting held between the federal Minister of Agriculture (Mr. Wise) and the provincial Ministers of Agriculture where the formal request was made. I hope the Hon. Member might correct that false impression. The Prime Minister did not say he was going to negotiate a deal with Premier Devine.

The Acting Speaker (Mrs. Champagne): Order, please. I think the Deputy Prime Minister (Mr. Mazankowski) knows that this is not a point of order.

Mr. Epp (Provencher): A point of debate?

The Acting Speaker (Mrs. Champagne): It is a good point for debate but not a point of order.

Mr. Foster: That was a very wise ruling, Madam Speaker. I want to compliment you not only on being appointed to such an important position as you hold in this House, but on the wisdom of your judgments. They are just excellent.

• (1620)

I must also compliment the Deputy Prime Minister (Mr. Mazankowski) on his win in Pembina. Someone who attended his speeches there said that the Deputy Prime Minister told them how great it was and how great it was going to be. He said that all he could think of after the Deputy Prime Minister finished speaking was, if it is so great, why do I feel so bad?

When the Prime Minister spoke in the Leaders' day debate, for some reason he did not mention the Tory Premier of Alberta. Of course, perhaps he was shooting arrows at him that day. He certainly did not mention the NDP Premier of Manitoba. I would be interested to know his logic for referring to the Tory Premier of Saskatchewan.

Mr. Mazankowski: Because it was in the forefront.

Mr. Foster: On October 6 the Prime Minister (Mr. Mulroney) spoke in the House in response to the Leader of the Official Opposition (Mr. Turner). He referred to the desperate situation of prairie farmers. Later that afternoon outside the House the Minister of Agriculture (Mr. Wise) said that this was an aid program rather than a deficiency payment, that it might be a loan guarantee or something else. The Prime Minister was certainly doing his best to talk about something that might have been interpreted in Saskatchewan as a deficiency payment. The Minister of Agriculture was backpeddling just as fast in the other direction.

The Minister responsible for the Wheat Board (Mr. Mayer) tries to tell us how great it is going to be. No one wants to be pessimistic. We all want to be optimistic. However, we do not see very much action by the Government. Everyone in the grain business says that there must be some kind of assistance. Probably less than 50 per cent of the grain this year will be No. 1 or No. 2. Our farmers cannot be producing grain for $3 a bushel while their friends and neighbours across the line in Montana and North Dakota are getting $6 a bushel. The difference is essentially a deficiency payment. The Government may have a deficiency payment, but it certainly will not talk about a deficiency payment. Government Members talk about farm aid and so on.

In the Auditor General's report I see a deficiency in the Western Grain Stabilization account of $100 million. That account was built up from 1979 to 1984 to almost $1 billion. Today it has a $100 million deficit. The Auditor General is calling upon the Western Grain Stabilization fund to brief the Minister fully on the financial implications of its interpretation of the method of calculating the stabilization payments to be made under the Western Grain Stabilization Act and to obtain specific approval to use this and any other interpretation.

It may be that $500 million or $600 million will be put into the Western Grain Stabilization fund in order that the interim payment can be approved next February or March. Similar payments may be made under the Agricultural Stabilization Act. That will simply be the deficiency funding which the Prime Minister has been promising for the benefit of the Saskatchewan election. I submit it would be very greatly misleading to the House if that were proposed. We have seen the Western Grain Stabilization fund drop over $1 billion in the last couple of years. If that is what he is doing, it is out and out deception. That would not be surprising.

I was really surprised that the Minister responsible for the Wheat Board dared to mention the Prime Minister's announcement of April 30. If there was ever a smoke and mirrors, shabby piece of work by a desperate Prime Minister, it was certainly that announcement of $200 million or $300 million which he made here in Ottawa. I hope that the $1 billion of aid for western grain producers which we are now talking about is more real than the phoney announcement the Prime Minister made on April 30 before leaving on his trip to Asia with his maid and butler. That $1 million could have well been spent for western agriculture.

That announcement had three elements. First, it announced an increase in the range of the domestic price of wheat from $7 to $11. Many people thought that farmers were going to get an increase from $7 to $11 a tonne for grain sold for domestic purposes. A $4 per bushel increase would have amounted to almost $300 million a year. The press release aggregated all these figures and said that farmers will get another $300 million increase in the domestic price of wheat. That is, of course, totally phoney. It is irresponsible. It did not fool the

farmers for more than a day or so because it was quickly picked up. The Prime Minister got the headlines before he flew off on his trip to Asia, which may be good politics, but he did not fool the farmers for very long.

A recent poll showed that 70 per cent of Canadians are very concerned about the farm situation. The Prime Minister does a disservice to the rest of society, which consists of about 96 per cent of the population, because they think the farmers got $300 million through an increase in the domestic price of wheat which they did not get. The story was spun out a little bit longer. There was another announcement in July that the range was changing again. Of course, farmers never realized five cents out of it.

The second element of the Prime Minister's announcement of April 30 was that he was going to freeze the freight rates. He was going to show the railway companies and protect the agricultural community. It only took a couple of hours to check out that canard. We found that the Department of Transport had recalculated the volumes of grain to be shipped and there were going to be 28.5 million tonnes rather than 31 million tonnes. It was not really freezing the freight rates, but simply recalculating the volumes so that there did not have to be a freight rate increase. This is the kind of phoney announcement that is meant to suggest that the Prime Minister has done something great for agriculture. I believe the amount there was $42 million.

• (1630)

I hope the announcement of $1 billion in assistance will not be as phoney as the Prime Minister's announcement in April that he would remove the excise tax on farm fuels. He put on two cents a litre last September and was able to get the excise tax for the fall harvest. In Saskatchewan they called the tax imposed by the Prime Minister the harvest tax.

When the Minister of Finance (Mr. Wilson) made that announcement on May 23, 1985, we pleaded with him to give an exemption. I asked the Minister in the House not to levy that excise tax. The Government did not want to put it on in the summer because it had so much trouble with the deindexation of the old age pension.

We pleaded with the Minister not to levy the tax because Canadian agriculture was in great difficulty, yet the Minister put on that tax just in time to pick up most of the revenues for the fall harvest. Lo and behold, in April, after everyone in western Canada had filled their fuel tanks, the Government announced it would remove that tax in May or June. He then had the audacity to announce that this would save Canadian farmers some $150 over two years. He did not say that it cost the farmers some $50 million or $60 million over the previous nine months.

If the Prime Minister really wanted to be honest with Canadians and western Canadian farmers, he would have apologized on April 30 for putting that excise tax on and then would have removed it retroactively to September 2, 1985 when he imposed it. It is pure larceny to impose such a tax.

We are waiting with bated breath to hear whether or not the Government will provide a deficiency payment or whether it will just replenish the Western Grain Stabilization Fund which the Auditor General's Report shows has a $100 million deficit today.

We are going through an incredibly difficult time in agricultural commodities in the world right now. The Government must reduce input costs as much as possible. We probably cannot provide the kind of deficiency payments that the EEC or the United States provide to their farmers. Export sales are more important to us than they are to the EEC or the United States proportionately and the Government, regardless of its right wing, reactionary and regressive policies, has a responsibility to try to maintain the industry in a survival position during the next three years that the U.S. seems hell-bent on subsidizing exports. For the Government to do less would be criminal. Hundreds of farms will be lost.

We have seen the Government dither on the question of the Farm Debt Review Board. It established a board that really has no powers except to forestall banks and credit institutions from foreclosing. Hopefully it will do some good, but the bankers got to the Minister and the Government and prevented it from providing the board with any real powers to reschedule debt.

The Minister talks about co-operation. He always has our corporation in passing good legislation. It has been four months since the legislation was passed, yet in Ontario only three members of the 10-person board have been appointed. Not one case has been heard before a debt review panel. The Government seems to move in slow motion.

However, when the banks went broke in Alberta there was immediately a back-up of $1 billion. When we talk about $1 billion for a deficiency payment for western Canada, which should be much more in order to cover the whole country, the process is dragged out for month after month. The only thing that seemed to trigger any action at all was the Saskatchewan election. Furthermore, that came only after the desperate phone call by the Premier saying: "I am going down the drain".

Mr. Hnatyshyn: The election is over.

Mr. Foster: The election is over. Why not announce the program now? Maybe we can get the Minister of Justice (Mr. Hnatyshyn) to give us some details on that phone call, because he was probably one of those who received it.

Mr. Hnatyshyn: What phone call?

Mr. Foster: We will wait to see just how phoney that announcement of assistance will be, and whether it will be like the phantom assistance which was offered back in April.

It is very similar to the commodity-based mortgage. I am sure that every Canadian who listened to the Budget Speech believed that literally thousands and thousands of farmers would receive low-interest loans at 6 per cent. In fact, $730 million was going to be provided at 6 per cent interest. However, like the Prime Minister's phoney announcement on April 30, the fine print in those commodity-based mortgages reveal that many of the farmers will not get 6 per cent interest. Even those farmers who receive 6 per cent will probably ultimately pay 2 per cent more than the current Farm Credit Corporation rate, some 12.75 per cent interest in the end. If the commodity price goes up, the interest paid is not only higher, it goes 2 per cent above the standard Farm Credit Corporation rate.

The fact that there is no new money is also disquieting. The $730 million is the same $730 million that farmers have in FCC loans now. For instance, if a farmer has a $100,000 mortgage, he is given a $100,000 mortgage here at approximately 8 per cent or 9 per cent, or 6 per cent in some cases where the equity is low enough. However, as commodity prices rise—the price of hogs has risen by 25 per cent this year—the interest rates go up dramatically. Over the course of the 10-year mortgage the farmer pays 2 per cent more than the FCC rate. The only way to get out of that mortgage is to pay out the interest right through for the full ten years at 12.75 per cent or whatever the rate is at 2 per cent above the FCC rate.

The dishonest aspect of the announcement by the Minister of Finance, the Minister of Agriculture and the Minister of State responsible for the Canadian Wheat Board is that there is no new money. It is essentially only exchanging one FCC loan for another. If you have a 12 per cent loan with the Bank of Commerce, the Bank of Nova Scotia or the Royal Bank, tough apples, there is nothing for you. The commitment of the Government to agriculture is really appalling. It throws out these figures of millions of dollars, but what it is talking about in every case is the Western Grain Stabilization Fund. That is a security program. The farmer pays a premium just like an insurance policy and if he has a loss he receives a benefit. It is the same with crop insurance. The Government talks about crop insurance with great benevolence, but the crop insurance program is a program where the farmer pays a premium and if he has a loss he receives the benefit.

• (1640)

The Government talks about the western transportation Crow benefit. In fact, I am told that the full amount of the $659 million Crow benefit has not even been paid to the railroads. In fact, they are about $75 million short on the last two crop years. But the Government has made the payments for which it is legally obligated, otherwise it could be charged for not doing so. What the Government has done with the farm debt crisis is pretty bloody poor. What it is doing is providing some interest rate set aside on some farm loans for the FCC, but if the value of the commodity goes up, the farmer will end up actually paying more than the FCC rate, and if he does not have an FCC loan, he does not get anything.

The Minister promised a year ago last July 10 that he was going to bring in a Farm Debt Review Board with real clout and power. It took him 11 months to bring in anything, and then of course its fangs were totally pulled. The Government's action with regard to the tremendous farm crisis we face in this country is pretty puny when compared with what is being done in the United States, in the European Economic Community, or even what is being done by most provincial Governments. The Government has cut back on the budget of the Department of Agriculture by some $50 million and also it deindexed the annual rates within the Department. The Farm Credit Corporation in the 1984-85 fiscal year had a budget of $825 million. Last year it was something less than $250 million. There is not very much help beyond those statutory programs which the Government is obligated to provide.

Another problem has arisen with the United States Farm Bill and the countervail it put on hogs, and the BISEP program where the United States has tried to steal our markets in Egypt, Syria and other countries. The Prime Minister sang "When Irish Eyes are Smiling" in Quebec City and I think a lot of people assumed Ronny was going to look after us, that all the Prime Minister had to do was to give the President a call and it would all be straightened out. But all they have to do to learn the truth is to look at the two or three torpedoes which have gone through the "free enterprise battleship" in this last week. The Americans have ripped holes about two feet across below the waterline. That is the assistance and help we are receiving from the programs of the United States Government, which it is adopting around the world. There is certainly no exclusion for Canadian agriculture producers.

As I indicated when I began to speak, I only had a couple of brief comments to make. I want to indicate our support for Bill C-12 because I think, although some of these amendments are technical, they will be very beneficial for the individual producers. We want to assist the Minister in expediting the passage of Bill C-12. There is a lot of detail which I would like to hear about when the Minister comes before the committee, but I would like to indicate our support in seeing the Prairie Farm Advance Payments Act amendments passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): Order, please. Pursuant to Standing Order 66, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—Environmental Affairs—Sewage treatment facilities. (b) Government policy; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Request for announcement of deficiency payment for farmers. (b) Situation

of grain farmers; and the Hon. Member for York East (Mr. Redway)—Criminal Code—Gun control—Amendment of provisions.

GOVERNMENT ORDERS

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mayer that Bill C-12, an Act to amend the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, Bill C-12 is a Bill to amend the Prairie Grain Advance Payments Act, which is an Act which has been around, as the Minister said, since 1956, 1957. It is an integral part of the legislation which rules the prairie grain industry. As most Hon. Members in the House know, prairie grain has been sold under the Canadian Wheat Board in one form or another since 1935. It became a compulsory board in 1942, I believe, and began using the quota system to regulate deliveries shortly after that.

The quota system was originally based on the amount of acres a farmer had. Over the years it has varied. At some time it was based on the amount of acres which was seeded to a particular grain. Then the summer fallow and grass acres were added to the quota base. Now we have a fairly sophisticated calculation of the quota base for each farm, and the farmer decides what proportion of each of the crops he is growing to allocate to that quota base.

I will go through the changes I see in this particular Bill in a few moments, but right now I would like to speak a wee bit about the role the cash advance system plays in prairie agriculture. Because of the system of forwarding grain through the quota system, there are occasionally times when producers are not called upon to deliver any grain, and if they cannot deliver any grain, they do not have any money. One of those times is with us at the moment. There was not even a quota opening until just a few days ago, which meant that producers had gone on for over two months without the ability to deliver any grain from this year's crop. In the interim, farm families must live, so back in the 1950s, under the then Minister, who is now the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton), the Act was introduced which permitted farmers to take an advance on the grain they had in storage on their farms. This provided interim financing and in later years made it possible for the Wheat Board to be more careful about how it called its grain forward. It tries to practice a system whereby when orders are completed, sales are made, and ships are expected, some five to six weeks before the ship is expected to be at the dock, the quota for that particular grade and type of grain is opened up. The farmers deliver it to the elevators. The elevator companies put it into the hopper cars which are transported by the railways to the terminals. The grain is cleaned and transloaded there and spouted into the waiting ship, usually with an amazing amount of efficiency and good timing when you consider all the people and active parties involved in the process.

• (1650)

I advise all Members of the House to consider paying an official call on the offices of the Canadian Wheat Board in order to watch its computer which shows the operations of the country's elevator and shipping system. Members will see how technicians in the Wheat Board keep track of where the grain is, how long it will be in transit, what ships are in need of loading, and so on. Such a visit will provide a better understanding of how the system operates. I recommend this visit not only to western Members but also to those who come from other parts of Canada.

The grain business in Canada is and always has been cyclical. It runs in cycles of seven to 10 years with a seven or eight-year down period and a seven or eight-year up period with some variations of a year or two either way. It is a cycle that Joseph noticed back in biblical days, and it has not changed a great deal in 2,000 or 3,000 years. Because of its cyclical nature the Canadian Government, at the urging of farmers and their organizations, has been actively involved in providing a certain number of protective mechanisms to help weather the inevitable storms. There is a tendency for production to build up in the world, which results in decreased demand and lowered prices. That is the type of situation we have seen in the last few years. A great deal of new technology has been applied in not only highly developed countries such as the European countries and the Americas but also in some developing countries such as China and India. In particular, China and India have succeeded in becoming self-sufficient in grains over the last number of years to the surprise of almost all the experts in the field. If any expert had looked at the productive capabilities of these two countries a few years ago I do not think it would have been predicted that China and India would be self-sufficient in the production of all grains today. In fact, they are now in the market-place as sellers of wheat and rice.

As a result, some countries have reacted in different ways. European countries have a long-standing program of agriculture subsidy which goes back to the fact that their citizens starved during the First and Second World Wars. The electorate remembers those days and therefore supports the type of system that has been put in place in which food imports are charged a high levy. The accumulated funds from these levies go to subsidize and encourage the production of the same food products in the European Economic Community. The system has worked almost too well. It has worked to the point where most of the food products produced inside the EEC are at or near a surplus level of production. This has resulted in fewer imports. Foreign exporters are no longer paying subsidies to keep the system running. The system is

being paid for almost exclusively out of the pockets of the European taxpayer.

To give Hon. Members an idea of what sort of subsidies are involved in these countries I would like to compare the subsidies received by European farmers with the subsidies that American and Canadian farmers receive. The Canadian Wheat Board estimates that Canada will subsidize wheat producers in the period 1986-87, which is the current crop year, by 85 cents per bushel. This subsidy includes the so-called Crow benefit which is given to the railways, as a result of which farmers are supposed to reap lower railway charges. It also includes the western grain stabilization pay-outs that will be made this crop year, as well as the federal Government contributions to crop insurance claims which western farmers might have in case of hail or frost. While Canadian farmers receive 85 cents per bushel of wheat in subsidies, the United States pays its farmers approximately $2.63 Canadian per bushel while the Europeans pay about $3.13 Canadian per bushel.

In terms of barley, the Canadian subsidy is 33 cents per bushel while the Americans subsidize their barley growers at the rate of $1.05 per bushel. The Europeans subsidize at a rate of $3.11 per bushel. I could give statistics with respect to subsidies paid in other countries, in particular Japan. However, subsidy levels in that country are large and so scary that Members would think that I was exaggerating. In Japan, the level of subsidy approaches $20 per bushel for some grains, notably rapeseed. The figures are almost beyond belief. As a result of this situation, various countries have been attempting to reduce amounts of production in a preliminary fashion. These are moves taken in preparation of talks concerning the General Agreement on Tariffs and Trade. World production of grain has far exceeded demand over the last several years. This is the first year it appears that output will be slightly lower, although only marginally, than what the demand is expected to be next year. In part, this reduction in crops has been due to weather, although the Americans had in place an acreage reduction program as a result of which they paid their farmers not to seed grain. The Europeans had no particular program to discourage production, but as a result of hot and dry weather production decreased. The Australians faced a combination of reduced acreage and bad weather, as did the Soviets. Thus the over-all grain crop will be slightly less than world demand for the first time in some six years.

In this period of time some very frightening things have happened in terms of income for Canadian farmers. I make this point because the advance system which we have is designed to offset, in part, some of this problem. Although the system does not perform the job perfectly, it provides some income when sales are hard to make at the farm level. If we compare gross income figures generated by Canadian crops during the time the surplus began to build up back in the 1982-83 crop year with the current crop year, we will see what lowered prices have done to Canadian farmers. This will allow us to see what the response by Canadian farmers has been, given that we have very little in the way of subsidies to assist income.

• (1700)

This year, farmers on the Prairies are expected to produce what will probably be a record crop. They will produce somewhere in the neighbourhood of 52 million tonnes, one of the best crops that has ever been produced. In 1982-83, a crop of some 45.3 million tonnes was produced and that crop had an estimated value of $7.5 billion. This year, because prices were dropping, farmers tried for more output. This year, 52 million tonnes have been produced and that will have an estimated value of just over $6 billion. Fifteen per cent more crop has been produced on the Prairies, generating 18 per cent less in gross income. In terms of purchasing power from the larger crop, it will actually be down by 37 per cent from what it was in the 1982-83 crop year.

Financing for prairie farmers is crucial at the moment. Prairie farmers have compared the deficiency payments American farmers receive with those they receive and are trying to point out that Canadian farmers need the same kind of incomes as their American counterparts in order to remain competitive both technically and in the marketing sense as well. They have estimated that for wheat and barley grown on the Prairies, a deficiency payment of just about $2 billion would be required to keep them at the same income level as American farmers. Adding in the smaller crops like flax, rye and rapeseed, it would require an extra $1 billion in deficiency payments. A recent study, just made public this morning by a farm task force in Ontario which looked at income deficiency problems right across Canada, indicated that to meet the same level of income support as American farmers enjoy, Canadian farmers would need a deficiency payment in excess of $4 billion.

I put that on the record to show what is required. All we have before us at the moment is Bill C-12, a Bill which makes some minor changes to the Prairie Grain Advance Payments Act. To some extent, it changes the administration of the Act, leaving some of the decisions with the Minister rather than with the entire Cabinet. The Governor in Council route has proven to be a rather slow, ponderous way of doing things. Sometimes farmers wait six, eight or even 10 weeks simply to receive the form that must be filled out in order to apply for a cash advance.

I might point out that these cash advances have a limit of $30,000 per customer so they do not constitute a huge loan. They are limited and are made available according to the type and grade of grain a farmer grows.

There will be a slight change regarding the grade of grain as well. Previously the grade was set at the same time as the forms were being produced. The amount of coverage will now be set out by the Minister and the Act itself will limit the coverage of the advance to two-thirds of the amount of the initial price for a grade of grain which the Minister may specify. The past practice has been for that to be based on No.

1 or No. 2 wheat or one feed barley. I assume that that will continue to be the practice, but we will have to find that out when the Minister comes before the legislative committee.

Through this Bill, the Minister announced some changes in the way defaults will be handled. We cannot be clear about what he has in mind from reading the Bill. Again, we will have to question him in committee.

The Minister is proposing to reduce the amount of interest payable by people who are in default. People who are in default are generally people who either misjudged or for some reason beyond their control were unable to deliver the amount of grain on which advances were taken. At times, there were no delivery opportunities for farmers to put grain into the elevator system so the advances were still outstanding at the end of the crop year.

As long as farmers have filled all the quotas that are available, the practice has been that they do not go into official default. However, if a grower does go into default during the year because he did not fill a quota that was opened on time and therefore missed the delivery opportunity, he is declared to be in default and is responsible for the interest payments at the rate established at the beginning of the year on the entirety of the advance, even if most of it has been paid off at the time of the default.

I hope that when the Minister speaks of taking the ability to deal with defaults into his own hands and the hands of the board, he is also speaking of some sort of clear direction as to how to handle these defaults. There are occasions when it has appeared as though things were not as fair as they might have been. A producer might have delivered 95 per cent of his crop but ended up defaulting at the very end with a mere 5 per cent still outstanding, but he will find that he is in fact by law responsible for paying interest on the whole of the cash advance for the whole period even though he had paid the greatest portion of it off before the default took place.

Through this Bill, the Minister is proposing changes to the method of deciding when advances should be made available for unthreshed grain. Again, rather than going to the Cabinet through the Governor in Council, the Minister will decide this, and that decision-making process should be much faster and less ponderous than has been the case. Likewise, as I understand the Bill, drying advances will now be initiated at the signature of the Minister rather than through the much slower process that I mentioned.

There are two other changes of which I wish to make mention. One of these changes is welcomed particularly by farmers who farm quite a bit of their own land but rent from one or several landlords, none of whom are contributing enough land to make up a very large per cent of the farmer's land base. The change proposed here is that rather than the current practice of being forced to go to every one of your landlords to get consent to apply for a $30,000 cash advance, you would be able to apply for a cash advance against your own grain, if you have more than $30,000 worth of grain on your own account. You could take the loan against your own grain. In this manner you would not have to bother hunting up the landlords, some of whom are several thousand miles away, and getting their signatures, accompanied by those of the proper witnesses, which are very hard to come by.

• (1710)

The last change that is being proposed here is one that will need quite a bit of explanation from the Minister when we get into the committee. He is proposing to take the base for the cash advance from "acres" to "grain in storage". At first blush, I have no particular problem with that concept. I am wondering if there will be some administrative problems that may arise with this approach. In this Act the advances seem to be applicable to those grains that are coming under the Wheat Board. It is possible to collect advances on open market grain as they go through quotas. But there are some deliveries of off-board grain that do not go through quotas: Direct sales to neighbours, feed mills, and so on. There will be situations where grain trickles outside the system and the advances are not reclaimed. How is the Minister hoping to collect these and keep track of them, or is he foreseeing the same problems with the one system using a bushel base rather than an acreage base? Have his officials worked through the calculations to find out whether people who are farming acreages that, due to high production, would put them up to the maximum qualification of $30,000 worth of loan, would get enough quota during these rather clogged years for them to clean up the advance? What sort of administrative abilities are going to be provided at the end of that crop year to carry that grain on further? Does the Minister then propose to carry on a program mentioned by the Wheat Board several years ago whereby farmers who produced very high volumes of grain on their acreages could assign their grain and thus be guaranteed delivery of it by signing contracts such as are now being experimented with for one more year with regard to barley?

These amendments, while they do not change by one iota the financial situation that was alluded to at the beginning of my speech, they do make it a little simpler for farmers to get quick action from the Minister of State for the Canadian Wheat Board (Mr. Mayer). These requirements mean that he will no longer be required to sit and wait for the due process to take place, to get the forms, the applications, and the current set of regulations through Cabinet each and every year. This process has caused farmers to wait until November and December in many years for their cash advance applications.

We applaud those small improvements to the system. We do not see any extra money. Farmers will still only be able to borrow $30,000. Perhaps the Minister has decided that this is prudent, given the declining values of grain in the world markets and the fact that he has found himself reducing the initial prices at the beginning of the crop year by $30 a tonne.

Hon. Alvin Hamilton (Qu'Appelle—Moose Mountain): Mr. Speaker, it is rather historic that we are debating this cash advance legislation almost 29 years to the day after the

original Bill was passed. It has been mentioned by the Minister of State for the Canadian Wheat Board (Mr. Mayer). After the debate on the Speech from the Throne was over, the first item that came up was this cash advance legislation. It was in for one day, and the next day the old age security Bill was brought in and the amount was raised up to $55. Then we came back to this subject after that went through quickly.

The point I want to make today is not the matter of time, but the significance, not the significance to farmers, but to the people who serve the farmers, the merchants in the towns who are carrying the farmers all during the summer. This is a cash flow situation. I thought it would have been emphasized more by the Opposition, because these are the big beneficiaries of this. Why does the farmer like it? Because he likes sometimes to pay off his debts, particularly when they are to his friends in the town whom he depends on to service his equipment and provide him with all the other services. These communities in the rural areas of the Prairies are fighting a desperate battle to survive. This is very important legislation to them.

It would be wise for those in this House who are seriously interested in the reasons we brought in this legislation so quickly in 1957, to refer to *Hansard* of October 28, 1957, at page 477. You could read through the performances—and I remember them, of course, it was my maiden speech in the House—and follow a chap like the Right Hon. James Gardiner and a few others. On that Bill there were three names: Churchill, the Minister of Trade and Commerce; Harkness, the Minister of Agriculture; and my own name from Resources. The significance of that should not pass unnoticed. This was to help the whole national development picture, to get our agriculture moving and to take opportunities that then existed to spread our productive ability all over the world, instead of sitting around here and waiting for people to come and ask for it. That was the significance. You had to give to the farmer the cash flow, because under the system that we had, it was two years before he got full payment for that wheat. By speeding it up even to a partial extent, it allowed him to pay off a portion of his immediate debts. That is the economic significance of it. When you are writing your householder, ask the farmers out there to use it and to help their businessmen in the towns. The farmers will not be angry if you tell them. They know very well they should be doing this. Many of them in the south country—I know that is so in my constituency—do not take them. They look on that as something that is not a gift, it is their own money, and they get it deducted when they get payment. To many of the general people across the country when we talk about cash advances, when we talk about interim payment or initial payments on grains, when we talk about insurance, when we talk about stabilization, all these things are the farmers own money. This cleavage between the city people and the Province of Saskatchewan, at least, is disgraceful. The city people benefit in direct proportion, and double as much as the farmer, every time the farmer gets anything. If you want to revive the economy of any country, particularly the newly developing countries, you have to teach them that when you get wealth into the hands of the producer, whether it be lumber, fish or agriculture, the city guy always benefits. This is how you bring peace to these countries, and it should bring peace to us in Saskatchewan. When you help the other person, you help yourself and both sides benefit. I think I have made my point right off the bat.

• (1720)

I was disappointed in the speech given by the Hon. Member for Algoma (Mr. Foster). He knows a great deal about the details of these things. He should know that it is the duty of the Opposition to bring out these important points. He should know that you gain nothing with farmers by trying to go off at some other angle. His speech on the credibility of the Prime Minister (Mr. Mulroney) helps us. Politically it is helping us as Conservatives. People know that for many, many decades the political activities of members of the Liberal Party, whenever the Conservative Party got a leader, were not to talk about policies but to tear the leader down. I am not talking about just one or two of them, I am talking about one of the most positive persons that I have ever met in policy making, namely, the Hon. George Drew. He was torn apart even before he got into an election. He was called "the man from Bay Street", "the Colonel", and all the rest of it. He was torn apart by the press and torn apart by the Liberal Party, and they succeeded. You break a man down, you get rid of him. I would think that, with the positive thoughts I know the Hon. Member for Algoma has, he should not be trying to hurt his Party, because the people of Canada are getting sick and tired of this tactic.

It used to be that all politicians were down the drain pretty far, but in the last couple of years I can sense a change in the feelings of the people. They are angry at the media now. They are still mad at us, and we deserve it too, but the media is shooting out its brains the same way as the Member for Algoma was shooting out the brains of the Liberal Party today. I have to thank him because I know he helps us politically, as the farmers and the business people of rural Saskatchewan showed yesterday. Every Liberal candidate in that election lost his deposit, except for one. He is a local character and Leader of the Party. The people stood by him in his area and he deserved to win.

As politicians we have to do our job. When it is clear that what we are doing is hurting our Parliament and hurting our country, I would think that one should see the cloud on the horizon before it dumps on you. I am sorry to see the same type of tactics being used by certain people in the Liberal Party against their own Leader. No matter what you think of the Leader of the Opposition (Mr. Turner), he is an Hon. Member of this House and deserves to be treated as such.

I have no excuse for all these people trying to make a million bucks writing books on themselves. It is bad enough when the media do it, but when politicians get into the act, that is the nth degree of low level living. I think I have said enough on that.

I would suggest that if Hon. Members are interested in the basic problems facing the people of the Prairies in the period after the war, they should not only read my speech but read the debates of all the others as well. The Liberal Party and the NDP both supported this legislation and then spent most of the time in the House in that debate, as those who will read it will find out, trying to gut each other.

Mr. Epp (Provencher): What has changed?

Mr. Hamilton: In those days members of the New Democratic Party were not pro Liberal, but they hurt themselves. I think the people of rural Canada are trying to tell politicians today to cut out this nonsense of making trivia of the main things that we talk about.

The number of things the Minister mentioned in his speech that have been done along this line show very rapid progress. I would think that the trouble may be that mistakes may be made by trying to go too fast. I think these things should be mentioned in good, constructive opposition. When you find something wrong that the Government has done, you let them have it.

I will conclude my remarks by saying that this Bill we have before us is part of a much wider program that was announced by the Prime Minister on August 30, 1958. I will not read the whole speech but I will read points from the speech. Diefenbaker was the Prime Minister. I will summarize his speech in six points. First, I will read the introduction. It was a sound, comprehensive and co-ordinated program to attack specific problems. In developing a national agricultural policy we have found it necessary to deal with specific regional problems. He listed things about the West. I think any person in this House seriously interested in finding the basic philosophy, which still holds today, should read that speech of the Prime Minister on August 30, 1958. It can be found in *Hansard* at page 4345.

These points are: First, accelerated export sales. What a difference between 1957 and 1986. Twenty-nine years have gone by. They could not even sell the 300 million bushels we had for sale at that time. Second, stabilization of price and income policies. That is what this is, part of the stabilization of income. Third, assistance to provinces for recurring drought needs. Everybody in the House knows that for 30 years now we have kept our eye on any part of agriculture in any part of this country on any type of product. All Parties have come through on that. Fourth, a modern system of farm credit. I am not so proud of that because they got turned backwards on that one. On the modern system of farm credit, we put in by statutory rule that the ceiling on interest rates for farmers for long-term loans was 5 per cent. On the Farm Improvement Loan Act we put in a maximum of 6 per cent. I sat in this Parliament and watched those interest rates take off. What protest did we get? This measure went through quietly. It turned the poor farmer into the tender hands of the banks and the interest rates set by these people in Finance and in the Bank of Canada who are using interest rates to fight inflation, rising costs. Interest rates were the inflation. Those dimwits who still pollute those offices are still at it. They are begrudgingly coming down. This Parliament in 1983, all the Parties, gave to the Government of the day the power to move on housing, agriculture, small business, and we sit here today knowing the Government has made an effort but it has not succeeded on the fiscal side because it forgot to read its own regulations. That is what Members of Parliament are here for. We have to read the small print. You can only lend money under this program to people in dire straits. That is still there.

• (1730)

The Government changed in 1984, so if you are talking about this general program of helping farmers, a good Opposition would be pointing out these things. Why do you have to leave it to a Member on this side of the House to do it? Come on, fellows, get the finger out or you are going to choke yourselves to death.

The final point concerns national conservation programs which are mainly concerned with clean water and clean air. Tremendous progress has been made in the last 30 years on the scientific and practical side. However, no Party in this House will ever tell you what these practical things are. The work we started in the 1950s was announced in this House in 1973 by a Liberal Minister. He was very proud that this revolutionary step forward had been taken concerning clean water. Revolutionary, he said, and it was. Two years later I asked the new Minister of Energy, Mines and Resources, the Hon. Don MacDonald, who I knew read everything, is it not about time that he told Canada about operation CANWELL? Civil servants and scientists have worked hard in Ontario and Quebec to develop these techniques and make money out of cleaning up the air and water. What was his answer? "You tell them, not me". I am still trying to get it across. In that respect we have a lot to do, but if we use the philosophy in this legislation and apply it to all other types of legislation, then agriculture, including all the producing groups, is the main beneficiary.

This legislation is technical, it is true. The points made by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) are good. He missed the main point, that the revolutionary thing in this legislation is that you have taken the power out of the hands of Ottawa civil servants and put it in the hands of the Wheat Board. Ye gods, if you knew the time a Minister has to take to get something through in this system! It is good legislation, but try and see it in perspective. Try to see it for what it can do if we apply this reasoning to a lot of other things we have before us.

I am very proud to be able to stand up 29 years later and say I was responsible for drafting it, which is true. Do not blame the Liberals or the NDP for the time it takes. Poor Mr. Gardiner tried his level best to put the blame on Mr. Howe, his good friend. Really it was not Howe's fault or Gardiner's fault. The civil servants had decided it was not possible to do this kind of practical thing. I do not blame those people for getting up and trying to shift the blame, but the point I am trying to

leave with Members of Parliament is that when you have practical, technical legislation like this going through, look into the background so you can see the future. We have to do this not only for grain farmers but for many forms of basic production. We have to have a stabilized income and stabilized costs. Move slowly but stabilize it.

I did not have time to say all the things I intended, but I think my point has been made. The philosophy of John Diefenbaker lives still. When we honoured him with that statue out there I had a feeling he was going to keep an eye on us here. I suspect a lot of us still feel his presence. The great things he did were never matched by all the Governments put together since Confederation, by quantitative analysis, and they should not just be remembered in a statue unveiling. They should be part of our actions.

I congratulate the Minister for bringing this forward and I hope there is a lot more coming from other Ministers as well.

Mr. Deputy Speaker: Questions and comments?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I must say it has been a pleasure to listen for the last 20 minutes to the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton). He has an honourable place in the development of economic policy in Canada and in the history of the Diefenbaker Government between 1957 and 1963. I must say, having practised as a Canadian historian, that I have been awaiting a speech by him and I am so very pleased I was in the House this afternoon to hear him speak.

The fact that he spoke broadly on a variety of things, some of them very interesting indeed, encourages me to wonder whether I might ask a question which takes us a bit beyond the Bill before us this afternoon, although I do not think it is unrelated. The Diefenbaker years were years of economic initiatives of enormous importance to prairie farmers, the prairie population generally, and to Atlantic Canada. Unfortunately, they ended up being years of very significant deficits as well. Perhaps this was a result of economic policy contradictions at the time. These days we face high deficits again, and this is the primary problem which the Government of the day seems to be concerned about. We certainly have not seen in these last days that kind of sharp and ready response to the needs of prairie farmers which I think characterized the Diefenbaker Government, as the hon. gentleman pointed out to us.

I wonder whether, in the contradictions between the Bank of Canada and the then Minister of Finance, and the Hon. Member's efforts as a Minister to put in place national development policies which would make Canada a better and richer country than it was when the Government he was part of took office, he would have any advice for us in our circumstances in the 1980s about how we might develop the country and get beyond the deficits which the Government finds so encumbering.

Mr. Hamilton: I thank the Hon. Member for his question. The basic point he is coming to is that there are two ways of spending money by Governments. You hand it out as a labour of love, so to speak, or you spend it to make it. If you can spend money on agriculture and make more money as a result, that does not increase a deficit, it reduces it. If you do not have the tables, I will show them to you, but going back to the war years, the longest period of upward growth in our country started in 1963 and went to 1968, all without a recession. The Minister of Finance, the Hon. Walter Gordon, pointed that out in 1964. It was on that basis, because we were growing so fast, that they brought in this controlled budget on the Keynesian doctrine. We went on to pour money into the country like mad during the next few years. The economy began slowly rising in 1961, but that was not noticed until 1963-64. We saw a slight dipping in 1968 and we then kept on going.

• (1740)

That longest period of economic growth was caused by a Government spending money on positive things which yielded higher returns. When you get cash moving through the system, there is a multiplier effect and the big winners are Governments. However, to spend money for the sake of spending is very dubious.

One of the biggest problems for all the western countries today is our attitude toward social services. We think we should pour money out. However, we must do it in such a way as to get all your money back and make more. It is so simple to do. We have seen it done in a couple of places. I am simply saying that if you put your mind to finding positive ways of doing things, you will find them.

In response to the social welfare conundrum, I recommend that you look at the Clark Report of 1959. This report shows how to make money from social welfare programs while giving more and better service and helping the individuals in the programs. The crime of Members of Parliament for the last 25 to 28 years has been that we are not doing our job. We get held up for all kinds of reasons. It is not that the people in the civil service are against us; they simply point out all the difficulties. That is why this Act is important. This Minister has finally settled a few common sense difficulties and made something better than it was before.

In answer to the Member's question, he is quite right. The Diefenbaker Government was condemned for going into a deficit position during the two recessions in its term of office. We spent in a positive way to get out of those recessions. That was the basic reason for the quarrel between the Bank of Canada and the Department of Finance. We wanted to get out of the recessions by doing things which made money. The bank said we should have a policy of restraint. The mess we are presently in is an entirely different situation than we had in those days, but the principles are the same as what I have enunciated.

There is no use spending to make money five years in the future if you are going broke now. We have to hang in there

until we get this thing going. The economy is rising by two or three points a year. If we let it speed up for another couple of years we will pull out. We must make legislation to stop adding to programs which are non-remunerative.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I would like to thank the Hon. Member for a very good answer. The concern he mentioned about the circumstances being different today reminded me of the arguments I have read about which R. B. Bennett made. He waited a little too long. Is it not possible, in circumstances which seem different, to do the things of which the Member spoke? Would it not be better to do them in 1986 than to wait and go down to defeat in 1989?

Mr. Hamilton: Mr. Speaker, I think the answer is the same. If you are on a little raft and want to jump a long distance, you try to get more support around the raft before you jump. There is a point at which it is silly to talk about spending money to make money: (a) when you do not have it and, and (b) when you do not have the foundation from which to leap off. We did not have that situation from 1957 to 1959 because we had a pretty good period in the early 1950s. Money had flowed into this country like mad forcing our dollar up to around $1.07. We had to face all these problems.

The experts were advising restraint and paying our way slowly out of these difficulties. We had enough base to jump ahead on a few small things. We could take wheat sales to 10 communist countries rather than just one. We broke out and never lost a cent in the whole deal. All the banks were worrying that we would never repay them. The solution was to help them sell their goods in order to get enough money to pay for it. That is why I support freer trade. That is what I call my "peace through trade" policies.

I am in contact with 86 countries. They ask what they can do to make some money. I tell them what they can do. We do not give them money. They do not really want it. If you can show them ways in which to earn it themselves it is much better. The positive approach has weaknesses, of course, but the fact is that you must have that base. We are accumulating that base pretty effectively right now and it is about time to move.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I hesitate to break in on this philosophical approach to the deficit, but I do want to say a few words on this Bill. If the Government agrees, I suggest that this Bill could be referred to committee at the end of this sitting. Many of the factors which led to the crisis in agriculture in Canada are still in place. I refer, of course, to things like the high interest rates in the 1970s and early 1980s, the declining value of farm assets and the annually rising costs of farm inputs such as fuel, fertilizer and chemicals. Perhaps the most important entity is the continuing decline of commodity prices. All of those factors have contributed to the current crisis in agriculture.

It is unclear whether the decline in agricultural income has bottomed out. We are not at all sure that the small rise which we have experienced in the prices of red meats and pork is going to continue. We do not even know whether the price of grain will continue to decline. I applaud the Minister responsible for the Wheat Board (Mr. Mayer) for putting in place a Bill which will allow cash advances for harvested grain to be more easily and readily available without the problems faced by farmers and the Wheat Board over the years. Consequently, we will be supporting this Bill. I suggest that it could go to the committee at the end of today's sitting.

• (1750)

Farmers face cash flow problems at almost any time. Most people who do not live in farming communities do not realize that it takes approximately two years before the farmer realizes a return on his initial investment. The farmer will buy the fertilizer, seed and other material in the fall but will not bring off the crop until two years later. He may still be selling the crop two years later. That is a long time for any business person to wait for a return, and if the business is declining and cash flow is small it is important that parliamentarians and the Government provide some relief and have a return in eight months rather than two years.

Bill C-12 is a worth-while effort to improve that relief process and we are pleased that the Minister has brought it forward. When the Bill goes to committee, we will question the Minister on a number of aspects that should be considered, not only in the Bill itself, but in the regulations attached to it. Cash advances are not the solution to the problem, as I know the Government recognizes. It is a band-aid solution to some extent, and farmers would be pleased to get along without cash advances. A much more global approach is needed to address the problems of agriculture.

There is a widespread concern within the agricultural community that the Government believes that one of the solutions to the problem facing farming is to have fewer farmers. The Government has contributed to this concern to some extent, as a result of doing what it believes is helpful to the farmer. The agricultural community sees the Government carrying out programs that may be beneficial but which also indicate that perhaps the Government is not interested in finding a total solution that will keep farmers farming for many years. It is important that we keep reminding the Government about this fear.

The Prime Minister's (Mr. Mulroney) fuzzy approach in announcing a billion dollars in assistance for grain farmers has confused the farm community rather than provided it with some security. For example, we are not sure how much the assistance will be, how it will be paid, how much will be paid, or how it will be financed. We do not even know who is eligible for these payments.

The terms of this assistance are so nebulous that it is very difficult to know exactly how it will work. The farmers cannot say with certainty that they have an agreement by which they will get a certain price for their grain or a certain amount in assistance that they need. Consequently, the Government must

develop in the next two years a global approach that will not include band-aid solutions. Although it is difficult to suggest that $1 billion in assistance is a band-aid solution, that is what it amounts to.

While the changes proposed in the Bill are beneficial, a number of the Wheat Board's and Ministers' responsibilities are not spelled out in the Bill. The present Act and the changes in the Bill do not clearly specify that inflexibility will not appear in the new structure so that farmers will still find themselves acquiring debts they should not have acquired because of the way in which the Act has been interpreted and used to collect money from the farmers. We will be discussing this area very thoroughly in the committee.

However, the changes in the Bill are worthwhile and I hope the Bill will receive speedy passage.

Mr. Gordon Taylor (Bow River): Mr. Speaker, first, may I take this opportunity to congratulate you on your reappointment to the chair. You did an excellent job in the previous session, as I am sure you will do this year.

I also want to commend the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton). I do not think there is any time when the Hon. Member speaks that we do not enjoy listening to him because he has such a tremendous knowledge of the past. I recall the years when he was the Minister of Agriculture, when our granaries were jammed with wheat and we had no place to send it. The Hon. Member went to China and came back with an order that took a large volume of that wheat. He has a tremendous record and I want to thank him for what he has done for Canada and for agriculture.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member who, of course, will continue his speech when the Bill comes before the House again.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—SEWAGE TREATMENT FACILITIES. (B) GOVERNMENT POLICY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to follow up on a question I put to the Minister of the Environment (Mr. McMillan) on October 7 concerning the Governmment's inadequate funding of sewage treatment plants.

When I asked the Minister why, in spite of the grandiloquent rhetoric of the Speech from the Throne on environmental issues, he turned down requests from provincial Ministers for additional federal funds for building new and upgrading existing sewage treatment plants, he answered that the Government was already "up to its eyebrows" in such funding. But, when boasting about his Government's record, the Minister did not mention that the tens of millions of dollars he has committed to the provinces are actually small potatoes beside the $1.8 billion in loans and grants provided to the provinces for sewage treatment facilities through CMHC programs in the period from 1961 through 1980.

Nor did the Minister mention that of the $65 million he bragged about giving to Ontario, a mere $9.7 million remains available, and this was as a result of an agreement which may well go back to 1980, prior to the election of the Conservative Government.

The consequences of the Government's environmental irresponsiblity through continuing inaction are indeed grave. According to last year's federal inquiry into water policy, a disgraceful 43 per cent of Canada is not served by any form of sewage treatment facilities. Even where there are plants in operation, they are often inadequate to the task, causing leakages and overflows of raw sewage into Canadian waters. The almost annual closure of beaches in the St. Catharines region is a direct result of inadequate sewage facilities causing overflows.

The underfunding of sewage treatment plants is only one of many areas where the Government's failure to live up to its environmental responsibilities has led to the dangerous deterioration of Canada's water supplies. Be it sewage treatment, toxic wastes being dumped deliberately into our waters or pesticides draining off fields into our lakes and rivers, the Government so far has not been up to the challenge.

[*Translation*]

A tragic example of this lack of responsibility, Mr. Speaker, is the case of white whales in the St. Lawrence River. One hundred years ago there were 5,000 white whales in the St. Lawrence River; fifty years later there were only half as many as a result of commercial hunting. Today only 400 whales ply these waters, and pollution rather than hunters is the enemy.

Biologists who examine white whales which often beach themselves on the shores of the St. Lawrence River have been able to determine that their bodies contain all kinds of toxins, including PCBs. Where do these poisons come from? From Jonquière's Alcan plant, right next to the whale's habitat. They also come from pesticides dumped into the St. Lawrence, and they come from raw sewage.

When we hear about the problem of toxic chemicals in Canadian waters, invariably reference is made to the Great Lakes, the Niagara River and the St. Clair River. The sad story of white whales in the St. Lawrence River clearly indicates that the Government must also tackle the serious problem of polluted waters in the St. Lawrence River.

[*English*]

Greenpeace, which is currently campaigning to save the beluga whale, estimates that the beluga will be extinct in its St. Lawrence habitat by the year 2000. Urgent action is needed if we are to avert this tragedy. However, urgent action is never what we seem to get from the Government. Its response to the sewage treatment problem, "Look what we've done in the past", is all too typical of the Minister's response to environmental problems. He has been extremely light on action so far despite the great expectations which greeted his appointment as Minister of the Environment. He is very big on words which are full of sound and fury but signify nothing. We hope at some point that "nothing" will turn into something, and with respect to the St. Lawrence River, the Niagara River problem, acid rain, pesticides, and so many of the serious environmental problems facing this country, we will see action forthcoming from the Government.

• (1805)

I look forward to hearing just what type of action the Government has in mind from whoever has been designated to respond on behalf of the Minister. Perhaps this will be an occasion on which we will hear something new from the Government, something about which I can only hope.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am indeed pleased to have an opportunity to reply to the Hon. Member's question about possible federal funding for the upgrading of municipal infrastructure facilities.

As Members of the House are aware, on October 2, 1986, the Minister of the Environment (Mr. McMillan) met with his provincial counterparts at the annual meeting of the Canadian Council of Resource and Environment Ministers. During the frank and constructive discussion, the federal and provincial Environment Ministers agreed that the need for new and upgraded municipal and sewer waterworks is an issue of growing significance which will have to be addressed by all three levels of Government. The Ministers also agreed that the responsibility extends well beyond the mandate of Environment and Resource Ministers and must be addressed by First Ministers and Ministers of Finance.

To date, the debate has focused exclusively on the question of potential financing by federal and provincial Governments. While the financing question is important, it is the view of the federal and provincial Ministers that appropriate pricing of water services is the other side of the same coin and that appropriate pricing must be considered on a priority basis in parallel with the issue of subsidies. Canadians must look at the potential benefits of applying the user-pay principle to the provision of water supply and waste water treatment services to a greater degree than is currently being done.

In this regard the Canadian Council of Resource and Environment Ministers agreed to establish an advisory committee on water. The first task of this committee will be to oversee a study on the cost of delivering and treating water as one aspect of the fiscal dimension of the problem. We must also take into account other important considerations. Collectively, Canadians must search for new solutions. For example, Environment Canada officials are examining the potential for improved efficiencies in sewage treatment through technological innovation, and the Department of Health and Welfare is pursuing similar initiatives in relation to drinking water.

In addition to any study of methods to finance the upgrading of municipal infrastructure, the federal Government has signed with the various provinces a number of economic and regional development agreements respecting municipal infrastructure. The agreements cover matters such as provision of water supply, sewer and waste water treatment systems, as well as provision of drainage systems to assist with community and industrial development.

The problem is being addressed, and Canada is up to the challenge.

AGRICULTURE—REQUEST FOR ANNOUNCEMENT OF DEFICIENCY PAYMENT FOR FARMERS. (B) SITUATION OF GRAIN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, on October 3 I asked the Minister of Agriculture (Mr. Wise) if the Government would provide a deficiency payment to Canadian grain producers who are facing the worst prices for grain since the 1930s. The Minister declined to respond to my question. I also pointed out that a few weeks ago the Government was able to find some $1.5 billion for the major 25 oil companies, most of them multinationals. I asked why the Government could find no assistance for the 140 grain farmers in western Canada, as well as the other grain farmers producing in Ontario and other provinces, as well as corn producers.

• (1810)

On the previous day, the Regina *Leader-Post* had pointed out how the Speech from the Throne had mentioned in only very general terms what the Government would do. An article which appeared in the Regina *Leader-Post* on October 2 reads as follows:

> The lack of detail on agriculture must be a particular concern in this province. True, agriculture rated mention near the beginning of the speech—not long after Sauve told us what she did this summer.
>
> Prairie grain farmers know what they did this summer: they produced a record crop—
>
> Many Saskatchewan ears therefore were tuned to hear whether a deficiency payment would be forthcoming from Ottawa.

About the time this comment appeared in an editorial in the Regina *Leader-Post*, there was a frantic phone call from Premier Grant Devine of Saskatchewan, supposedly to the Minister of Justice (Mr. Hnatyshyn) and the Minister of Indian Affairs and Northern Development (Mr. McKnight) at 5.30 in the morning. As heard by a reporter, the Premier was demanding that the Government announce a deficiency payment.

The same day I asked my question, even though the Minister of Agriculture gave his usual blather containing no answer to my question, the Prime Minister (Mr. Mulroney), responding to the Leader of the Opposition (Mr. Turner) in the Address in Reply to the Speech from the Throne, made this statement to the House:

> I am pleased to announce today that we will be working closely over the next month with Premier Devine and other provincial Governments to devise an effective financial assistance program to enhance the cash flow of Canadian grain farmers. Initial estimates of the assistance required are that it will amount to approximately $1 billion.

That was very skillfully worded. He did not say anything about a deficiency payment. He did not say the Government would give $1 billion. He just said that there is a need for $1 billion. Everyone is aware that there is a need for probably $2 billion or $3 billion rather than the amount about which the Government is speaking.

During the Question Period of Monday, October 6, in reply to a question put by the Leader of the Opposition, the Prime Minister said that the Government must move forward with aid for farmers and made the comment that it must produce the information required to help western farmers. On the same day during Question Period, he talked about taking whatever action would be helpful to western farmers.

Outside the House that day, the Minister of Agriculture suddenly waded into the question and announced that actually the $1 billion would not just go to western grain farmers. In other words, if $2 billion was required across the country, only $.5 billion would go to western farmers. He was very careful not to say how much would be provided for western farmers. As a matter of fact, he did volunteer that the Atlantic Feed Grain Initiative Program might be increased from $30 million to $50 million, at least according to a press report.

According to another article of October 8, the Minister said that the aid might not be a deficiency payment, it might be a loan guarantee or it might be some other loan program. This was especially disturbing to farmers across Canada because most of them already have too much debt. They do not want any more loans. They do not want loan guarantees. They want a deficiency payment.

The Parliamentary Secretary who will be responding today represents an agricultural area which is facing difficult times. The tobacco farmers of southwestern Ontario are facing as difficult times as are the grain farmers and corn producers in southwestern Ontario and the grain farmers in western Canada. I hope that he will muster up his courage, stop the flim-flam, the obfuscations, the double-talk, and stop the headline hunting and reaching for the headlines, as the Prime Minister does all the time, but not reaching for the Government's pocket-book.

• (1815)

We have a very serious problem in agriculture today. The Government has known about this problem since it announced the initial price for wheat last April or May. Now is the time for the Parliamentary Secretary to come clean and announce what the terms and conditions will be; whether it will be a deficiency payment, how it will be paid and what amount for each region of the country. The Government can stop this situation of Canadians not knowing what is going to happen to our most important and vital industry.

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it is an honour this evening to represent someone who has done so much in the last two years for farmers and has achieved so much for that same group of people, much more than anyone else for many a moon.

Since the question from the Hon. Member for Algoma (Mr. Foster) was first raised in the House, several steps have been taken to build on this Government's commitment to Canadian farmers. We have left no doubt about our intention to extend financial assistance to grain farmers who have become victims of the subsidy war between western Europe and the United States. The Prime Minister (Mr. Mulroney) has been highly supportive of Canadian agriculture from day one of this Government. He once again demonstrated his commitment to our farmers on October 3 when he announced to this House that the federal Government will work with provincial governments to enhance the cash flow of Canadian grain farmers. Initial estimates of the assistance required are in the neighbourhood of $1 billion.

How can we make the assistance equitable? What kind of assistance package will do the most good? These are the questions we must answer. It is a national problem. The solution must also be national. It must be fair and it must be equitable.

That is why we are consulting with farm organizations and acting in concert with the provinces. Together, we will come up with a package that puts money into the hands of Canadian farmers as soon as possible, but also as effectively as possible.

Federal and provincial Governments have been working together for some time to find ways of assisting Canadian grain farmers. At a meeting in Victoria on August 27, the federal and provincial Ministers of Agriculture made a collective commitment to take action to support the agricultural sector and all the jobs it represents across Canada. On October 9 federal and provincial Deputy Ministers of Agriculture once again met in Ottawa to continue the work of defining an assistance package. The Minister of Agriculture (Mr. Wise) met with farm leaders on October 16. All options are being examined. Assistance could take many forms, from enhancing the existing programs to developing new initiatives.

Three points are clear. First, we are talking about assistance beyond funds available under existing programs. Second, any assistance will be within the federal Government's fiscal framework. Third, no federal program of agriculture will be cut in order to finance this one.

The need for assistance is clear. This Government's commitment to take action is also clear. We intend to consult, then we intend to act fairly, equitably, and quickly.

CRIMINAL CODE—GUN CONTROL—AMENDMENT OF PROVISIONS

Mr. Alan Redway (York East): Mr. Speaker, I know that you had a very busy and active summer. It would not surprise me at all if you did not have an opportunity to notice that in August the Canadian Association of Chiefs of Police met in Winnipeg and passed some very important resolutions. I would like to bring on to your attention in the event that you did not have an opportunity to see it at the time. That resolution deals with firearms and gun control. It reads as follows:

WHEREAS the presence of restricted weapons particularly handguns in Canada is a concern to the Canadian Association of Chiefs of Police, and

WHEREAS the National Firearms Registry reports the annual average of first-time registration of these weapons is in excess of 30,000, and

WHEREAS there is presently a world-wide surplus of automatic and semi-automatic weapons primarily designed for purposes of warfare now finding their way into the Canadian market-place, and—

WHEREAS Canadian public opinion is critical of the American handgun experience, and

WHEREAS present gun control laws are in need of review;

THEREFORE BE IT RESOLVED that the Solicitor General of Canada now address these concerns in conjunction with his provincial counterparts and take the steps necessary to end this increase in available weapons.

• (1820)

I know that even if you missed hearing that resolution firsthand, Mr. Speaker, you were present in this House and you did hear me question the then Minister of Justice on the subject of gun control back in February of this year. You heard the then Minister of Justice indicate to me at that time that he was reviewing gun control policy. You also heard, and I am sure that you read in the papers in May of this year, of a report by one counsel from the Department of Justice, Mr. Michael Zigayer, who indicated that there would be gun control amendments to the Criminal Code ready for introduction in legislation this fall. Again, you will remember, Mr. Speaker, on October 14, 1986 that I asked the present Minister of Justice (Mr. Hnatyshyn) what was happening with this gun control legislation and amendments. He indicated that the matter was still under review.

It is now the fall and it is time for action. Canadians are looking to the Government to introduce amendments to the gun control legislation. It will not be easy to come up with amendments that satisfy everybody. I believe, as I am sure you do, Mr. Speaker, that by and large the vast majority of urban dwellers in Canada feel that there should be stricter gun control laws. There are exceptions, of course, in the target shooters, the hunters, and also a large number of rural dwellers and some experts who feel that our gun control laws are too strict now. Regardless, we have to address this problem. When we do, and I hope it will be very soon, I hope that the Department of Justice will take into account the recommendations made by the Metropolitan Toronto Police Department for amendments to the Criminal Code in this respect. These suggestions flow from the concern of the Metro Police relating to the fact that in 1985 in Toronto there were some 512 occurrences of bullets being discharged, resulting in 16 deaths.

There is a concern as well relating to the growing numbers of military firearms, fully automatic and semi-automatic weapons. I would like to summarize some of the recommendations. The Toronto Police Department recommends, first, that the definition of a prohibited weapon be changed to include "any firearm that is designed, altered or intended to fire bullets in rapid succession by any means other than a single shot for each movement of the trigger by a finger. Any device that is designed or intended to enable a firearm to fire bullets in rapid succession other than a single shot for each movement of the trigger by a finger".

Second, they would like to see the definition of a restricted weapon changed to include "any military surplus or military designed semi-automatic or single shot firearm, or a weapon of any kind, not being a prohibited weapon, that is declared by order of the Governor in Council to be a restricted weapon". That would include "any device, chamber, clip or magazine that allows temporary or permanent access to more than 10 rounds of ammunition to any firearm without physically reloading the firearm".

Third, they would like to see the Criminal Code amended "to require any recipient of ammunition to produce a valid Firearms Acquisition Certificate to the person distributing the ammunition". Fourth, they would like to see that peace officers have "the authority to seize a Firearms Acquisition Certificate." Finally, they would like to see the Criminal Code amended so that any person who is authorized to issue a Firearms Acquisition Certification would also have authority to revoke it.

Those are the recommendations of the Metropolitan Toronto Police with respect to amendments to the Criminal Code dealing with firearms and gun control. I firmly believe that they should be taken very seriously by the Department of Justice. They should be taken into account when considering the forthcoming amendments. I hope we will hear from the Parliamentary Secretary that that is happening and that we are going to have some further amendments to the Criminal Code with respect to gun control very shortly, I trust before Christmas. When I say that, I mean before Christmas, 1986.

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to thank the Hon. Member for York East (Mr. Redway) for his question, since it gives me an opportunity to provide a brief overview of our firearms legislation. First of all, I must point out that our Constitution, unlike that in the United States, does not recognize the right of citizens to carry arms. And in fact, the provisions of the U.S. Constitution that are interpreted as conferring such a right are not perfectly clear. In Canada, federal and provincial legislation authorizes the

possession of firearms for legitimate activities such as target shooting, maintaining a collection and hunting, while prohibiting or strictly regulating possession in other cases.

• (1825)

The present provisions of the Criminal Code relating to firearms were introduced by the Criminal Law Amendment Act, 1977 (Bill C-51). The passage of this legislation was accompanied by lively debate both in the House and the Senate. Hunters and collectors maintained that the provisions in question would constitute an obstacle to legitimate activities, but would not prevent criminals from procuring firearms. Proponents of stricter regulations maintained, however, that the provisions did not go far enough.

The present regulations have therefore been in existence for nine years. While admittedly, the legislation has had a fairly satisfactory impact and is well received by Canadians, it would seem necessary to make some changes in the provisions introduced in 1977. These provisions have, in fact, given rise to a number of problems the legislators had not foreseen.

As the Minister of Justice (Mr. Hnatyshyn) stated in this House October 14 last, in answer to a question from the Hon. Member for York East, the Government has launched a review of Criminal Code provisions concerning firearms. The idea is to draft amendment which, without flying in the face of the principles underlying the legislation on firearms, would clear up certain points of the law to make enforcement easier. One of the objectives is to give people better protection by improving some of the legislative provisions. Another objective is to change certain provisions which cause problems to those who own firearms for legitimate purposes but still do not contribute to protecting the public.

As the Minister of Justice pointed out, he hopes the recommendations on this issue will be submitted in the near future, and this will eventually lead to the introduction of legislative measures in this House. We are pleased to note the representations of the Hon. Member for York East.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, October 22, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

PENSIONS

NEED TO IMPROVE REGULATIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday, the Auditor General mentioned aspects of the auditing of private pension plans in Canada that have raised his concern.

Mr. Speaker, the Auditor General even said that of the bank failures, the situation is like a time bomb and that close monitoring is required. There are over 15,000 public pension plans in Canada. The federal Government is responsible for about 750 of these plans. Like Conrad Black did in Ontario, more and more businesses are using private pension plan surpluses to finance their activities and even to finance take-overs abroad. I think all Members of this House should support the Auditor General's request that the government provide a better mechanism for protecting the money of Canadian workers.

* * *

WOMEN

TRIBUTE TO MADAM DENYSE BÉLANGER-ROCHON OF MONTPELLIER, P.Q.

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, today, the Persons Awards prize will be awarded to five Canadian women for their contribution to the advancement of the status of women in Canada. The House will recall that on October 18, 1929, the right of Canadian women to sit in the Senate was recognized, following a petition to give women the status of persons in the British North America Act.

This day is a very special one for my own riding in Argenteuil—Papineau, since one of the prize winners, Mrs. Denyse Bélanger-Rochon, comes from Montpellier, and she will be receiving her award shortly from the Governor General of Canada. Mrs. Rochon, former president of the Quebec Federation of Women, has pressured the federal Government and the Government of Québec to improve their record on such important issues as employment equity, impact of technological change on working women, pensions, daycare, and the like. Mrs. Rochon deserves our admiration, and we want to extend to her our sincere congratulations for her work in general and her contribution toward advancing the cause of Canadian women, and we also wish to congratulate the other prize winners.

* * *

• (1405)

[*English*]

PENITENTIARIES

CONSTRUCTION OF PRISON IN PORT-CARTIER

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Conservative Government has defended its decision to build a maximum security institution in the Prime Minister's (Mr. Mulroney) riding as an exercise in job creation. Phoney statistics have been cited to support the decision, but whether Manicouagan has higher unemployment than any other Quebec riding is not the point. Job-creation projects should be job-creation projects, placed where most needed to provide good, productive jobs. If the Government wants to justify a particular project it must demonstrate how many jobs will be created at what cost, and that its proposed measure would be more effective than other measures for job creation. The Government has not done this.

Prison construction should never be used as job creation anyway, and the fact that the Liberals were just as bad is no excuse. Decisions about prison placement should be made according to correctional principles and, on this, opinion is unanimous. Port-Cartier is totally inappropriate, as was Renous which was built by the Liberals according to the same reprehensible, opportunistic, and misguided motives as Port-Cartier.

* * *

"THINK CANADIAN" CAMPAIGN

SUPPORT FOR PURCHASE OF CANADIAN PRODUCTS

Mr. Fred King (Okanagan—Similkameen): Mr. Speaker, October and November have been designated by the Government of Canada as "Think Canadian" months, with a special emphasis on Canadian supermarkets. Canadians are being asked to buy Canadian-grown foods, not just because they are

Canadian but because Canadian foods are second to none in quality and price.

If Canadians as a whole think Canadian when shopping, we will keep thousands of fellow Canadians working, create jobs for thousands more, and make it possible for the Canadian farmer to continue to do the job he loves and does so well. Every dollar spent on Canadian-made products contributes to a healthier economy and that is good for all of us.

Agriculture Canada asks Canadians when shopping always to check for the country of origin of any product and to ask retailers to show us Canadian-made products.

Think Canadian, and wear a "Think Canadian" button.

* * *

LABOUR CONDITIONS

CRITICISM OF GOVERNMENT POLICIES AFFECTING UNEMPLOYED

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my shock and dismay at the concerted attack of the Minister of Employment and Immigration (Mr. Bouchard) and his Department on the unemployed of the country.

First, unemployed Canadians were hit with a $100 million cut in job-creation funds. Second, there were changes to unemployment insurance which negatively affected members of the Canadian Armed Forces and the Royal Canadian Mounted Police. Third, the Forget Commission has called on the Government to reduce assistance further to Canada's unemployed. Fourth, the Minister has said that there will be no short-term job-creation programs this year, programs which would have provided desperately needed assistance to many Canadians. Fifth, the Minister is now cutting back on the staff in his Department, staff which is badly needed to assist Canada's unemployed in finding work.

Canadians want a Government which does not attack the weakest and least fortunate segments of our society. They want a Government which is caring and is concerned about the unemployed and will provide long-term meaningful jobs to the thousands of Canadians across the country who desperately need employment.

* * *

REGIONAL DEVELOPMENT

CRITICISM OF OPPOSITION MEMBERS' ATTITUDE

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I wish to challenge the attitude of opposition Members who feel that regional development should not be a government priority. Their view is that if it costs more to do it in the regions of the country it should not be done.

As a Member from one of Canada's disadvantaged regions, I want to tell those critics that Canadians living in the regions strongly support the commitment of the Government of Canada to solving the problem of regional economic disparity. Incurring greater capital costs or operating expenses for the purpose of enhancing economic opportunities in the regions is surely far more constructive an approach than that which calls for continuation of social assistance and UIC payments, with no hope of employment for these needy Canadians. Those payments also amount to millions of dollars each year.

Regrettably, the Liberals and the NDP appear opposed to initiatives which will mean improved economic circumstances for Canadians living in the regions.

* * *

WELFARE

CALL FOR NEW PROGRAMS TO ASSIST POOR

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the National Council of Welfare reported that almost four million Canadians are presently living in poverty. Many of them are youngsters under 16 years of age. It is a disgrace that this situation exists in a country as wealthy as Canada. It is obvious that the system of welfare which was developed has broken down and no longer meets the needs of people whose needs are so great. I call upon the Government of Canada to work with the provinces, rethink the programs we have established, and to establish new programs which will meet the needs of our poor.

* * *

• (1410)

[*Translation*]

EMPLOYMENT

CHALLENGE PROGRAM

Mr. Marcel R. Tremblay (Québec East): During the summer recess, Mr. Speaker, I took it upon myself to travel throughout my riding of East Québec and call on most businessmen who had availed themselves of the Challenge 86 summer employment program. In Québec East, Mr. Speaker, 82 businesses and community organizations joined this program under which 221 jobs were created and $327,158 invested in the future of our young people. All employers with whom I met were enthusiastic about the work done by students and stated that this Government program has been a great help to them.

As to the students themselves, they candidly admit that without this program they would have been hard pressed to find such remunerative employment related to their studies or prospective career. I was even able to ascertain that some of them changed their career plans after this experience because they came to the conclusion that the work they were asked to perform was not really what they had expected in the first place. Mr. Speaker, I can only echo the feelings expressed by many of them and hope that the Challenge program will continue for years to come.

* * *

CANADA POST CORPORATION

POSSIBLE RATE INCREASES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): According to the Auditor General's report, Mr. Speaker, the Minister of National Revenue has granted tax credits valued at $225 million more than the Post Canada deficit. Yet a few days ago, Mr. Speaker, we learned that Canada Post intends to boost first-class postage by 2 cents and slap charges on people who do not benefit from home delivery and others who receive special delivery items. In light of the Auditor General's report, Mr. Speaker, I should think that the Minister responsible for Canada Post ought to instruct Canada Post officials to stop forthwith any procedure aimed at increasing the cost of services to Canadians, and to restore full delivery service throughout the country.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

INABILITY TO ACCOUNT FOR EXPENDITURE OF PUBLIC FUNDS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, Canadians are deeply concerned about the Auditor General's reporting the unaccountability of $57 million by the Canadian Broadcasting Corporation. Not only is this an unaccountability of CBC funds, but it is most importantly an unaccountability of Canadian taxpayers' money.

In a time of deficit reduction and curtailed spending this lack of accountancy organization exhibited by the CBC must be investigated. Parliament must be concerned with the lack of business organization demonstrated by the Corporation. I urge that a complete study of the Auditor General's reported inability to pass audit be commenced as soon as possible. Parliament must make every effort to make the CBC accountable and responsible.

S.O. 21

THE FRANCHISE

BRITISH COLUMBIA FISHERMEN—INABILITY TO VOTE IN PROVINCIAL ELECTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, 2,000 B.C. fishermen will be effectively disenfranchised from voting in today's B.C. election, because no arrangements were made by the Department of Fisheries and Oceans and the B.C. Elections Branch. The Department announced a fisheries opening in the Johnstone Strait on Monday. That meant fishermen from Vancouver to northern Vancouver Island had to leave their homes early this morning; therefore they cannot vote in today's provincial election. They did not have the opportunity to vote in the advance poll, because the opening was not announced until Monday, and the advance poll closed last week.

It is disturbing that the Department of Fisheries and Oceans and the B.C. Elections Branch were not able to arrange for voting to take place on the fishing grounds, or for earlier notice. Surely, at the very least, the Department could have provided the use of one of its ships for this purpose and taken the initiative of informing the Elections Branch accordingly. As it is, the Elections Branch is saying that no facilities could be provided. Democracy is more important than this kind of buck passing.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

FORGET COMMISSION REPORT—LEAKS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I should like to express today in this House my deepest feeling of dissatisfaction concerning the current leaks about the Forget report scheduled to be tabled in late November. Over a year ago now, Mr. Speaker, our Government set up an inquiry commission to examine thoroughly the whole unemployment insurance scheme and the related legislation which goes back over 45 years. We asked the Forget Commission to submit a report, so that we might amend and improve the unemployment insurance scheme. Mr. Speaker, six qualified people have been mandated to report to the Government at a cost of some $5.6 million to Canadian taxpayers.

Mr. Speaker, I acknowledge that members of a commission may disagree with the content of a report, but it is altogether a different story when leaking information results in creating confusion among the public, and this, even before the final report is tabled. The situation is such that one wonders what has happened to professional ethic.

• (1415)

[*English*]

NATIONAL RESEARCH COUNCIL

BUDGETARY CUT-BACKS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to share with the House a letter which was sent to the Prime Minister (Mr. Mulroney) by one of my constituents, Mr. David Villeneuve of Navan, Ontario. It reads:

I write in regard to the planned cuts at NRC.

An important and widely supported part of the Conservative election platform was to increase Canadian R&D to world levels, yet we have seen nothing but budget cuts and layoffs.

NRC has been hit three times, in November, 1984, in the government-wide cuts of November, 1985, and now the space station cuts. Surely that is enough.

All industrialized nations have national laboratories of some sort; ours is NRC. NRC maintains physical standards, provides national facilities for the use of industries, performs long term research in areas of national importance, and co-ordinates technology transfer to industry. Since Canadian industry is already doing very little innovative research, surely further cuts to NRC will only worsen the situation.

I urge the Prime Minister to listen to my constituent, Mr. Villeneuve.

ORAL QUESTION PERIOD

[*Translation*]

PENITENTIARIES

REQUEST FOR EXPLANATION OF REASONS FOR CHOICE OF PORT-CARTIER AS LOCATION FOR NEW PRISON

Right Hon. John. N. Turner (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. He claims to have been motivated by regional development considerations when he spent $41 million in public funds to build a prison in his riding. Does the Prime Minister know that, according to the same Statistics Canada documents on which he based his argument in support of building the prison in his own riding, Quebec has 680 communities and villages where the unemployment rate is higher than in his own riding?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as we have said on many, many occasions, there were two main reasons for locating the prison at Port-Cartier; first, there is a need for protective custody cells within the Province of Quebec. That is not disputed. Second, this was an economically depressed region and this would assist the region. This is something which was certainly approved by the former Solicitor General in the former Government. I am surprised to find that those Hon. Members have suddenly changed and now find it is not a good practice to assist regionally depressed areas of the country.

Mr. Turner (Vancouver Quadra): Mr. Speaker, if that argument were evenly applied, it would have more credibility.

UNEMPLOYMENT RATES

Right Hon. John N. Turner (Leader of the Opposition): Does the Prime Minister recognize that his argument for building the prison in Port-Cartier, based on regional development, is a bit of a farce in view of other statistics? Does he realize that 89 per cent of all the communities in Newfoundland have a higher unemployment rate than Port-Cartier? Does he know that 20 per cent of all the towns in Newfoundland have over double the rate of unemployment of Port-Cartier? Is that the way to spread the regional development of this country?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, with the greatest of respect to the Right Hon. Leader of the Opposition, what we are discussing here is the forecast and need for prisons in the Province of Quebec. In Quebec there was a need for protective custody cells. That is borne out by the Auditor General's report. That is the need we are fulfilling and we are fulfilling it by putting the prison in an area which is regionally depressed.

Surely there is nothing wrong with that, and we make no apologies for it.

[*Translation*]

PAYMENT OF FUNDS TO ACCELERATE CONSTRUCTION OF PRISON—REQUEST FOR EXPLANATION

Right Hon. John. N. Turner (Leader of the Opposition): Mr. Speaker, the Minister referred to the Auditor General's report where it is also stated that the Government had spent $11 million in surplus funds to build the prison, anxious as it was to complete the project before 1988, before the next general election, that is. Will the Conservative Party be billed for the $11 million in public funds wasted to speed up the project?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am increasingly amazed to see the Leader of the Opposition hounding the brave people of Port-Cartier, courageous people in the remote region of the North Shore who have been through severe hardships from 1975 to 1985.

The Governments of Quebec and Canada were asked to help people who were particularly hard hit by the economic crisis and, by taking this step, the Government of Canada came to the assistance of poor people, as it did in western Canada and in the depressed regions of Newfoundland. I am amazed that the Leader of the Opposition should harass courageous people who asked for and obtained help from the Canadian Government.

• (1420)

[*English*]

CONSTRUCTION CONTRACTING PROCEDURES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also for the Prime Minister. It concerns the Auditor General's Report in relation to the Port-Cartier prison. The report states that in order to meet the deadline of September, 1988—presumably set by the Prime Minister himself—short-cuts had to be used in the normal contracting procedures and that sole source contracts were used. Will the Prime Minister tell the House what is wrong with public tenders? Why were they not used for this process?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am glad to say to the Hon. Member that the usual call to tender procedure was followed in this case. There has not been the least abnormality or irregularity.

INQUIRY WHY SEPTEMBER, 1988, CHOSEN AS DATE FOR COMPLETION OF PROJECT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we have to wonder why the Auditor General included paragraph 7.95 in his report in that case.

As a supplementary, I would like to ask the Prime Minister if I may why the date of completion of the project is September, 1988. Where did this date come from? Is it only for political reasons that the Prime Minister wants to open himself the prison located in his constituency? If there are other reasons, he should stand up and say what they are.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to tell the Hon. Member that, first of all, there was a need which is clearly identified in the report of the Auditor General, and instead of trying to confuse the public, the Hon. Member should refer to paragraph 7.51 which says that, even with the construction of a new prison in Port-Cartier, there will be a surplus of only 30—

An Hon. Member: Oh! Oh!

Mr. de Cotret: Yes, look at the right table. In the case of an institution with a useful life of 25 years, this simply shows good planning. There was a need and we have met this need. The site was chosen for socio-economic reasons and I have no excuse to make for trying to alleviate the regional disparities in Quebec.

[*English*]

DEPARTMENT OF AGRICULTURE

LONDON RESEARCH CENTRE—PURCHASE OF LAND

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the President of the Treasury Board. Will the Minister confirm that Treasury Board made the decision to purchase the land for the London Research Centre from Donald Matthews, the co-chairman of the Prime Minister's committee at the PC leadership convention, before Treasury Board received adequate answers to questions which it posed to the Department of Agriculture?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be happy to take the Hon. Member's question under advisement and obtain the relevant information. Honestly, on a specific issue such as that, I cannot be expected to have the answer at my fingertips.

QUERIES CONCERNING PURCHASE PRICE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same Minister. If he read the Auditor General's Report he would know the facts. Is the Minister prepared to confirm in this House that the questions raised by Treasury Board with the Department of Agriculture, to which the Auditor General said no appropriate responses were received, concerned the price of the land, the amount of the land, who the vendor was, and alternative properties?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not know why the Hon. Member gets so excited. In actual fact some 36 sites were identified by qualified people within the Research Branch of Agriculture Canada as appropriate sites. Four of them reached the short list; but only one of those sites met all the criteria—

Mr. Broadbent: And it was owned by a Conservative.

Mr. Wise: —criteria not laid down by the Hon. Member, not by myself, but by research scientists.

* * *

• (1425)

PENITENTIARIES

CONSTRUCTION OF PORT-CARTIER PRISON

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Solicitor General and the President of the Treasury Board have indicated today that there is a need, based on correctional considerations, for a protective custody prison at Port-Cartier. I would like to refer both Ministers, and indeed the Prime Minister, to Paragraph 7.89 of the Auditor General's Report in which the Auditor General has said that the decision to build at Port-Cartier cannot be justified on the basis of need.

He goes on to say in Paragraph 7.98 that at the time the decision to relocate the prison from Drummondville to Port-Cartier was made, there was a surplus capacity of 381 cells. Based on these facts that are outlined—

Mr. Speaker: Order. Put the question.

Mr. Nunziata: —in the Auditor General's report, can the Solicitor General provide us with figures that would substantiate the statement he made today that there is a need based on correctional considerations for the prison in the Prime Minister's riding?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am more than pleased to supply the answer to the Hon. Member. It is right in Paragraph 7.51 of the Auditor General's report dealing with capacity versus forecast. The Hon. Member will see that the actual surplus forecast for protective custody where the prison is being built in the Prime Minister's riding is only 30, and that for maximum security it is 381. However, that figure includes Drummondville 1 which, while it was built for maximum security, is being used for medium security. The actual maximum surplus is only 129.

Some Hon. Members: Oh, oh!

Mr. Kelleher: There is undoubtedly a need, and the reason this occurs is because—

Mr. Speaker: Order.

Mr. Nunziata: Mr. Speaker, what we are seeing is maximum incompetence.

COST OF CONSTRUCTION

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to put my supplementary question to the Prime Minister. Forty-one million dollars is a lot of money. Think about it: $41 million.

Some Hon. Members: Order!

Mr. Nunziata: The Prime Minister has decided to fritter away $41 million of taxpayers' money, but does he realize that that money could have been used to send to each and every senior citizen in Canada who is living below the poverty line a cheque for $32, or it could have been used to send to—

Mr. Speaker: Order.

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to underline a fact of which the Members opposite seem unaware.

The new institution will replace the Laval institution which has to be closed. At this time, we have to spend $4 million in capital costs alone for an institution which is outdated.

When you deal with figures, you have to consider both the savings and the expenditures.

[*English*]

DEPARTMENT OF AGRICULTURE

PURCHASE OF LAND AT LONDON, ONT.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the President of the Treasury Board. I obtained this morning a copy of a Treasury Board minute of a decision made on November 30, 1984, when the Minister was President of the Treasury Board about the purchase of a certain piece of land near London, Ontario. Since he has offered to look into the matter, will he confirm that, while he was President of the Treasury Board, the Treasury Board agreed to purchase land with insufficient information about price, with insufficient information about from whom the land was being purchased, and with an unanswered query about why more than twice the amount of land that was stipulated as being necessary was being bought? In short, could the Minister tell us why a decision of such incredible wastefulness was made by the Government?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I indicated before that the assessment of need was done by research scientists from Agriculture Canada. In fact, if there is any suggestion of patronage, the Hon. Member might be interested to know that the research was done and indeed the decision in principle was made and announced by my predecessor, the Hon. Eugene Whelan, in London in July of 1984.

• (1430)

REASONS FOR PURCHASE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, to quote someone else, I want to say to the Minister that he had an option. He had a choice. His Government was elected to make certain changes.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member for Oshawa has the floor.

Mr. Broadbent: Mr. Speaker, the decision to purchase this land was made by the present Government. I have the Treasury Board minute dated November 30, 1984. The Conservatives, I remind the Minister, were in power, not the Liberals in November, 1984.

I want to ask the Prime Minister, who is smirking away about this additional waste of government money, does he agree that purchasing more than twice the amount of land required at almost double the price seen to be appropriate by the Auditor General is a sensible way to run a Government? Is that why he was elected?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as I have indicated for the third time, I believe, the assessment and the criteria were laid down not by the Auditor General, not by the former Minister of Agriculture, not by this Minister

of Agriculture, not by my colleague, the President of the Treasury Board, but by qualified research scientists.

Mr. Blackburn: The butler did this one too.

Mr. Wise: Obviously my precedessor looked at the information. He evaluated it and followed the advice of the research scientists. We did have a choice. We did have an option. We exercised that option. It was the right option because the facts were there and it was the obvious place to build a research centre.

Mr. Broadbent: Mr. Speaker, I say to the Hon. Minister, a man I respect, that in this case the facts were not there according to the Auditor General.

PRIME MINISTER'S RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask a question of the Prime Minister. According to the Auditor General and according to the Treasury Board minute that I have, more than twice the amount of land was purchased than was deemed necessary.

Mr. Speaker: Order. The Hon. Member has referred fulsomely to the document and told the House what is in it. Would the Hon. Member put his question?

[*Translation*]

Mr. Broadbent: Mr. Speaker, my question is directed to the Prime Minister. It is the Prime Minister who is responsible for his Ministers' decisions. Does the Prime Minister intend to continue this squandering of public funds?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend's colleague was denouncing this decision a few minutes ago. The President of the Treasury Board said that he would look into it and respond to my hon. friend. I find it interesting that he was denouncing the decision apparently because Mr. Don Matthews is a co-chairman of the PC Canada Fund.

Mr. Broadbent: No, not so.

Mr. Mulroney: He is also the father-in-law of David Peterson.

Some Hon. Members: Oh, oh!

Mr. Broadbent: How does that answer it? That is a great answer. We will see how that flies.

[*Translation*]

PENSIONS

COMPANY USE OF PENSION FUNDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, during a press conference, the Auditor General stated that in view of the failure of a number of banks, the issue of the auditing of pension funds could be compared to a time bomb. In his report, the Auditor General expressed concern about the increasing tendency of companies to use pension fund surpluses to finance their own activities.

Could the Minister of Finance tell us clearly what he intends to do immediately to protect workers' money against this increased tendency of companies to use their employees' pension fund surpluses?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would like to thank the Hon. Member for this opportunity to respond to that point raised in the Auditor General's Report. I know the Member will not want to be an alarmist because the Auditor General himself made it very explicit that he was not being an alarmist with regard to these pension plans. The purpose of his report, of course, is to flag possible problems in the future. The Department of Insurance has been studying this matter and will be making a report to me shortly on how it is further going to improve supervision of this matter. Speaking of the present, I do want to say that the management of federally registered pension plans has been extremely good. There have been almost no problems. Management has been so good that it is producing surpluses rather than problems.

[*Translation*]

Mr. Malépart: Mr. Speaker, I should like to remind the Minister that the administration of banking institutions was fine until this Conservative Government came to power and two banks failed. We should not wait until something similar happens to pension plans.

REQUEST FOR STANDARDIZATION OF AUDITING PRACTICES FOR PENSION PLANS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): I have a supplementary question, Mr. Speaker. The Minister is well aware that there are over 15,000 pension plans in Canada and that the federal Government has jurisdiction over 750 of them. Is the Minister prepared to call a meeting of his provincial counterparts to standardize auditing practices for pension plans, both at the provincial and federal levels, to make sure that the $120 billion in employees' contributions are protected?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): That idea is among many that have been presented and I will be glad to have a look at it, Mr. Speaker.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ELIZABETH CARR, HON. MURIEL MCQUEEN FERGUSON, DENYSE BÉLANGER-ROCHON, BERENICE SISLER AND HELEN YEO

Mr. Speaker: I should like to bring to the attention of Hon. Members the presence in our gallery today of Elizabeth Carr, the Hon. Muriel McQueen Ferguson, Denyse Bélanger-Rochon, Berenice Sisler and Helen Yeo.

[*English*]

These women have received the 1986 Persons Awards for their outstanding contributions toward improving the status of women in Canada.

Some Hon. Members: Hear, hear!

Mr. Speaker: Hon. Members will want to know that they are accompanied by two recipients of the 1979 Persons Awards: Mary Two-Axe Early and Sophie Dixon.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Essex—Windsor. Pardon me, the Hon. Member for Windsor—Walkerville.

Mr. McCurdy: I know it is exceedingly difficult to distinguish between my colleague and me.

Some Hon. Members: Oh, oh!

Mr. McCurdy: He doesn't dress as well as I do.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. The Hon. Member should be grateful that I see him at all.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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AIR CANADA

PROVISION OF TRANSPORT FOR TOUR TO SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is a serious one and it is directed to the Secretary of State for External Affairs. What action does he intend to take in response to the effrontery of our national airline not only in ignoring our own Canadian sanctions but deliberately undermining U.S. sanctions by providing transportation for a tour to South Africa, which the Secretary of State for External Affairs has condemned himself quite vigorously?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I welcome the question. I understand its seriousness and I share the concern of the Hon. Member. The matter has only recently come to my attention. It does appear that Air Canada, a Crown agency, is in effect acting in a way that would undermine sanctions introduced by another country against South Africa. This is a very difficult matter to monitor in terms of the final destination of passengers which Air Canada might be carrying. Nonetheless, I intend to have a very early meeting with officials of Air Canada to express my concern, and I assume the concern of the House on that matter, to see if there is some way we can resolve the problem.

Mr. Benjamin: Phone them and tell them to quit.

REQUEST THAT CROWN CORPORATIONS BE DIRECTED NOT TO DEAL WITH SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Since, Mr. Speaker, this is one of a number of instances in which Crown corporations or government agencies have been dealing with the South African Government or its agencies, is it not about time, consistent with our sanctions, that the Government issued clear directives to all Crown corporations and government agencies not to have any truck or trade with South Africa, clearly and unequivocably?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada has been in touch with the Crown corporations. To my knowledge there are perhaps three which have some kind of association with South Africa. The Air Canada link is new, and I have indicated what I hope to do about that. The CN matter was raised in the House the other day. I indicated that I had to make a decision with regard to participation in a conference. Eldorado is involved in a particular contract which was in place before our actions were introduced. We decided to respect the sanctity of the contract but to prevent any new contracts being entered into.

If any Member of the House has information about activities by any other Crown corporation, which are inconsistent with the policy of the Government respecting South Africa, I would certainly welcome hearing the details of that information.

* * *

[*Translation*]

WOMEN

WOMEN IN WORKFORCE—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Hon. Member for Cariboo—Chilcotin was reported by some of our large newspapers as stating that senior ministers in the

Conservative Government were poisoning the Prime Minister with feminist ideas. Can the Prime Minister tell us how his Government intends to help women on the labour market when most Tory back-benchers favour sending women back to housework?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, one of the things which is quite evident in this House is where women sit on the front benches.

Some Hon. Members: Hear, hear!

Mrs. McDougall: In 25 years of Liberal Government in this country there was nothing done either for the deficit or for women. In this Government we have reduced the deficit. We have done things for women, like amend the Indian Act, improve the pension system, and provide employment equity. That is because of our Prime Minister.

Some Hon. Members: Hear, hear!

[*Translation*]

CONCEPTION OF WOMEN'S ROLE—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my supplementary question is also directed to the Prime Minister. Does he not believe that this medieval concept of women's role that is described and shared by most Members in the Tory caucus—

Some Hon. Members: Oh, oh!

Mrs. Pépin: —would explain the Government's chronic weakness when it comes to establishing a decently funded daycare service network?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me first correct what is no doubt an error made inadvertently by the Hon. Member. It is a fact that we have an impressing number of women in senior Cabinet positions. It was my privilege to double—my figures are not recent but I think that is the ratio—the number of women deputy ministers in the Public Service. We have doubled the number of women appointed to senior positions within the Public Service. We have undertaken a number of initiatives to favour women in Canada, and it is my view that the status of women in Canada is much healthier since this Conservative Government was elected.

Some Hon. Members: Hear, hear!

[*English*]

SCIENCE AND TECHNOLOGY

FUNDING OF UNIVERSITY RESEARCH—PRIVATE SECTOR'S RESPONSE TO GOVERNMENT'S INITIATIVE

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Government's job strategy has placed clear responsibility on the business sector of Canada to work with government in creating jobs. I am happy to say that the private sector has responded in a very positive way. Could the Minister tell the House what the response of the private sector has been to the Government's initiative of matching dollar for dollar, up to a total of $1 billion, the contribution of those companies willing to invest in university research in Canada?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member's question provides me with an opportunity to point out that the program we initiated earlier this year was designed to forge important linkages between in-house and university research in the private sector. It is over-subscribed. The first three years of private sector contribution have already been secured.

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DEPARTMENT OF AGRICULTURE

LONDON RESEARCH FACILITY—PURCHASE OF LAND

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the President of the Treasury Board. It concerns the London agricultural facility. The matter is not whether the Premier of Ontario is in some way connected, nor is it the fact that the seller of the land donated over $10,000 to the Conservative Party. I want to give the Minister a chance to answer my question. Why did Treasury Board approve the purchase of 67 acres of land before the four points raised in the Treasury Board memo were answered? Why was the decision made before it had that information?

Mr. Speaker: The Hon. Member put a clear and specific question. I hope he would not feel that he has to repeat it.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in the interest of saving time of the House, I believe I have fully and completely answered that question on three previous occasions in this particular Question Period.

TREASURY BOARD APPROVAL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, for four times or five times in a row the President of the Treasury Board has attempted to rise to answer my question. I should like to give him that opportunity. Will he explain why this decision was taken without having the full information before Treasury Board?

Hon. Robert de Cotret (President of the Treasury Board): First, Mr. Speaker, I think I indicated at the very outset of this line of questioning that I would look into it in detail and report back. Second, the Minister of Agriculture has already answered the question. Third, allegations have been made that somehow there was some wasteful spending of public funds. I should like to refer the Hon. Member to paragraph 1.9 of the Report of the Auditor General which reads in part:

> Another sign of hope that those responsible for spending taxpayers' dollars are doing so more carefully lies in the increased emphasis on a need for restraint in public expenditure.

It went on to talk about the very remarkable record of the Government under the leadership of the Prime Minister in constraining expenditures and ensuring that money is well spent.

* * *

[*Translation*]

CANADA POST CORPORATION

APPARENT CONTRADICTION IN GOVERNMENT POLICIES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of National Revenue.

According to the General Auditor's Report, the Minister of National Revenue, on November 14, 1984, authorized income tax remittals for up to $225 million, a figure which exceeds Canada Post's total deficit.

Why such generosity, when the Government is asking Canadians to tighten their belts, is slashing pensions, and reducing home delivery of the mails and other services essential to Canadians?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, if I am not mistaken and if I heard correctly the question of my hon. colleague, he referred to November, 1984. Under the circumstances I can undertake that I will check into it, because I was not Minister at that time, and endeavour to give him a satisfactory answer.

[*Translation*]

APPARENT INEQUITIES CONCERNING POSTAL SERVICES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I referred to Note 4.44 of the General Auditor's Report and I would like to direct my supplementary to the Minister of Finance.

How can the Minister ask Canada Post to cut down on services in order to reduce the deficit, when Revenue Canada is giving away millions of dollars?

Will he instruct Canada Post not to increase rates and to have door-to-door mail delivery?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is referring to the whole question of tax expenditures, which I addressed very carefully and clearly in the House yesterday. We have taken steps to reduce and eliminate a number of the tax expenditures which were brought in over the past number of years by the previous Government, including limited partnerships, the scandalous scientific research tax credits, and the financing of yachts and hotels through tax gimmicks. We have reduced all these things in the interest of fairness and in the interest of utilizing taxpayers' dollars more effectively.

* * *

EMPLOYMENT

JOB-CREATION PROJECT—ESTABLISHMENT OF INDUSTRIAL PARK

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Prime Minister. It concerns the proper use of scarce job-creation funds. According to the Auditor General, the federal Government signed an agreement in March, 1985, to create an industrial park in a Conservative riding. Will the Prime Minister explain why the contract was signed, given that according to the Auditor General "the project met none of the three eligibility criteria necessary, nor was there any justification of the need for the project"? This is case No. 1 in the Auditor General's report. Is this the kind of job-creation project he supports?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, this project was initially approved in December, 1983. The assessment was carried out with the provincial and municipal Governments. It was on that basis that the decision was taken to proceed with the purchase of the land and preparation of a site plan. Since then we now have the Canadian Jobs Strategy which has eliminated capital expenditures like this and replaced them with training programs that address more directly the needs of the unemployed.

• (1450)

REPLACEMENT OF COMMERCIAL SIGNS PROJECT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Prime Minister explain why the Government proceeded with a modified agreement in another Conservative riding for the replacement of commercial signs? It was not demonstrated that any jobs would be created, and the companies in question were well able to replace their own signs. What assurance can he give us that scarce job-creation funds will not continue to be misused in this fashion? Should the unemployed not count in these job-creation schemes?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I want to compliment the former Minister of

Employment and Immigration for creating the Canadian Jobs Strategy. She took over at a time when there were some 35 to 40 makeshift, constituency-oriented programs. We put into effect a program which provides real job training with real work experience.

* * *

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He will know that the Minister of Supply and Services has confirmed that her Conservative predecessor intervened and changed the bidding process regarding the awarding of the CF-18 maintenance contract. Did the Prime Minister order this intervention? Was it the President of the Treasury Board? If so, why was this intervention ordered?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I would like to remind the House that the decision is now before the Treasury Board. It would perhaps be improper to add to the comments already made in this House. However, I can assure the Hon. Members that my predecessor and myself have acted with complete integrity and in full respect of democratic principles.

I should perhaps remind the House that Ministers and Members of Parliament are not here on an honorary basis. We are here to defend the interests of the Canadian Government, and that is what we are doing.

[*English*]

COMPETITIVE BIDDING PROCESS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the refusal of the Minister to provide details raises serious questions about the bidding process.

Mr. Speaker: Order. The refusal or otherwise by a Minister even to answer a question is not a proper subject for comment in a supplementary. I ask that Hon. Members get to their supplementaries as quickly and directly as possible.

Mr. Dingwall: Mr. Speaker, would the Minister explain what she and the Government mean by the competitive bidding process? Will she comment on the various considerations being evaluated regarding this contract? The principle of merit and the integrity of the bidding process are in question.

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I simply want to repeat that, whatever the decision is, it will be in the interest of Canada as a whole.

[*English*]

INDIAN AFFAIRS

DEPARTMENT'S RESPONSIBILITIES—AUDITOR GENERAL'S REPORT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. He, together with the President of the Treasury Board, recently assured this House that the Government is living up to its signed agreements with Indian people. Between Section 11.104 and Section 11.113 of the Auditor General's Report he specifically indicts this Government and its Liberal predecessors with failure to file reports demanded by the Act, and obviously a failure to live up to the spirit if not the letter of the treaties as enshrined in the James Bay and Northern Quebec Agreements.

Given that, will the Minister recommend to the Government that an agency or Ministry with the clout to ensure that the Government complies with its agreements takes over responsibility from his Department which, the Auditor General clearly states, cannot exert that much influence?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I recognize the statements by the Auditor General and we take them very seriously. We have taken action, indeed my predecessor had taken actions, to examine the workings of the Department prior to the Auditor General's Report. I will continue to build on those.

Specifically referring to the James Bay Agreement, I draw to the Hon. Member's attention that the 1982, 1983 and 1984 annual reports have not been filed. However, I can assure him, and he well knows the circumstances, that I will be tabling reports for those years when this Government was not in power.

Mr. Speaker: The Hon. Member for Kenora—Rainy River on a short supplementary.

GOVERNMENT COMMITMENTS TO NATIVE PEOPLES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I appreciate the Minister's willingness to clear up the mess left by his Liberal predecessors. What action will this Government take to ensure that its commitments to the native people of Canada are kept?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the Hon. Member is aware that this Government has taken every action to meet its commitments under the treaties. We have gone to great lengths, as both he and the Indian leadership in Canada know, to discuss with the Indian leadership how we can better serve their goals and the goals of this Government.

Oral Questions

FINANCE

PENSION PLAN TAX RULES—PAYROLL PENSION CONTRIBUTIONS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Minister of Finance. On October 10, the day after he announced the new tax rules for pension plans including the immediate suspension of all additional voluntary contributions, I raised with him the undue hardship this would impose on tens of thousands of Canadians who save between $10 and $20 a week through payroll deductions. Will he now reinstate the right of employees to make additional voluntary current service pension contributions for at least the rest of this year, and preferably until the end of next year when the new pension tax system is fully operational?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thank the Hon. Member very much for his continuing interest in the question of pension reform. I want to confirm that the current contributions, not the past service contributions, can be made to these types of plans up to the end of next year, at which time the new rules will come into effect.

* * *

AIR CANADA

LINKS WITH SOUTH AFRICAN AIRLINES—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the complicity of Air Canada in aiding and abetting the apartheid regime of South Africa. In response to a question from the Hon. Member for Windsor—Walkerville the Minister said that "The matter only recently came to my attention". Can he then explain how, almost a year ago, the Chairman of Air Canada wrote a letter to the union which had been seeking tougher sanctions against doing business with South African airlines and said he was waiting for a directive? He had contacted the Department of External Affairs and was told there was no specific directive from that Department to cut this truck and trade with the South Africans.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will look into that and see if the Hon. Member has her facts right.

* * *

TRADE

IMPORTS FROM SOUTH AFRICA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have further facts from Statistics Canada if the Minister does not believe the Chairman of Air Canada. They show that imports to Canada from South Africa during the first six months of 1986, the time when the Minister was speaking so strongly about this issue, increased over 20 per cent. Can he explain how in the first six months of 1986, supposedly during his Government's fight against apartheid, imports to this country from South Africa increased by over 20 per cent?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member may believe she can fool some of the people some of the time, but she cannot get away with this sort of thing consistently. She knows full well that the figures she cites referred to import and export performance before the imposition on November 1 of this year of the measures we have been talking about. Of course they would not show up in the statistics gathered before those measures took effect. Of course they would not.

* * *

[*Translation*]

COMMUNICATIONS

REQUEST THAT MINISTER EXPLAIN GOVERNMENT'S POSITION ON CAPLAN-SAUVAGEAU REPORT

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, my question is for the Minister of Communications. Can the Minister tell the House when she intends to explain the position of the Government on the Caplan-Sauvageau Report?

[*English*]

In particular, can the Minister comment on the principal objections of the Canadian Cable Television Association that all cable companies must carry an omnibus Canadian channel but Canadians are not seriously worried about U.S. domination of cultural industries such as television?

• (1500)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Government is studying all the recommendations of the Caplan-Sauvageau report. It is my understanding that, as we are doing so, the Parliamentary Committee on Communications and Culture will be holding hearings to allow all the players in the industry, that is the private and public sectors, the broadcasters and the cable industry, to make their representations before the committee to provide their analyses of the Caplan-Sauvageau report. I am sure that it is in the interests of all of us here in Parliament and in the industry to do what we can to improve and strengthen all aspects of the Canadian broadcasting system.

DEPARTMENT OF AGRICULTURE

AUDITOR GENERAL'S REPORT—RESEARCH BRANCH'S ACTIVITIES—HAZARDOUS WASTES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of Agriculture and is with regard to the comments of the Auditor General yesterday on the activities of the Research Branch of Agriculture Canada. According to the Auditor General, Agriculture Canada did not implement his recommendations with respect to hazardous wastes in 1982. Could the Minister tell us why the Department did not take care to implement those recommendatiions? What do the Minister and the Government intend to do to ensure that this kind of carelessness with respect to hazardous wastes stops here in the Ottawa region?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, because the impact of the observations relates to the environment, perhaps I could answer the question. Some of the observations made by the Auditor General are valid and have been well taken by my colleague, the Minister of Agriculture, and myself. Both Departments are in the businesss of health and are committed to setting a good example for the private sector.

For that reason, in the last year in particular we have co-operated by improving our inventory control, by building storage facilities, by recruiting personnel for this and related purposes and, more generally, by ensuring that the storage of hazardous chemicals by the federal Government meets the highest and most rigorous environmental standards.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I beg the patience of the House. The Member who is supposed to speak is coming. I know he is on his way.

Mr. Speaker: I want the Hon. Member to know that I have sent for the Hon. Member and I am very pleased to hear that he is coming.

Mr. Oberle: Mr. Speaker, I would just like to inform the Chair that I am ready to speak.

Mr. Gray: Mr. Speaker, I rise on the same point of order. I respectfully request that you take into account that there are still many Members leaving the House and carrying on conversations which seem to have arisen out of Question Period.

Mr. Jelinek: Not any more. They have all left.

Mr. Gray (Windsor West): Perhaps we can have your indulgence, Mr. Speaker, to suspend the sitting if necessary until the Member who is going to move our Opposition Day motion comes into the House and takes his seat.

Mr. Speaker: I think that at times Hon. Members ought to be considerate of each other. I am sure that Hon. Members would generously support me in allowing a moment or two to allow the Member who wishes to move the motion to come into the Chamber, which he has now done. I am sure that the generosity extended to the Hon. Member and his colleagues by Members in the Chamber will be reciprocated at an appropriate occasion.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—RESEARCH AND DEVELOPMENT—FUNDING

Mr. David Berger (Laurier) moved:

That this House condemns the government for breaking its promise to double Canada's research and development effort to 2.5 per cent of GNP, and for the measures announced since September, 1984, which are undermining research and development, long term economic growth and the competitiveness of Canadian businesses in world markets, measures such as budget cuts made to the National Research Council, the funding freeze on university research, the reduction of federal transfers for post-secondary education, and cuts to government research programs in the areas of energy, environment, fisheries and agriculture.

He said: Mr. Speaker, I thank the Members of the House for extending to me the courtesy of waiting a moment or so as I made my way to the House.

Often statements made and questions asked by members of the Opposition are suspect. We are expected to criticize the Government. I imagine that people who hear members of the

Opposition make statements or speak about failures of the Government are often inclined to discount what we have to say. In the minutes which I have here this afternoon I will try to do something a bit different. I would ask you, Mr. Speaker, to think of this House as a court room for the next few minutes. On trial is the Government's science and technology policy. More precisely, I submit that the Conservative Government is charged with breaking its promise to double Canada's research and development efforts to 2.5 per cent of the Gross National Product. To borrow a phrase from a court room, I submit that the government's record since taking office borders on criminal negligence. I will be the Crown prosecutor and I plan to call witnesses today to provide the court with independent testimony. You will not be hearing what I have to say. You will be hearing what a number of independent witnesses have to say about this Government's record. The jury is looking through the television cameras and sitting in the public gallery. They will pronounce the verdict. They will determine the sentence. Perhaps, as a result of this exercise, we can fill the new prison in Baie-Comeau. There are a number of basic facts which are so widely known that they do not have to be proved. I would ask the court to take notice of these facts.

[*Translation*]

Mr. Speaker, the total investment of Canada in research and development is much less than that of our trading competitors. Indeed, in 1979, Canada was last of all major OECD countries. The former Liberal Government had set as its target for 1985 a proportion of 1.5 per cent of the Gross National Product for research and development expenditures. Substantial progress was made between 1979 and 1985; real investment doubled and increased from $2.7 billion to $5.3 billion, which, in real terms based on the inflation rate, represents an increase of about 31 per cent.

• (1510)

[*English*]

The first pieces of evidence which I would like to introduce are documentary. First of all, I have an excerpt from a speech the Prime Minister (Mr. Mulroney) made to the Ottawa-Carleton Progressive Conservative Association on February 9, 1984 when he was Leader of the Opposition. I would like to quote what the Right Hon. gentleman said at that time. He said:

> The way to improve our dismal trade performance lies in increased Research and Development. We have to double our Research and Development commitment and triple our resolve to reach it.

I would ask that this statement be identified as Exhibit "A".

I also wish to read into the record a statement from the Prime Minister's book entitled *Where I Stand* which was published in 1983. The Prime Minister, who was running for the leadership of the Conservative Party at that time, said:

> The National Research Council, which acts as Canada's main research laboratory, needs a funding increase of at least 20 per cent—

I would ask that that excerpt from the Prime Minister's book be identified as Exhibit "B".

An Hon. Member: Carry on with the quote. Finish the sentence. Be fair. There is such a thing as perjury in court.

Mr. Berger: The Progressive Conservative campaign handbook said the following:

> A Progressive Conservative Government will make up the ground Canada has lost in technological research and development through:
>
> Doubling our national commitment to R & D from 1.3 per cent of Gross National Product (GNP) to 2.5 per cent of GNP within the first four years we are in office.

That is from the Progressive Conservative campaign handbook. I would ask that the court identify this excerpt as Exhibit "C".

You will agree, ladies and gentleman of the jury, that these pieces of evidence prove conclusively that the Conservative Government campaigned on a promise to increase research and development spending. Canadians were not imagining things.

What has happened since the Progressive Conservatives took office?

An Hon. Member: The country has gone down the tubes.

Mr. Berger: Preliminary figures from Statistics Canada show that research and development spending as a percentage of Gross National Product declined in the first part of 1986 to 1.3 per cent from the 1985 level of 1.34 per cent. This is the first time in 15 years, with the exception of the recession year of 1983, that Canada's R and D effort has declined. I would ask that these statistics which come from the "Science Statistics Service Bulletin" of Statistics Canada be identified as Exhibit "D".

As a final piece of documentary evidence, I would like to table an excerpt from the current issue of *The Financial Post* dated October 25, 1986. This is their special report on research and development, entitled "Industrial R & D Spending Slows". I would like to quote from the first two paragraphs of this special report. The writer states:

> After substantial increases in research and development budgets in 1985, Canadian companies will barely boost their spending this year.
>
> The Financial Post's exclusive annual survey shows total expenditure on industrial R & D is expected to rise by little more than 3 per cent, vs 14 per cent last year.

I would ask that that report from *The Financial Post* be identified as Exhibit "E".

[*Translation*]

Mr. Speaker, as my first witness, I would ask that the Quebec Minister of Finance step into the box. I would ask him a few questions about the effect of Bill C-96 introduced by the Conservative Government to reduce transfer payments to the provinces for post-secondary education and health care.

I would ask the Quebec Minister of Finance to tell the court what the effect was of Bill C-96 introduced by the Conservative Government to reduce funds allocated to post-secondary education and health care.

What was the effect of this legislation, Mr. Minister? The reply of the Quebec Finance Minister appeared in *The Globe and Mail* on May 2, 1986, and was as follows: "Under the circumstances, the Government has no choice. It is obliged to resort to taxation to compensate for the shortfall resulting from federal cutbacks."

• (1520)

[*English*]

As my second witness, I would ask the President of the Natural Sciences and Engineering Research Council to take the stand and to comment on the statements of the Minister of State for Science and Technology (Mr. Oberle) and the Minister of Finance (Mr. Wilson) to the effect that a Government initiative will provide $1 billion in new money for university research. First, I would ask the president if he would provide the court and the jury with details of the financial situation of his council during 1985-1986. The president, if he were here today, would answer in the following fashion, and I am quoting from his report of 1985-86 to the Minister of State for Science and Technology:

The financial situation for NSERC during much of 1985-86 can be described as uncertain and difficult. Council was forced to operate during most of the year with a budget . . . almost 10 per cent less in real spending power—

That is, less than in the previous year. Never before had the Council been required to operate with a reduced funding level.

Second, I would like to ask the president of the Council to tell us the effect of the Government's funding decision which was announced in the Budget of February, 1986. Again, the answer may be found in the words of the President of the Natural Sciences and Engineering Research Council:

The decision is far from the funding levels called for in the second five-year plan. The increased base level of support—will, by 1990, only hold NSERCs budget at a spending power equal to that of 1984-85—

The Budget, in other words, has been frozen, assuming a 4 per cent inflation rate.

I would finally like to ask the President how the members of Council feel about this decision. Again, the President of the Council, if he were here, would state the following, which may be read in his report:

The federal Government's response to the second five-year plan is naturally a disappointment to the Council. After eight years of effort to improve the R&D environment in Canada, Council has developed some very innovative, flexible and productive programs to strengthen Canadian graduate schools . . . However, Council is now having to stop the upward momentum that was premised on increasing real budgets and on an increasing percentage of the nation's Gross National Product.

I would now like to briefly deal with the recent cuts at the National Research Council. I would like to ask the President of the National Research Council to take the stand. My question is: Dr. Kerwin, what is the effect of the recent cuts at the National Research Council? Dr. Kerwin would answer, and I quote again from a recent news report:

I think we have to admit that it will weaken us further. The NRC has been very successful in helping high technology companies to get started. And we have helped to create tens and tens of thousands of jobs at a very reasonable cost and our ability to do this will obviously be impaired.

[*Translation*]

Mr. Speaker, another question, would be: If you want to describe the effect of these cutbacks in a few words, what would you say? Once more, Dr. Kerwin has already replied to this question. At his press conference a week ago, he said that these cutbacks are regrettable, tragic and even worse.

[*English*]

During the course of these few minutes I have tried to present to this House, this imaginary court, irrefutable evidence of the guilt of the accused, the guilt of the Government. If we in this courtroom open our ears we will all clearly hear the verdict from the jury, from those listening in the gallery, from those watching on television, from all Canadians because they recognize that without research and development we are jeopardizing our future, our children's future and Canada's position as a leading western democracy.

I hope the sentence which will be pronounced by the Canadian people in their communications with Members of the Government, in their letters to the Prime Minister and to the Minister of State for Science and Technology, and in their visits to the offices of their Members of Parliament, will shake the Government into recognizing the importance of the commitments made during the last election campaign so that it will change direction before our future is too seriously mortgaged.

Mr. Deputy Speaker: The trial will continue with another lawyer, the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis).

Some Hon. Members: No, no.

An Hon. Member: Cross examination.

Mr. Lewis: That was back in the days when I made real money.

I would first suggest to you, Mr. Speaker, that no competent lawyer would ever suggest in court that a number of facts are so well known that they do not have to be proved. But that is not why I have risen today. I rise to suggest that there has been a contempt of court.

An. Hon. Member: Right on.

Mr. Lewis: The Hon. Member introduced as evidence part of a sentence in the Prime Minister's book *Where I Stand*. He quoted this much: "The National Research Council, which acts as Canada's main research laboratory, needs a funding increase of at least 20 per cent—". If you check the "blues", Mr. Speaker, you will find he stopped there. He failed to complete the sentence which reads: "—to bring it up to approximately $400 million". I suggest to you, Sir, the Hon. Member misled the court. I suggest that in a real courtroom that would be contempt of court and would bring about a severe chastisement from the judge and the law society.

In fact, I can give the real figures for that period. In 1985-86, an expenditure of $434 million; in 1986-87, an estimated expenditure of $417 million; in 1987-88, an expenditure of $431 million. I suggest that the jury will wonder if my hon. colleague in fact knew those figures, and whether that is the reason he did not complete the sentence.

Mr. Berger: Mr. Speaker, I really think the Hon. Member is once again trying to confuse the issue.

Mr. Lewis: I didn't misread the quote.

Mr. Berger: With respect to the figure of $400 million mentioned in the Prime Minister's book in 1983, I presume the candidate for the leadership of the Conservative Party at that time was referring to 1983 dollars. I invite the Hon. Member to look at the current estimates for 1986-87 of the National Research Council which is in 1986 dollars, taking into consideration the inflation which has occurred in the past few years. That will demonstrate that the Government's own estimates of the Council's budget for this fiscal year is $398 million. I would suggest to the Hon. Member, if he is not capable of understanding this basic arithmetic, to talk to any economist about the effects of inflation and about the difference between 1986 dollars and 1983 dollars, because I submit the point I made is essentially accurate. That is to say the Prime Minister promised an increase in the budget of the National Research Council of some 20 per cent, and we have seen the opposite since he took office. The budget of the Council has dropped from $530 million, which it was in 1984, to $400 million today, a decrease of 28 per cent.

• (1530)

Mr. Siddon: Mr. Speaker, I must apologize to the House. I do not talk in lawyers' jargon. I will try to make myself understood without resting my case on a lot of facts and figures.

I would like to ask the Hon. Member why it is that over a decade or more under the Government of which he was a part the national performance of science and technology did not increase by one nickel. In fact, it declined severely. Before the Minister rises to answer the question, I would point out that the whole purpose and thrust of the initiatives taken by my hon. colleague, the Minister of State for Science and Technology (Mr. Oberle), has been to improve the efficiency of our in-house scientific effort; to focus our research resources more effectively on the emerging areas of challenge in the new frontier world of science; to strengthen linkages with the private sector since we have never received a significant pay-off or return on our investment in government science in the market-place; and to accelerate and enhance the transfer of technology into the private sector where it creates permanent real employment. These initiatives are very much along the lines of the important report submitted by Dr. Doug Wright and his colleagues.

I suggest that the Hon. Member is not being honest with the House—not intentionally—when he says that the budget of the National Research Council was $530 million in 1984. He is giving the impression that somehow it is being reduced when, in fact, the Government of which he was a part built a number of brick and stone monstrosities around the country without ever budgeting for their capital operating requirements, or even setting aside the scientists and person-years to put in them. That is the problem which my colleague, the Minister of State for Science and Technology, wrestles with today.

The Minister did not point out—

Mr. Oberle: The "Member".

Mr. Siddon: The Member did not point out that there is a new bio-technology centre in his own city of Montreal which will require over 200 new person-years. The Hon. Member did not mention the new research institute in optics in Ste-Foy, Quebec. Nor did he mention the new research institute in Winnipeg. All of these institutions were built by the former Government with no provisions to operate them. That is the dilemma with which my colleague is faced.

I have one question in conclusion, Mr. Speaker. I would like to ask the Hon. Member who is responsible for the motion before us to tell me very concisely what cuts were made to government research programs in the area of fisheries. What cuts were made? I would like some specific evidence of cuts that were made.

Mr. Berger: Mr. Speaker, first, I thank the Minister for referring to me as a Minister. His colleague, the Minister of State for Science and Technology, has made the same mistake. I think they are thinking ahead a few years.

The Minister referred to the Liberal record. I touched on that subject in my speech. Our Government did not set a goal which was unattainable. The Conservative Party set a goal of 2.5 per cent, a doubling of our spending on research and development. Countless experts, such as Gordon MacNabb, the former President of the Natural Sciences and Engineering Research Council, has said time and time again that we do not have the people, the students in high schools and universities in science courses today to reach that goal.

The second five-year plan of the Natural Sciences and Engineering Research Council was designed to build upon the efforts of the Liberal Government, to get more young people into science and to have the infrastructure necessary to increase the scientific capability of Canada. That plan was rejected by the Conservative Government.

As far as our record is concerned, we set a goal of 1.5 per cent of Gross National Product in spending on research and development by 1985. There was a steady increase from the end of the 1970s to the mid-1980s in terms of reaching that goal. As I pointed out in my remarks, what we have seen in the first part of 1986 is that Canada is starting to fall away from that goal, thanks to the efforts of the Government.

As far as my assessment of what has taken place at the National Research Council and its funding levels is concerned, I will be happy to go into a detailed discussion of the figures at any time. The Government's Estimates clearly demonstrate the case. I have other figures which supplement the information that is contained in the Estimates, since the Estimates were tabled last February.

In assessing what has happened at the National Research Council, I would put my money any day of the week on the word of people such as Dr. Basinski or Dr. Larkin Kerwin, the President of the Council, who has said that these cuts are weakening an already frail structure and that they are regrettable and tragic. Even worse than that, I would put my money any day of the week on the assessment of Dr. Larkin Kerwin rather than on the word of these day-wonder Ministers who last in their portfolios about six seconds.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. In the years that we had a Liberal Government, and in the years in which the Hon. Member for Laurier (Mr. Berger) was a part of the Liberal caucus, all the organizations which take in the various scientific disciplines, such as the chemical, physics and biological institutes, made repeated representations to the then Government pointing out the fact that Canada was expending, as a percentage of the GNP, about one-half of what all other countries in the OECD, and Japan, were spending. In fact, it was pointed out that we were second from last, and that only Italy made less of an effort than Canada. In all those years their protestations were ignored and rejected by the Liberal Government.

The Hon. Member says that we were climbing. We never got anywhere near to 1.75 per cent when all other countries were spending from 2.25 per cent to 2.5 per cent and more of GNP. That is typical of the Liberals, the difference between Liberals when they form the Government and Liberals when they are in opposition.

What right does the Hon. Member have to expect the Canadian people to believe that a Liberal Government in the future—and God forbid that we ever have one again—would do any more, would make any greater efforts in the field of scientific research and development than it did in the past when it was in office for so many years?

Mr. Berger: Mr. Speaker, as I said in my previous remarks, we were headed in the right direction. We were going up. The Hon. Member will recognize that we were heading in the right direction, which was up. That should be contrasted to the way we are going under the policies of this Government, which is down. Any examination of the reports of the Natural Sciences and Engineering Research Council and the National Research Council will demonstrate the truth of what I have just said.

• (1540)

As far as the future is concerned, I can only say to the Hon. Member that in due course we will present our ideas. The Canadian people will determine whether or not they have any merit.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I wish to begin by thanking the Hon. Member for providing the House with a rare opportunity to discuss what I consider to be the most important and critical issue that will face us as a society in the next 10 to 15 years. What we do collectively as a people in the field of science and technology over the next 10 to 15 years will certainly determine the role we will play in the next century among the community of nations.

It is within our grasp to position ourselves to be among the leaders in the world. It is within our grasp to respond to the challenges that are thrust upon us at such a relentless pace, brought about by this new technological revolution, and to respond to them in a positive, enthusiastic and confident fashion. As well, it is perhaps possible to be pushed out of the fast current that takes humankind into a new age, to be resigned to the backwaters of mediocrity, to be resigned to obscurity and insignificance.

This place never ceases to amaze me. It is interesting to hear how many different aspects of the truth some Hon. Members manage to put on the record. They defend their aspects of the truth with such conviction, sometimes even against their better judgment. If the Hon. Member who just spoke were in a courtroom, there would be no doubt in my mind at all that someone would charge him with perjury.

This debate is most timely because Hon. Members have, during the last two or three weeks, put so many different aspects of the truth on the record that it is extremely urgent for me to familiarize the House with some of the real facts today. Perhaps I should begin by setting the record straight regarding the aspersions that were cast in connection with the NRC.

There is no doubt that the National Research Council has been, is and will remain Canada's principal research establishment. However, the institute must continue as it has in the past to stay in tune with the times, to respond quickly and very effectively to new situations and new realities. One of these new realities is that much more research of the basic kind is today being performed in the private sector, and much more than ever before, research is being performed in universities. That shift has not occurred as a result of any deliberate policy of any Government. The reason for that shift is that it is becoming ever more critical that fundamental research be combined with the training of a future generation of scientists. That teaching happens to be best performed in universities.

In the period before World War II, there were 51 universities of which 19 were doing research that qualified for grants that the National Research Council gave to universities for research and training. In 1986, there are 82 universities in Canada of which 50 are receiving NSERC grants for the purpose of research and the training of future scientists. It is because of that that we have put an emphasis on university

funding. The statement made by the Member that there is not a significant increase in university funding is literally untrue.

We have put in place a program which will deliver, over a five-year period, $1 billion of additional new money for university research and the training of future scientists. I make no apologies at all for the fact that some of this funding is tied to a matching formula which requires the private sector to respond. As a result, 50 cents of private sector investment will trigger a $2 world class research effort in our universities. That is not a bad record at all.

We need to boost our international competitiveness and we need to forge important linkages between the science community, our in-house government laboratories and the private sector. The deficit gap which is much too wide was created by a former Government. This gap must be closed.

However, let us look for a moment at these so-called cuts the Hon. Member said have occurred to the NRC over the last three or four years. The NRC breaks down its budgetary calculations into three different categories. The first category is the operating budget, the budget that pays for research, for management and for the operation of those things under the Council's responsibility. Then there is the so-called transfer budget. That is used to finance extramural laboratories such as TRIUMF in British Columbia and other outside research laboratories which are operating at arm's length but are partners with the Research Council.

This budget includes the IRAP program which the Hon. Member, over the last three weeks, consistently proclaimed had been drastically cut. Has he had the grace to apologize and to say that there were no cuts to the IRAP program? No. Again, perjury would be the charge in a courtroom.

Finally, there is the capital budget. This is the budget that the NRC uses to build buildings, to buy equipment and to do things which are normally done. It is in the capital budget where some of the cuts have occurred and I will tell the House why that is.

Unlike the former Government, we do not believe that the cause of science and technology is dramatically advanced by bricks and mortar, by building edifices, palaces and monuments all over the country. However, the former Government did believe that. It thought that the way to increase the government effort was to build buildings all over the place. There are three such buildings which the Hon. Minister of Fisheries and Oceans (Mr. Siddon) had mentioned. There is the Ocean Dynamics Laboratory in Newfoundland, the Biotechnology Centre in Montreal and the Industrial Technology Centre in Winnipeg. The cost of these three structures is $157 million. These buildings were built over the last four years; and a couple of them are already in operation and the other one will be commissioned in February. Obviously the budget of the NRC had to be increased by $157 million to pay for these buildings. Obviously, as these buildings are completed and are being commissioned, the budget of the NRC decreases in accordance with the completion of these buildings. Let me just tell the House what actually happened to the budget of the NRC.

Incidentally, the NRC budget was never at $520 million. Again, the Hon. Member has a selective memory. When he mentioned the peak figure of the NRC's budget, he conveniently added the supplementary income the NRC receives aside from government funding, income earned through charges for services and so on. In 1984-85, this income amounted to $40 million. The budget of the NRC in that year, the peak year, was not $520 million but $480 million. Then when the Hon. Member mentioned the low figure, this year's figure, he conveniently said that the budget is now $398 million, but he did not add the extra income. These are the kinds of dishonest games these people play when they make their points.

The fact is that the operating budget of the NRC has stayed consistent and level. I have a chart here. Perhaps the Hon. Member cannot read very well. I will send it over to him. It is a picture. Perhaps the Hon. Member could get a better assessment of it.

• (1550)

The operations budget of the NRC, which is the highest component, stays reasonably level. There has been no decrease. The transfer budget, of which I spoke, again is the green line. It stays level. There has been no decrease. When I look at the equipment and the building budget, of course, there is a sharp incline into 1984-85, and then a decrease as the construction programs were completed.

Please, Mr. Speaker, through you to the Hon. Member, let us have a little more honesty and integrity when one speaks about these important things. It has not been very helpful to the management of the NRC to maintain any kind of morale with this kind of gamesmanship. Incidentally, the Hon. Member is no stranger to the truth. He has been invited consistently to attend briefing meetings. He knows the truth. He plays games in the House of Commons. While he may have had a weekend headline and while he may have even succeeded in embarrassing the Government slightly with his stretching of the truth, he has destroyed to a great extent and has been personally responsible to a great extent for the destruction of the morale at the National Research Council, which has always been very high and which has now been severely damaged.

Some Hon. Members: Hear, hear!

Mr. Oberle: I have consistently said that there would not be any pink slips this year at the NRC and that every effort will be made to ensure that the impact on individuals affected by this re-organization to new realities would be brought to a minimum and that positions would be found in other departments of government, perhaps in universities or even in the private sector. I have offered to intervene personally for the employees wherever I can, but I cannot give the same kind of assurance to some of the senior management who have fed the

Hon. Member some of this information which is less than truthful.

Having set the record straight, permit me now to take us back just two short years ago to tell you what we found concerning a national strategy on science and technology when we arrived here and assumed the mantle of power.

Let me identify what we discovered about a national strategy which was shaped by 20 years of Liberal administration. We were asked in two years to undo the damage the Liberals have caused in 20 years. The Hon. Member said that there was a consistent increase in the over-all spending in terms of the Gross National Product. If you destroy the economy and the Gross National Product declines, you have a consistent increase in percentages in your R and D expenditures, and that is what happened.

We were as you will recall, Mr. Speaker, two years ago a nation in search of a modern image governed by a group of social engineers without any sense of fiscal responsibility or constraints. The previous administration was also looking for a modern industrial image for our country, an image which identified our traditional industries like agriculture, mining, forestry and fishing as unsophisticated rural occupations, something from which a nation in search of a modern industrial image must get away. Give that to the developing countries. Let us shape our image after perhaps Japan and Germany. Those were the models that were held out as a nation seeking a modern industrial image. That is what we were to emulate.

All we had to do to achieve that image was to spend as much in terms of the Gross National Product as Germany and Japan does, and everything would fall into place. It is true that we cannot fault the former Government for the sense of urgency that it brought to the mission. Money was absolutely no object. Using the indicators which were established by these other countries with which we were making comparisons, the former Government deducted accurately that the private sector was not doing its share. It was doing roughly half of what it normally should in research and development. To prove our in-house situation—about which I have already spoken—all we had to do was build modern world-class buildings, which we have. My compliments to the architects. But nobody thought of designing any programs to fit into these buildings. They called them world-class buildings and it is now my job to provide the programs. That is all that had to be done to improve the internal performance.

The former Government knew that action was required because we were chalking up a deficit in high-tech trade with other countries that was growing at a rate of 15 per cent a cent a year and had reached $10 billion a year by 1984. What did the former Liberal Government do, Mr. Speaker? It acted swiftly and with conviction to bring in the so-called scientific research tax credit. That was to stimulate private sector activity quickly. Indeed, it did. Did it ever stimulate private sector activity. There was a lot of activity in innovative tax accounting, but there was no innovative technology created.

Mr. Orlikow: Tell us how yours is going to work better.

Mr. Oberle: I will tell the Hon. Member what we did better. I will read something a little later on to show the Hon. Member. It was no coincidence that the CBC, our great friend, last night on *The Fifth Estate* program pointed out what some of these scientific tax credits paid for. There was a ship in Chile some place that was being refitted with $25 million of scientific tax credits which, incidentally, was counted in to R and D expenditures. It was $25 million for that project alone. The ship is still sitting in Chile. The Liberal Government recruited a number of young people. They all wore uniforms. The first task was to develop a universal language for the world.

Mr. Turner (Ottawa—Carleton): It was a disgrace.

Mr. Oberle: I was surprised that the cadet on the other side of the Chamber did not arrive here today with his uniform. I would have thought he would have had one of them. Those are the kinds of things the Liberals were doing.

Now, Sir, what have we done? First, it was very clear that even the Government with its potent instruments of power, the Tax Act, the Patent Act and all the potent instruments, would not be in a position alone to turn this ship around and to set the country off on a new course. That is why we set out on a process of consultation. We have federal-provincial meetings. We have a concept of co-operative federalism. We have round table discussions. We had a national forum in Winnipeg which produced a consensus of where we ought to go and a consensus on a new national strategy which has as its pillar the procurement of highly qualified personnel—

Mr. McCurdy: Outside of the country.

Mr. Oberle: —the development of the necessary strategic technologies needed to revitalize our resource industries to build on our national strength. The only thing we discovered that we have in common with Germany and Japan is we, like them, have our own strengths and weaknesses. We need to develop a program of science and technology to help us build on our inherent strength, to revitalize our resource industry. We need to use space technology, the bottom of the mines and the floor of our oceans and develop the regions in so doing.

What is it going to cost? What are the targets? Is 2.5 per cent enough? I do not know. Perhaps it needs to be 4 per cent. Whatever it takes, Mr. Speaker, it will be spent. I will guarantee that. Whatever it takes to set the country off on a new course will be done. We intend to have our youth on the new frontier and we will not have them shut out, as the former Government would have done, from the opportunities that lie ahead.

Some Hon. Members: Hear, hear!

Mr. Berger: Mr. Speaker, I must say I think it is unfortunate that the Minister engaged in the kind of personal attack in which he engaged during the course of his remarks. I even

wonder whether a question of privilege could be raised as a result of those remarks. However, I will let them pass. As far as I am concerned, I can only say that the comments during the course of my speech were directed solely toward the policies and the record of the Government. You will forgive me, Mr. Speaker, if I perhaps engage in a treatment of the subject which is somewhat whimsical. However, there are times when one has to do that kind of thing to make one's point.

• (1600)

In my treatment of the matter, I continuously quoted from statements by people—and I think most Canadians would agree—who are authorities in their own right. I could talk about a person like Dr. Larkin Kerwin, the President of the National Research Council. If the Government is doing such good things for the NRC, I would expect its president to be a happy man today. I would expect him to be standing up and applauding the Government. However, the President of the NRC had to contain himself to try to avoid criticizing the Government. Despite his best efforts, he could not help but term what is taking place today as a tragedy, namely, the destruction of an important national institution by the Minister and by the Government. He could not help but term it as regrettable and very dangerous for the economic future of the country. I would be more apt to put my money, any day, on the assessment of a distinguished person like Dr. Larkin Kerwin than on the assessment coming out of the mouth of the Minister.

He accused me of destroying the morale of the National Research Council with some of the charges I have made. It is laughable. There are no words to describe how ridiculous is that suggestion. I cannot say that I would wish for that kind of ability. On the contrary, I do not pretend to have that ability. All I want to say to the Minister is that it is not speaking in the House of Commons of charges in a public forum—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but he has taken over five minutes of the question and comment period, and I have two other Members who wish to participate.

Mr. Berger: I would like to put a question to the Minister.

Mr. Deputy Speaker: Order, please.

[*Translation*]

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

Mr. Deputy Speaker: The Hon. Member for Lévis (Mr. Fontaine) on a point of order.

Mr. Fontaine: As Mr. Kerwin is a Liberal, Mr. Speaker, it seems to me that it would be normal not to name him. I should ask, therefore, the Hon. Member who has the floor to abstain from referring to Liberals—

Mr. Deputy Speaker: I regret, this is not a point of order.

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

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: This is serious—I find totally unacceptable that an Hon. Member should rise and accuse a senior official of showing partisanship in his job. I suggest that the position taken by the Hon. Member for Lévis is absolutely reprehensible.

Mr. Deputy Speaker: It had been ruled that it was not a point of order anyway. I ask the Hon. Member for Laurier (Mr. Berger) to please direct his question to the Minister immediately.

Mr. Gauthier: Besides, he is a Quebecer.

[*English*]

Mr. Berger: Mr. Speaker, I should like to direct a question to the Minister. Under what guise can he stand in the House and threaten senior management of the National Research Council? Under what authority can he use that kind of language to speak about people who work for an independent agency which does not report to the Government but to Parliament? I should also like to ask him—

Mr. Deputy Speaker: I thank the Hon. Member. The Hon. Minister of State for Science and Technology (Mr. Oberle).

Mr. Oberle: Mr. Speaker, I should like to respond briefly to the Hon. Member. He chose to refer to things uttered by other people to sustain his argument. Let me refer to a letter dated October 14, 1986. It was directed to the Right Hon. Prime Minister from CATA, the Canadian Advanced Technology Association, and was signed by its Chairman, Mr. Gordon W. Gow. In part it read:

> The efforts of your Ministers, together with your decision to become personally involved in the formation of national science and technology policy as outlined in the Speech from the Throne, are extremely encouraging initiatives to the advanced technology community across the country.

In answer to the Hon. Member's question, I have not threatened anyone. I simply said that if the Hon. Member relates the evidence, which he adduced in debate in the House over the last two to three weeks, back to senior management at the NRC, and if he is factual about the interpretation he has received from them, I have no other choice but to say that he was misinformed by them. Senior management people should not misinform Members of Parliament.

Mr. Berger: Mr. Speaker, I rise on a point of order. I just want to answer the Minister by saying that all the information—

Mr. Deputy Speaker: That is not a point of order.

Mr. Berger: It is a point of order.

Mr. Deputy Speaker: Could the Hon. Member explain to the Chair how it is a point of order?

Mr. Berger: The Minister raised a question about the source of my information. He seemed to allege that I received my information, perhaps on a confidential basis, from certain officers of the National Research Council. I simply want to correct that and state that all the information I used during the course of my remarks came from the public record—newspaper articles and public documents to which all Hon. Members of the House have access.

Mr. Orlikow: Mr. Speaker, I do not have the "blues" before me, but I think I heard and noted correctly what the Minister said a few moments ago. I think he said that senior management of the National Research Council had not been telling the truth about what had been happening at the NRC. That is a very serious charge, and I think it is one the Minister should substantiate today. If he cannot substantiate it today, he owes it, not only to Members of the House but to senior management of the NRC, to agree to a very early meeting of the standing committee. In that event senior management of the NRC could appear before the committee and tell how they assess the kinds of decisions and policies upon which the Government decided and what they believe will be the effects upon the NRC. Would the Minister agree to that proposal?

Mr. Oberle: Mr. Speaker, it was certainly not my intention to cast aspersions on the senior management of the NRC. All I said was that if the evidence adduced by the Hon. Member for Laurier (Mr. Berger) over the last two weeks or three weeks in the House was evidence which he received from senior management of the NRC, the evidence is wrong.

As far as the NRC management appearing before the standing committee is concerned, a standing committee can call before it at any time, without my consent or the consent of our House Leader, officials of the NRC or anyone else who acts as a responsible agent of the Government. I would asume that the committee would take this liberty.

• (1610)

Mr. Turner (Ottawa—Carleton): As you know, Mr. Speaker, I have a background in biology and therefore recognize the importance of research in our institutions, particularly the NRC and our universities. I have never witnessed since I have been in Parliament such falsehoods and hypocrisy from the Hon. Member for Laurier (Mr. Berger) concerning the issue we are debating today.

Mr. Deputy Speaker: I would ask the Hon. Member to rephrase what he just said.

Mr. Turner (Ottawa—Carleton): I will rephrase it by saying we have been confused by facts from the Hon. Member who moved this motion for debate.

Mr. Berger: How can you be confused by facts?

Mr. Turner (Ottawa—Carleton): The Minister referred to charts, operating budgets, the capital budget, and I am concerned about job cuts because some of them affect my constituents. Does the Minister feel that the NRC should have cut more from its capital budget and less from the professional scientific job categories and made the reductions more equitable so as not to affect the professional quality and work being done at the NRC?

Mr. Oberle: Mr. Speaker, as the Hon. Member knows, the reason for appointing a council to assist senior management of the NRC is to make certain that the money allocated by taxpayers is spent consistent with both national priorities and those of the research community. I would not wish to make an assessment of the reallocations, except to point out that the net person-year complement at the NRC will of course not decline. In this reorganization a number of new tasks have been assigned to the NRC. I would mention just one, the new biotechnology centre in Montreal. It will have a complement of 257 new positions. They will be allocated to the NRC. In addition to that there are new positions in the centre in Winnipeg, and quite a number of new positions which will permit the NRC to fulfil the mandate assigned to it as a result of the space users program. There is a reallocation and reorganization of the NRC personnel, but there is not a net decline. Rather, there is a significant increase in person-years at the NRC.

Mr. Deputy Speaker: Resuming debate.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, perhaps no subject to reach the House in recent days is more topical and more important than this motion on the federal Government's role in research and development. The continuing cuts to the federal research effort, the ending of careers and programs at the NRC, which has been documented, not by Members of Parliament but by the press and radio and television, and the irony of the awarding of the Nobel prize for chemistry to Dr. Polanyi are all subjects which I will deal with shortly. However, in my view and that of many others I should begin at the beginning in order to contrast what this Government says it intends to do and what it actually does.

Let me begin with the year 1983 when the present Prime Minister (Mr. Mulroney), not yet the Leader of the Conservative Party, wanted to tell the Canadian public of his intense concern over research and development. On page seven of his book *Where I Stand* he said "Research and development are the keys to our national well-being." He had an entire chapter on the subject of research and development and had scorn for the record of the Liberal Government. There is yet more irony in reading these words today, and I will cite just a few examples.

On page 39 of that book the Prime Minister castigated the Liberals for having "the nerve to set an R and D target of 1.5 per cent of the GNP." That was, in the Prime Minister's words, "playing the junior B circuit". He was not interested in such a token effort in 1983. Instead he wrote, again on page 39, "We must make a firm commitment to double the public and private funds allocated to research and development before 1985". He did not say that before we can do that we

will have to cut the deficit. He said we have to double our effort. That was the goal and it was duly incorporated into the campaign material of the Conservative Party in 1984 in the form of a 2.5 per cent target for R and D.

What has happened since then? Do we have a goal of 2.5 per cent or even 2.2 per cent or 1.8 per cent, to give the Prime Minister every possible benefit of the doubt in setting a target? No, we have a spending level of about 1.3 per cent, or an amount, to again use the Prime Minister's words, which will ensure that Canada will, "during its entire lifetime play in the junior B circuit".

Mr. Blaikie: Junior B Government.

Mr. Orlikow: My colleague gives the Government too high a grade.

Then we have the Minister of State for Science and Technology (Mr. Oberle) saying during the Throne Speech debate, in answer to me, that he "chose to ask the science council to help me establish realistic funding targets by examining each sector of our industry and by comparing what they are doing with what their competitors are doing in other parts of the world. We will establish realistic targets." More bafflegab and of course more delay. The reason we have not doubled our R and D expenditure to meet the Prime Minister's most insistent demand is that we must now find, to use the Minister's words, "realistic targets". In other words, we have to reduce the deficit and that is more important and comes before everything else.

The Prime Minister also insisted in 1983 that research and development must not be sacrificed to financial restraint. He knew then that there is no point in eating the seed corn which will produce a larger and more bountiful harvest ahead. He has forgotten about that. We are now back to cutting the deficit before we can invest in scientific research and development. He criticized the Liberals for applying the six and five restraints to public R and D. On page 40 of his book he said "The National Research Council, which acts as Canada's main research laboratory, needs a funding increase of at least 20 per cent to bring it up to $400 million." That was in 1983. On Friday we had the president of the NRC reported in *The Ottawa Citizen* as saying that his budget four years later was just $400 million, having been $520 million the year before.

As we know, the NRC is now wrestling with the tragic loss of programs, research teams, low staff morale and administrative chaos, all of which were caused by the further $20 million cut announced last week after the cuts made last year. I will return to that, and particularly to the inept and deceiving performance of the Minister throughout this most grevious of injuries to one of our most useful research institutions.

Let us now return to the Prime Minister. In his book he was so certain that he had found the way ahead for Canada that he described the chairman of the NRC as a "public servant who understands the problems of the real world and the frustrations that go with it". He quoted him as follows:

> If Canada implements something like this plan it will still have problems in the years ahead, but these will be the problems of excellence, the worries of the rich. They will probably include a scarcity of workers rather than unemployment, a surplus of affordable energy, much of it renewable, and so low a national debt that we may be pressured as Japan is now to limit our exports.

• (1620)

What was the plan that was to increase our national wealth and provide this passport to easy street from mean street? It was a long-range plan for research and development in Canada which has been rejected and, further, systematically undermined by the Government since it took office. If the Prime Minister, the Minister of Finance (Mr. Wilson), the successive Ministers of Science and Technology and the entire Cabinet wish to know why we have not attained the R and D target and the problems of wealth which go with it, they need only look in the mirror. Research has been a target for cuts by the Government rather than a national goal. Line departments, granting councils and research organizations such as the NRC have all been cut back.

Throughout these cuts from public bodies we have heard the Government's refrain that private sector research will increase and fill the gaps. We have some pretty realistic evidence on this today in this week's *Financial Post* which has a special section on R and D in the private sector. They say, "Industrial R and D spending slows, researchers will be on a stricter diet". They go on to analyse what was reported to them by the private sector and forecast a 3 per cent increase in R and D from sample companies compared to a 14 per cent increase last year. Only 9 of 80 of the largest R and D firms in the country said they were planning substantial increases in R and D budgets over the next three years.

The Government's rhetoric insists that private R and D play an increasing role in our entire research effort. That is a laudible goal, especially since only 3 per cent of Canadian companies of any size do any research, but it is not happening. In particular, it is not happening on anywhere near the scale the Prime Minister indicated it would when he wrote his book and the Conservatives were campaigning for office in 1984. That is probably not happening because so many of our largest companies are multinational corporations which prefer to do their R and D at home base rather than in Canada.

Just to emphasize that point, I want to compare our R and D figure of 1.3 per cent Gross National Product, which has not varied much under Liberal and Conservative Governments since 1983, with the 2.7 per cent invested in the United States, 2.61 per cent in Japan, 2.58 per cent in Germany, and 2.47 per cent in Sweden, a country much smaller in population than Canada. All these countries have research efforts of close to 100 per cent higher than Canada.

Mr. Blaikie: We are a Junior B team.

Mr. Orlikow: As my colleague points out, we are a Junior B team which the Prime Minister deplored when he was in Opposition.

In making this contrast I will relate it to what is happening to those persons who are charged with carrying out research in Canada. For them this R and D percentage is no abstract figure. It represents laboratories, equipment, research personnel and support and grants to carry out research and find its application. Those are lacking in Canada to a large extent because of the lack of adequate funding.

Canada has been fortunate in the awarding of the Nobel prize for distinguished achievement in chemistry to Dr. John Polanyi. Dr. Polanyi has brought considerable honour to Canada for his achievement and he has been extremely gracious in thanking this country for providing the means by which his discoveries in chemistry were made.

In one article Dr. Polanyi paid tribute to the NRC, the place where he began his post-doctoral research. He said it exuded "—an amazing spirit of liberality. It endeared the NRC and Canada to me. The spirit of co-operation was splendid. It was a great place to do science". You will note the past tense, Mr. Speaker. It is very important.

In another more recent interview Dr. Polanyi was asked this question: "Do you think if you were a graduate student today and in similar situations to the time when you actually were a graduate student that you would come to Canada? Do you think there's the same kind of opportunities for scientists in Canada today"? In response Dr. Polanyi said: "Well, honestly, no I don't think so. I think I would go to the U.S. And I think we have it in us not only to compete in every other way of comparable quality and excitement here. But we haven't chosen to do so".

Compare those observations by the Nobel prize winner, Dr. Polanyi, with the nonsense we hear from the Minister of Stae for Science and Technology. Out of such thoughtful assessment by persons who know is the brain-drain born and accelerated. Dr. Polanyi has not lost hope for Canada. Indeed, he wonders why we have not done better. He put it this way: "In a country where the rhetoric about science is so splendid, you know it's getting better all the time. In fact what is done is not really remotely commensurate". He went on to question why Canadians are not more science-minded and he hopes that we will develop "the taste and pride in that endeavour". He then adds the clincher: "Because it's important to us, not just as a nation, which is of course absolutely vital, but in addition it's very important to us, as everybody keeps saying in their marvelous speeches, as a base on which to rest the technology that we have to have".

It sounds as if he has been listening to the Prime Minister and the Minister of State for Science and Technology, but they don't seem to be listening to Dr. Polanyi. He means what he says but they just talk about it. They worry more about the deficit than they do about research and development.

According to the Minister, Dr. Polanyi did his work at the University of Toronto, not at the NRC. Therefore, I assume that according to the Minister we should not pay too much attention to what Dr. Polanyi says. All this conveniently forgets that if the NRC had not offered him a position when he was preparing to move from Great Britain he would have gone elsewhere rather than to Canada. People that good are never short of offers.

We can conclude from all this what might happen to the future of other scientists like Dr. Polanyi. They are being told by the Government that there is no place for them in Canada. Dr. Polanyi's lab at the NRC is being shut down. The NRC is being systematically gutted through funding cuts. No wonder distinguished professors are reluctantly concluding that their brightest students will do better by going elsewhere.

Perhaps the Government opposite believes that it is fooling Canadians with its talk of increased funding for research, but it really is not. Those who analyze the policies and those who have to live with the end results know that the dollars are not there. The companies surveyed by the *Financial Post* certainly know what is really happening. They know that the spending cap placed on transfers to the provinces for federal contributions to post-secondary education means hundreds of millions of dollars less to the year 1991. They know that the so-called billion dollars for the three granting councils of the federal Government, the NSERC, the SSHRC, and the MRC really means that their base funding has been frozen until 1991 and that any increase is entirely contingent on contributions from the private sector. They know that the so-called billion dollars for university research is not a billion dollars at all, but more like $300 million and will be only encouraging research which the private sector wants rather than what we really need.

They know that government research is in fact contracting. The NRC is on the ropes, its purposes distorted for the public relations gesture which the Government wants in space. Its own research, which has already been examined and approved by international panels, is simply ignored by the Government and shunted aside.

They know that line departments with significant research capabilities including agriculture, fisheries, the environment, forestry and mining, where most of the people who have jobs in the country are working and where most people will work in the next generation, have been substantially cut back. They know that Canada's is probably the only government in the western world with a forestry ministry which has no forestry research capability because the former Conservative Government, headed by the present Secretary of State for External Affairs (Mr. Clark) sold the forestry labs. They know all this and they discount what the Government opposite is saying. Many persons who are knowledgeable in the science policy field are now speaking out about the shortcomings of this Government's policy. Gordon MacNabb, the retired President of NSERC said this about the failure of the Government to fund adequately a five-year research program:

• (1630)

My greatest frustration was having worked so long and hard on the logic of the plan. I don't mind losing a battle, but I've never had a chance to fight. No one really argued against our manpower projections, and what we said about the shortage of talented people we're going to have.

Surely that shows that this Government's mind is made up. It does not want to know about research, particularly about basic research, which the Minister of State for Science and Technology (Mr. Oberle) quaintly and mistakenly calls "curiosity research". It does not want anyone with ideas that may differ from its own. This is clearly a recipe for disaster. One aspect of that disaster is being played out this week with the Minister of State insisting that there were "no cuts" and "no programs lost" at the NRC as the evidence came out that whole divisions and programs were being wound up and there were more than 100 persons who could not be fitted into the various retraining and early retirement schemes. No wonder this Government has another credibility problem to add to all the others. It is regrettable, to say the least, that their statements about research and development do not match their actions. But it is far more serious than that. Progress is nowhere at the level that everyone recommends, including the Government. The research community is progressively more disheartened. Canada, a supposedly young country open to new ideas, is in reality lagging behind in every vital research area.

The conclusion is inescapable and despite the efforts of the Government to say the opposite, the reality is increasingly obvious to anyone who cares to look.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions and comments.

Mr. Oberle: Mr. Speaker, the Hon. Member for Laurier (Mr. Berger) earlier made reference to the new funding formula for universities as a formula that would have the result of freezing the university research funding budget. The program is designed not to be a ceiling but to be a floor and to give a clear indication to the universities what they will have in their A-base—unlike the way it used to be before, as the Hon. Member will recall—where there were certain amounts of money put into the Main Estimates and in September there would be a Supplementary Estimate and perhaps another one in February. When I assumed the portfolio, my first task was to add another $16 million to university research in the last year. I do not know what kind of planning had gone into spending that money from February until the end of March. There were three principles: Number one was to stabilize the funding and put the money in the A-base up front, so there could be forward and intelligent planning. Number two was to increase university funding significantly, which we did. Number three was to forge these industrial linkages.

I know that the Hon. Member is sincere in not being informed. But I would like him to know that there is nothing to stop the Minister or the Government from coming forward in March or the fall of any year and identifying new priorities and adding additional funding to the A-base. That has always been the case. This was not a freeze, but merely an attempt to stabilize university funding, which everyone recognized as a major priority.

Mr. Orlikow: It is not me or other Members of Parliament that the Hon. Minister has to convince that research funding at the universities has not and will not be cut further. It is the universities. I asked the Minister to stop reading his own press releases and to read the submissions made by the Association of Canadian Universities and Colleges and the Canadian Association of University Teachers. They document clearly the fact that cuts have been made and are being made by this Government, not just to research and development work at the university, but to all university funding. The reductions in the established finance programs automatically mean reductions for the universities. So much of what the Minister and the Government have promised in the way of increases for research and development depends upon increases in funding by the private sector.

The Minister and I do not agree on many things, but I am sure he will agree with me that *The Financial Post* is not some wild-eyed, woolly, socialist, impractical rag. The current issue of *The Financial Post* contains a special report regarding research and development with a headline reading "Industrial R & D spending slows". The sub-heading is "Researchers will be on a stricter diet". I would like to quote the following couple of sentences:

> After substantial increases in Research and Development budgets in 1985, Canadian companies will barely boost their spending this year. The Financial Post's exclusive annual survey shows total expenditure on industrial R & D is expected to rise by a little more than 3 per cent—
>
> The 76 private-sector firms that provided complete figures have allocated $1.43 billion to R & D in Canada this year, up 3.5 per cent from 1985's, $1.39 billion.
>
> The 10 Crown agencies providing complete data proposed to spend $327 million in Canada, up 2 per cent from 1985.

There are the facts as given to *The Financial Post* by the major companies that do research. They are talking about increases of 2 and 3 per cent on their research which was inadequate until now. Where is the tremendous increase in the private sector research on which the whole plan of the Minister and the Government is based, which is absolutely necessary and which is a corner-stone of the so-called plan and strategy of the Government? It is not there. The whole thing will collapse like a house of cards in the very near future.

Mr. Berger: Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) attended the press conference given by Dr. Kerwin last week. He heard what Dr. Kerwin had to say about lay-offs at the National Research Council. Dr. Kerwin said that in the past two years the NRC has had to deal with the loss of 400 positions. It used all the tools at its disposal to avoid lay-offs. It imposed a hiring freeze, did not fill vacancies, used early retirements, shifts within the National Research Council, and it was able to minimize the number of lay-offs so there were very few lay-offs. As I recall, he said that with the 200 positions that the Council will lose as a result of this government cut imposed last week, it will be difficult to avoid lay-offs because the fat has been cut out.

In the light of what Dr. Kerwin said last week, what does the Hon. Member have to say about the Minister's argument?

The Minister first said in this House: "There will be no lay-offs at the NRC". That was unequivocal. He now has said that there will be no lay-offs at the NRC this year. Then he has gone on to say that he will do everything in his power to place these people in the private sector or in universities. The question to the Hon. Member is: When people have to leave the NRC as a result of this budget cut but find employment at universities or in the private sector, does this constitute a lay-off in his mind, or the mind of the average Canadian?

• (1640)

Mr. Orlikow: Mr. Speaker, as a loyal and competent senior public servant, Dr. Kerwin was very careful, walking on eggshells, in order not to have to criticize the Government publicly. However, if one had listened to Dr. Kerwin and if one had read *The Ottawa Citizen* since Dr. Kerwin had his press conference, one would know of actual cases such as that of the physicist with a world famous reputation who, at age 62, is taking early retirement because the Government said to him: "We will sweeten your retirement fund if you retire now so we will have a vacancy for a younger scientist whom we will not have to lay off". There is a similar story with respect to a senior chemist. There are dozens of stories like that. In no way can the NRC not make substantial reductions in its staff if it has to accept the budget which is being forced on it.

I hope the Chairman of the standing committee which is meeting tonight will agree that the committee should in the very near future invite senior officals of the NRC, and probably senior officials of the other granting councils, to come before committee and let them say what is really happening and what will happen. Let them answer with facts the kind of nonsense we have heard again and again from the Minister.

Mr. Deputy Speaker: A short question from the Hon. Member for Nepean—Carleton (Mr. Tupper).

Mr. Tupper: Mr. Speaker, I noticed that my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), spent a great part of his presentation dealing with Dr. Polanyi. I think Dr. Polanyi, our great Nobel prizewinner, is proud to be a Canadian. He said that to me personally a few years ago. He appreciated the opportunity of being a professor at the University of Toronto. What is more important, we should note that, over the three years with which we are dealing now, Dr. Polanyi and his associates at the University of Toronto received $1.2 million through NSERC for the support of their research program. I think that tells us something about how well our university granting system is working.

Mr. McCurdy: You can't be serious.

Mr. Tupper: It tells us that it can recognize excellence in the system and identify people who are doing good work. That is the quality of what we are doing.

If the New Democratic Party had in this House this afternoon an opportunity to tell us what Canada should have as a science policy, what would it be?

Mr. Orlikow: Mr. Speaker, of course, no Government in Canada could move all at once from the miserable 1.3 per cent to 1.5 per cent of GNP devoted to research and development over the past number of years to the 2.5 per cent which all people who are knowledgeable say we should have. But I say to the Hon. Member that a New Democratic Party Government would have a target. We would not say we cannot do anything until we reduce the deficit. It would be our target that in three, four or five years we would be approaching 2.5 per cent.

I would also like to tell the Hon. Member that we have always been told in the past by the experts that a country should concentrate on those areas in which it has natural advantages. The natural advantages we have, and where the people of this country work, are forestry, the fisheries, agriculture and mining.

Mr. Oberle: That is what I said.

Mr. Orlikow: And that is where we should be concentrating our efforts. If we are going into space research, that should be on top of the efforts we make in those basic areas, not instead of, and that is what is happening.

Mr. Oberle: He is listening and he is learning.

Mr. Orlikow: We are going into space research instead of going into those areas. When we get the Estimates before the committee we will see that what I am saying is correct and what the Minister is saying is nonsense.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, before I start my speech, I would like to comment on the remarks made by the Hon. Member for Lévis (Mr. Fontaine).

Mr. Speaker, I think that every Member in this House would like to apologize to Mr. Larkin Kerwin for these offensive remarks on the part of a Conservative Member. As former Chairman of the Standing Committee on Miscellaneous Estimates, and having met Mr. Kerwin, I can assure you, and I know the Minister agrees with me, that Mr. Kerwin cannot be accused of political partisanship. Not a man of his calibre, a President of Laval University. I asked for the "Who's Who", and what I found there, Mr. Speaker, is impressive. He is a man of integrity who does not deserve to have his name dragged through the mud as the Hon. Member for Lévis just did when he accused him of being partisan or favouring one political faction over another. I just want to say that I regret these comments made by the Hon. Member for Lévis, and I think Hon. Members will feel the same way. I hope the Minister will rise in the House and advise the Hon. Member for Lévis to refrain from such comments and to stick to the facts. The Minister has not done so, but I hope he will before the end of the day.

Mr. Speaker, it is a pleasure to have this opportunity to speak to the Opposition motion condemning the Government's present policy on research and development, and I am taking part in this debate because something very important is at stake.

First of all, this is a matter of particular concern to me. For many years I have taken an active part in the work of the committee that examines the appropriations for various federal agencies involved in research and development. I am equally concerned about the Government's policy or desire to cut back on research in our universities, because in my riding, Mr. Speaker, in Ottawa—Vanier, we have the University of Ottawa, a university that is internationally known for the quality of its research. I am therefore distressed about the lack of concern for this very important issue. Mr. Speaker, I need hardly recall that the riding of Ottawa—Vanier also includes the headquarters of the National Research Council's Science and Engineering Centre.

I say this because this particular building is in my riding, there are many people who work there, and from the telephone calls I have been receiving in the past two or three days, these people are concerned, and they have good reason to be concerned, because their future, the future of this country and the future of our young people is at stake.

I say this with considerable emphasis because I have also received phone calls from university students and professors which were often about the need for increasing research and development in this country. Last Sunday, Mr. Speaker, I was attending a convocation ceremony at the University of Ottawa. It was held Sunday morning—one of my sons was receiving his diploma—and I was very, very impressed by the calibre of the students who were receiving their Master's degrees and Ph.D.s.

Therefore, Mr. Speaker, the people of my riding have a direct interest in research and development; I am personally interested because it affects at least 13,000 university students, because it affects the residents of my riding who work in this field, and as I said earlier because it also affects the science and engineering research centre about which my constituents are concerned since it has to do with their career.

Mr. Speaker, the Government's approach to this issue is deplorable and, unfortunately, we will have to live with the consequences for years to come. I am not unduly alarmed, far from it, but all one need do is read the press comments of the last few days to see to what extent public opinion is concerned about this issue. Indeed the Prime Minister himself said so in his many statements, and perhaps I might repeat the words of the Hon. Member for Laurier (Mr. Berger) who quoted straight from the Prime Minister's book, the Prime Minister's political credo. I quote:

[*English*]

"The National Research Council which acts as Canada's main research laboratory needs a funding increase of at least 20 per cent to bring it up to approximately $400 million".

[*Translation*]

Mr. Speaker, he said that in 1983, and we are now in 1986; if the level had been maintained in constant dollars, there would clearly have been a reduction, which would have been unfortunate. In his election platform, the Prime Minister had promised to double the funds available for research and development. What is he doing today? Exactly the opposite. He is slashing the budget of the Natural Sciences and Engineering Research Council of Canada by forcing it to cut over $20 million, which could result in over 200 positions being lost, and he is reducing nearly by half, to only 1.3 per cent, his stated goal of increasing the funds available to 2.5 per cent of the Gross National Product. In a way, we are getting used to seeing this Government cutting staffs, budgets, and funds available for research. It makes you wonder, the way this Government behaves: it is truly conservative and not very progressive.

We are now told about $20 million being cut and 200 jobs being lost. But Hon. Members should not forget that since the Progressive Conservative Party came to power, it is $120 million which have been cut and over 600 jobs which have been lost at the National Research Council alone.

The situation of research in universities is not any better. They are also severely affected by budget cuts. For instance, the authorities at Ottawa U. this year have seriously considered the possibility of eliminating research funds completely. Fortunately, they have managed to avoid making such a deplorable decision, but what will happen next year? When we know that 17,000 Canadians are getting funds from the Natural Sciences and Engineering Research Council of Canada, and that most Canadian universities are dependent on it for their necessary equipment, equipment they cannot do without, this is indeed disturbing. What does the Conservative Government want to do with our universities, if it cuts off their resources? Mr. Speaker, a university is not a secondary school. It is a centre for research. Canada's economic development depends on our ability to train competent researchers, engineers and technicians.

Mr. Speaker, as we all know, our economy depends largely on our exports. In fact, among the OECD countries, only the Federal Republic of Germany ranks higher than Canada in its dependence on exports. Expressed in terms of a percentage of the Gross National Product, exports account for 30 per cent of the GNP in Germany and 28 per cent in our country.

In fact, yesterday the federal Minister of Labour (Mr. Cadieux) said, I believe, at a press conference at the Development Centre of the Montreal School of Business Administration: "We must not forget that a loss of only 10 per cent of the jobs connected with our exports to the United States may mean that 250,000 Canadian jobs will disappear."

Mr. Speaker, if we look at how the present Government is behaving, we get the impression it is not conscious of these facts. They talk but they do not act. However, when the Minister compared Canada's rate of investment in research

and development with that of our trading partners, the Prime Minister himself stated:

• (1650)

[*English*]

The governments of these other countries have understood—that the jobs of tomorrow, the pursuit of their high standard of living, the health of their economy, depend on the success or failure of their technologies.

[*Translation*]

And what does he do now, Mr. Speaker, now that he is in power? He introduces legislation, introduces Government measures that will sabotage the progress of technology and science in this country. In yesterday's *Toronto Star*, Mr. Speaker, we find an article in which the Minister of State for Science and Technology (Mr. Oberle) is reported as saying, and I quote the *Toronto Star*:

[*English*]

The minister, who has repeatedly said publicly that Canada is nearing a crisis because of its $12.5 billion trade deficit in high-tech products, said Canada is on its way to becoming a "banana republic by the year 2000" if it does not start adapting technology much more quickly in its traditional industries.

[*Translation*]

Mr. Speaker, the President of Transduction Ltd., Mr. Stan Tyminski, who was offended by the Minister's remarks, said the following, and I quote:

[*English*]

"I was grossly insulted by that," Tyminski said in an interview.

[*Translation*]

Mr. Speaker, what I wanted to say was that the solution which this Government has found to this problem has been to reduce the funds allocated to research and development and to weaken an institution which had a reputation as a world leader, with the result that Canada will have to rely even more on foreign input to meet its needs in the future.

However, Mr. Speaker, we should not be suprised by what the Conservative Government is doing about research. The Conservatives acted in a similar manner in the famous case of the *Arrow*, a scientific research and development program of the aeronautical industry which was abandoned and destroyed by a Conservative Government.

The Conservatives were also saying at the time that this program was too costly and that it was the result of an irresponsible decision. Afterwards, there was a serious outflow of human resources as scientists were forced to move to the United States, where they contributed to the creation of a modern and sophisticated industry. The exodus of these researchers, engineers and highly specialized workers . . . I was told this morning that it takes from 10 to 15 years to train one scientist with world-recognized qualifications and that it is very difficult to replace these people when there is no more work for them and they are forced to move to other countries.

Mr. Speaker, I was reminded this morning of a discussion I had with someone in applied research who works at the National Research Council. This person called me to say how irritated and angry he was at the reluctance of this Government to provide financial support for research. He gave me a list of names which I could repeat to the Hon. Member, but it would not serve much purpose.

I simply wanted to say that we have lost some important people, such as an expert in television and radio antennas and another one in the very important field of microscopy. We have lost researchers with years of training in many areas and it will take us more years to recover their potential.

Mr. Speaker, should this research sector ever disappear it would be because its foundation has been undermined. Again I want to get back to my main point which is to try to make Hon. Members understand that research, training, researchers' development and the capability of those universities and centres in development and scientific endeavours can only make Canada an acknowledged competitor on the international scene. I think this is the point I wanted to emphasize.

And yet, Mr. Speaker, the Conservative Government does not seem to appreciate that these young Canadians, these university students must have faith in the future and be able to look forward to challenging careers, to the day when they will be able to work at home, here in Canada, in fields in which they are interested such as technology or contemporary sciences.

As I see it, this Government is about to make the same mistake as was made in the case of the *Arrow*, the unfortunate decision to let the Canadian aeronautical industry come crashing down. I think the only difference is that this time they want to act on a much wider scale: at stake is the research and development capability of Canada as a whole, not that of only one industry.

Let us examine the figures to illustrate the point and focus on the dangers we are facing as a result of this Government's policy of indifference.

As I just said, Mr. Speaker, research and development programs would be useless if it were not for researchers themselves. In light of the Conservative commitments, the Natural Sciences and Engineering Research Council had prepared a five-year plan designed to support and boost research throughout Canada. That plan would have enabled Canada to train the researchers who will be needed to meet the challenges of the future.

A study by the Canadian Association of University Teachers shows that when Tory promises are matched with the facts, two kinds of projections can be made. The five-year plan can be seen against this Government's promises either in an optimistic light, expecting the maximum impact of such promises, or in a slightly less optimistic or perhaps in a pessimistic light, assuming a minimum impact. In both cases the result is a net decrease in actual terms of research funding. Again, the result is a net decrease in actual terms of research funding. For instance, for the National Sciences and Engineering Research Council, the 1984-85 five-year plan, based on

Conservative promises, forecast investments of $729.6 million for the year 1989-90.

With an optimistic view of the Government's plan, it will be receiving $321.1 million at that point, a net loss of $410 million in constant dollars.

Given the pessimistic assumption, there would be a $266 million budget, a $463 million loss.

Mr. Speaker, those are not my figures. Those figures come from the Association of University Teachers, which sent me a paper which I have read and which I consider to be to the point. It gives us all those figures and shows the serious impact of the reduction in actual dollars of credit funding.

Mr. Speaker, those figures are frightening. But the situation is no better where other agencies are concerned. The Medical Research Council of Canada will experience cuts of $44.9 million or $35.5 million from its intended 1987-88 budget, according to the assumption used, either optimistic or pessimistic. This represents a $194 million budget, plus 28 per cent of revenue loss. However, the situation is worse with respect to the social Sciences and Humanities Research Council. Of a budgeted $121.6 million for 1989-90, it will receive at best $65.6 million, and in the worst assumption $54.5 million. That, Mr. Speaker, is a 66 per cent budget cut. Imagine, 66 per cent!

Finally, when you examine those figures more thoroughly, you realize that what the Minister is proclaiming as huge investments in research and development is effectively a government exercise which will allow them in 1989 to reduce the budgets of the National Research Council and associated councils to less than the 1985-86 budget threshold. Four years from now, Mr. Speaker, we will be poorer than today as far as research is concerned. This is the progress that is being made by this Conservative Government. It's no big deal.

The Conservative Government is regressive and finds it difficult to be progressive. It is easy for them to fall back. Those figures hide a more disheartening fact, that the destruction of the research structure will jeopardize the future of our country. As I have just stated, jobs will be lost, industries as well as small- and medium-sized businesses will never see the light of day. There is another factor which I would like to point out to the House. It is the human factor. Researchers will lose their jobs. All those young people who are now getting post-secondary education and who have worked hard for years will see their career expectations in their own country dissolve into thin air. Such is the situation in Canada at this moment.

It is senseless. It is the opposite of what is being done by our trading partners who are members of the OECD. Meanwhile, in the United States, industry, as we know, is looking for more graduates, more Ph.D.s; there are more jobs available than applicants. In Canada, the opposite is true. The Conservative Government is doing away with existing jobs and is taking steps which will prevent the creation of new ones.

Mr. Speaker, I suppose the situation is rather difficult for post-graduate students in Canadian universities—they are not exactly living in the lap of luxury, and they find it very difficult to make ends meet and find jobs. I know, because I have met several people with PhDs who are looking for jobs. Because they are unable to find them in Canada, they are planning to move abroad, and we are going to lose forever these human resources we have spent a lot of money developing; education today, I reckon, is very expensive. Mr. Speaker, we must see to it that these people have a rewarding career in Canada.

Mr. Speaker, I should like to conclude my remarks with the following comments: Students generally, at least in my riding, are not rich. They are not rolling in money. They need and seek help, and should get it. Universities have dated equipment. They need to be listened to attentively and sympathetically by the Government. They need money to update their equipment. Mr. Speaker, they need it to continue this research which is absolutely essential for the development of the healthy, progressive and modern economy which will make Canada a fine place to live in and the envy of almost every country in the world.

Mr. Siddon: Mr. Speaker, my question to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is this: The motion moved by the Hon. Member for Laurier (Mr. Berger) condemns the Government for the cuts to research programs in the area of fisheries. What is the extent of these cuts to research programs in the area of fisheries? Please, explain.

• (1700)

[*English*]

Mr. Gauthier: Mr. Speaker, I would like to refer the Minister to *The Globe and Mail* of October 18, 1986. In it, the Minister is taken to task for disbanding the Marine Ecology Laboratory at the Bedford Institute of Oceanography. I am sure he has read this letter to the editor signed by Sandy McCrea in which she said:

> Mr. Siddon's supposed saving of jobs by shifting staff from basic research sections to his "new priority" areas of policing fisheries only disguises the fact that he is transmuting Fisheries and Oceans from a functional research division of the Government into a decerebrate monster—all twitching limbs and no brain.

According to this news item, the federal Government has indeed succeeded in effectively crippling research and development. The Minister laughs, but he should take this seriously because Fisheries Research is something which has been with Canadians since 1898. I could read the entire article to the Minister, but I am sure he has read it. Surely he will react to it. His own Department of Fisheries and Oceans is not at this time beyond reproach and is certainly to be blamed for cutting off this very important marine ecology laboratory.

Mr. Siddon: Mr. Speaker, I want to assure the Hon. Member that I do not take my task from *The Globe and Mail*. I am rather surprised that that is where he does his research.

In fact, it is irresponsible to present in the language of this motion a suggestion that the Government and the Ministry for which I am responsible has in any way cut support for oceans

science and research in the fishery. In fact, in February we announced the consolidation of all science programs under a new ADM Science.

We have launched at least two new hydrographic and scientific research vessels. We have continued support for the development of underseas submersible technologies by funding robotic development. The new Maurice Lamontagne Institute in Rimouski, a $45 million institute, is to be opened next June. There is a new aquaculture research institute in West Vancouver and technology transfer centres in Nanaimo and Dartmouth. The Atlantic Stock Assessment Centre represents the first time ever that we have had a proper and comprehensive scientific research capability in St. John's, Newfoundland. There has been the establishment of centres of disciplinary expertise in all of the regional laboratories across Canada. We are embarking on an expanded Arctic research program and have held an important oceans forum with a view to establishing a national policy on oceans science and research.

I suggest that the Hon. Member and his colleague, the Hon. Member for Laurier (Mr. Berger), are way out in left field with their friends to their left. Once again, they are misleading the House by suggesting that cuts have occurred when indeed they have not.

Mr. Gauthier: Mr. Speaker, my only reply to the Minister is that indeed he does not understand the magnitude of the problem. I was addressing the problem of a lack of funding for university training. I was addressing the problem of proper funding for the purposes of training and developing the human capacity to man those so-called projects that the Minister has announced. Funds are being cut and are being threatened. As for support by this Government for research and development at the university level, some of the projects are being dismantled completely. There is no sense in the Minister giving me a long litany of labs. The Conservatives are good at talking but they are very poor at acting.

• (1710)

Mr. McCurdy: Mr. Speaker, I have a question for the Hon. Member for Ottawa—Vanier (Mr. Gauthier). He doubtless heard me pose the question to the Minister yesterday, I believe, about who exactly it was among the scientific community, on the board of the NRC, among the industrial researchers, among universities, among the student organizations, what organization or what group of people with any familiarity with the problem of science and technology in Canada recommended that NRC or any other existing agency be savaged in order to fund the space program. Perhaps he knows, as the Minister of State for Science and Technology (Mr. Oberle) did not. From where did that sort of recommendation come? Did it come from NRC, which indicated clearly that it would not have approved the space program if it had realized that that money was to be taken from NRC or any other agency, particularly when the board advised the Minister that in all probability the space program would not require $800 million by 1990 but closer to double that amount if the pattern of such expenditures were mirrored in that project?

Mr. Oberle: Mr. Speaker, I rise on a point of order. Would you permit me to pass to the Hon. Member for Windsor—Walkerville (Mr. McCurdy) a quote I have here of the Hon. Member when he spoke on March 27, 1985 in the standing committee in support of the space program?

Mr. Deputy Speaker: The Hon. Minister could always send a note. He does not have a point of order.

Mr. Gauthier: He can bootleg his remarks in and send them over by plane, Mr. Speaker.

I would like to add to what the Hon. Member for Windsor—Walkerville (Mr. McCurdy) just said by quoting from the 1985-86 report of the President of the Natural Sciences and Engineering Research Council of Canada, which is the granting council as we all know. It states clearly on page 37:

> The federal government's response to the second Five-Year Plan is naturally a disappointment to the Council.

Mr. Gauthier: That is plain English.

Mr. Siddon: They cannot have everything.

Mr. Gauthier: The quote continues:

> However, Council is now having to stop an upward momentum that was premised on increasing real budgets and on an increasing percentage of the nation's gross national product.

That is what I meant when I told the Minister of Fisheries and Oceans (Mr. Siddon) that his Government was insensitive to training and development. Here we have the granting council, which is there to assist in new equipment needs of universities, trying to promote training and development in the scientific field, and on the same page the same council says:

> The decision is far from the funding levels called for in the second Five-Year Plan. The increased base level of support, plus the possible 6 per cent increment from the Government, will, by 1990, only hold NSERC's budget at a spending power equal to that of 1984-85, assuming a 4 per cent inflation rate.

That is the status quo. That is what Conservatives are all about. They remain in one spot. They never move. It is much too strong for them to understand. As I said in my speech, Mr. Speaker, we need action. We need it now. We need a 2.5 per cent increase in our research and development to reach that level in a few years.

Mr. Siddon: You never gave NSERC any security.

Mr. Berger: Mr. Speaker, I have a question for the Minister of Fisheries since he brought up the question of fisheries research.

Mr. Deputy Speaker: The question should be addressed to the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Berger: In reply to a comment, Mr. Speaker, made by the Minister of Fisheries and Oceans (Mr. Siddon) to the remarks of the Hon. Member for Ottawa—Vanier (Mr.

Gauthier), the Minister listed a series of initiatives designed to prove that the Government has done great things for fisheries. All the new initiatives had already been announced by the Liberal Government. I also understand that a Professor Mills of Dalhousie University, according to *The Globe and Mail* of September 12, accused the Government of decimating research in the fisheries area. What is the Minister so proud of? Is he proud that he has not cut these labs? Is he proud of Liberal initiatives that he is pursuing? How long does the Hon. Member think it will take the Minister to destroy anything good that we created? Will it take the Conservatives another year to get to it or will they get to it inside of the next year?

[*Translation*]

Mr. Deputy Speaker: The Hon. Member can answer for the Minister.

Mr. Gauthier: Thank you, Mr. Speaker. I cannot speak for the Minister and I would not dare, but I can tell the House that I very often sat with the the Minister of Fisheries and Oceans (Mr. Siddon), who was a member of the committee. The point I was trying to make with the Minister of State for Science and Technology (Mr. Oberle) is that those laboratories need not only modern equipment, but also scientists, men and women capable of staying abreast of new developments in their scientific field.

What concerns me is, and I mentioned it in my speech, if we get at the base, by which I mean all the scientists, we will discourage them, take them out of the scientific field, and we are going to prevent Canada from playing its full role in scientific research. No one can expect the laboratories we Liberals built everywhere in the country, in Montréal, in Winnipeg and several in Ottawa, to be productive without experts, without male and female scientists whose future would be protected by a Government fully aware that pure and applied research requires financial assistance from the Governement.

Mr. Speaker, the minister informed us today that the private sector had already committed its support to his university research incentive program. This is news to me. We have seen no figures, no documents to show that the private sector had made any sort of contribution so far. He even said that there was a three-year committment. But I am expecting the minister to table these documents in this House—

Mr. Berger: It is less than what he had asked for.

Mr. Gauthier: Yes, precisely—and to prove to us that this program is in fact operational. If it is, Mr. Speaker, so much the better, but I have serious doubts.

Mr. Berger: It is still less.

Mr. Deputy Speaker: I now recognize the Hon. Member for Louis-Hébert (Mrs. Duplessis) for debate.

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I rise in the House today in my capacity of Deputy Chairman of the Committee on Science and Technology, and I must say I totally disagree with the comments of the Hon. Member for Laurier (Mr. Berger). Nor do I agree with his motion condemning the Government for its policy on science and technology. I do not agree, because the Hon. Member has confused the issue, both for the industry, the researchers and the universities.

• (1720)

Personally, I can inform the Hon. Member that I have some lingering doubts and a great many questions about the goodwill of Dr. Kerwin, since last week, when he gave his press conference, he did not bother to invite the Minister or the Government Members sitting on the Standing Committee on Science and Technology. On the other hand, the Hon. Member for Laurier and the Hon. Member for Winnipeg North (Mr. Orlikow) were both present.

Mr. Speaker, my purpose in rising in the House today is to inform the House of the performance and positive achievements of this Government since it was elected. When my colleagues and I were elected two years ago, we announced our support for a broad movement towards national reconciliation. We wanted to create a new climate for this country, a climate of consultation, co-operation and solidarity, while focussing on common goals, a climate that would put an end to confrontation and the lack of openness that for too long had cast a shadow over federal-provincial relations. Our goal was to create a true partnership between the provinces and the territories and the federal Government, a partnership whose goal would be the economic and regional development of our country, the creation of new jobs and thus the well-being of all Canadians.

This Government has achieved some significant results and the progress made in science and technology is a concrete example. Our accomplishments cannot be denied. We realize that science and technology will make it possible for us to compete on an equal footing on international markets, which, together with economic growth, will bring about job security and help maintain our standard of living. We want to use the various applications of science and technology to meet the specific needs of the regions, not just by taking advantage of existing skills and expertise but also by helping to expand the industrial bases of specific regions.

Our provincial and territorial counterparts are committed to working together with the federal Government to ensure that Canada will have a strong economic future. Since it came to power, our Government has negotiated and concluded subsidiary agreements on regional economic development with three provinces: Quebec, British Columbia and, more recently, New Brunswick. These subsidiary agreements enable the provinces and the federal Government to finance jointly certain initiatives by enhancing the development of science and technology in the provinces, and they illustrate our desire to make the applications of science and technology available to industry and to the public.

The Canada-Quebec subsidiary agreement signed on June 10, 1985 provides a $100-million fund over five years and features three main components. The first has to do with research centres and includes the construction of Sainte-Foy's $34 million national optics institute, in my Quebec riding, a project of which I am very proud indeed. Considered as a non-profit corporation, the institute will be in a position to work closely with the private sector, and it will be administered by a board of directors selected from various sectors of activities and various regions of Canada. Construction will begin within a few weeks and the opening is scheduled for late 1987.

The agreement also provides for the construction of an electrochemical laboratory designed for state-of-the-art research and development in electrochemistry and electrotechnology in Shawinigan, in co-operation with Quebec Hydro, as well as funding for research projects in co-operation with the private sector. The total cost of this project is $26 million.

The second component is a technological development support program to finance feasibility studies, purchase scientific equipment, and stimulate private sector research and development initiatives.

Private business in Quebec has already reacted very enthusiastically to this $38 million program.

As a matter of fact, so far 85-odd projects have been submitted in such sectors as biotechnology, data processing, microelectronics and manufacturing processes.

Until now, about 15 projects estimated at $4 million have been funded.

The last component has to do with the coordination and integration of federal and provincial government science and technology policies and programs.

The July 8, 1985 Canada-British Columbia subsidiary agreement provides a $20 million funding over five years and meets British Columbia's priority objectives.

Under the terms of this agreement, funds are available for three projects.

The first one is aimed at strenghtening capabilities in computer science, applied mathematics, micro-electronics and robotics. In this context, we have announced recently the joint financing of the British Columbia Advanced Systems Institute, which is a first class research and education center in these areas.

The second initiative aims at promoting advances and commercial applications in the field of biotechnology. Under this program, we are financing the creation of a biotreatment centre to complement the British Columbia Biomedical Research Centre.

The purpose of the third initiative is to establish a liaison network between the industry and the universities. Under the terms of the agreement, the creation of three liaison offices has been financed in each of the three British Columbia universities and the technological transfer results have been very encouraging to date.

As for the Canada-New Brunswick subsidiary agreement on industrial innovations and technological development signed on May 28, 1986, and involving an outlay of $28.5 million over five years, it represents a crucial stage in the industrial development of that province. This agreement is designed to support and strenghten the high technology capacity of the province, to stimulate innovation and to propose support for private businesses, individuals and manufacturer's associations with activities in technological fields or problems which could be solved by technological means.

This agreement will be implemented at a Convention on Technology in New Brunswick which will be held in Saint John on October 29 and 30, 1986.

In addition, the Federal Government has made other non-financial bilateral agreements with eight provinces, namely Quebec, New Brunswick, British Columbia, Alberta, Saskatchewan, Manitoba, Prince Edward Island and Newfoundland.

These memoranda of agreement promote official co-operation between the Federal Government and the provinces to harmonize policies and programs and define strategies to take advantage of the opportunities available.

The Minister of State for Science and Technology (Mr. Oberle) is convinced that bilateral agreements in science and technology are a major tool for co-operation with the provinces to stimulate regional economic development through research and development.

He therefore intends to continue his discussions with his counterparts, which will probably lead to additional subsidiary agreements in science and technology with other provinces.

I also feel compelled to mention some of our other major initiatives which illustrate the priority given to science and technology by this Government.

For the first time since 1978, the Federal and Provincial Ministers responsible for Science and Technology met in Calgary in February, 1985, to discuss matters of mutual interest.

All the Ministers stressed the important part to be played by science and technology in our economic renewal, and pledged to develop an over-all national policy on science and technology based on the economic capabilities and priorities of our provinces and territories.

Three basic priorities were identified to provide investment incentives, encourage technology transfers and applications, and support fundamental research that is important in the longer term in order to build up the scientific expertise and technical control of our country.

In September 1985, at Meech Lake, those same Ministers got further involved in preparing a national conference on

science and technology in order to make sure that everyone involved, that is, Governments, universities, unions, the industry and related organizations be given an opportunity to discuss the urgent problems to be addressed by Canada.

• (1730)

The first national Conference on science and technology which was held in Winnipeg last June turned out to be a consultation exercise that brought us closer to our objective, that is to achieve a national consensus on science and technology policies. The conference emphasized the need for supervision and leadership from all government levels in science and technology. That meeting brought to the fore the need to develop a national policy that would allow Canada to remain competitive from an economic viewpoint and our industries to have a capability to break new ground in areas where science and technology are essential to Canada's economic strength.

The throne speech also brought to light the federal government's interest in playing a leading and counselling role in science and technology.

Mr. Speaker, the federal government, with full co-operation of the provinces, will aim at enhancing the level of excellence and expertise in technical training, development and innovations.

On the basis of discussions held at the national Conference and national policy developments between the provinces and the federal government, the latter intends to organize a national conference on technological innovations to help setting new goals for Canadian technology in the context of a federal strategy and a rational policy.

Several of our trading partners have undertaken concerted and coordinated efforts with a view to revitalizing existing industries and creating new high tech companies. We are actively pursuing this goal through national strategies and programs involving the technological, scientific and industrial infrastructures of those countries.

Canada cannot afford to take a back seat and be satisfied with an 11th, 12th, or 13th position. Canada needs to take the lead. Scientific and technological infrastructures must be better coordinated, more efficient, more up to date, and better adapted to the social consequences of technology. Therefore, we must enhance Canada's capabilities, Mr. Speaker, while focusing on regional disparities to make sure that all regions will benefit from this new challenge.

Mr. Deputy Speaker: Are there questions or comments? The hon. Member for Laurier (Mr. Berger).

Mr. Berger: Mr. Speaker, I want to comment on a point that was raised by the Member for Louis-Hébert (Mrs. Duplessis), who once again made disparaging remarks concerning the President of the National Research Council. She wondered why or how I could have attended last week's press conference. as the Member for Winnipeg North (Mr. Orlikow) also did, while she did not attend because she did not know about it, having received no invitation from the President of the National Research Council.

I would like to tell her that to the best on my knowledge, I had no invitation either. I had no invitation either to that press conference given by the President of the National Research Council. But I heard about the press conference, and I very well recall it was the day before, through a reporter with whom I was discussing well-known events. For four or five days there had been references to a meeting on the coming Tuesday of the Executive Committee of the National Research Council. On that Tuesday, the day before the press conference, there were reports in almost every paper about that meeting of the NRC Executive Committee. There had been press reports the week before. So it was common knowledge that important decisions were to be taken at that meeting, and eventually there would be some public announcement.

Besides, Mr. Speaker, if I am not mistaken, that press conference was announced on our closed-circuit TV system, that is available to every Member of this House. That the Hon. Member today has the gall to blame the President of the National Research Council, to imply that other Members were invited, and to ask why she was not, is beyond me. She should be embarrassed that she was not aware of the meeting and did not attend as she should have. I would ask her to withdraw her disparaging remarks concerning the President of the National Research Council of Canada.

I have another question for her before I sit down. She may be aware of a telegram that was sent by the Canadian Chemical Society to the Right Hon. Prime Minister (Mr. Mulroney). The Canadian Chemical Society was telling this to the Prime Minister of Canada, and I quote:

"We believe that if you"—the Prime Minister of Canada—"proceed with the dismantling of scientific foundations that were laid over decades, there will never again be Nobel Prizes in Canada."

And this Canadian Chemical Society asked the Prime Minister to save the scientific agency that helped train our Nobel Prize winner, Mr. John Polanyi. My question is very simple: Does the Hon. Member for Louis-Hébert intend to fight in order to save the National Research Council of Canada, as requested by the Canadian Chemical Society, or will she remain silent, like the majority of Members over there, the majority of Government Members with the exception of one single Conservative Member who opposed the cuts within the National Research Council?

Mrs. Duplessis: In view of the critics formulated by the Hon. Member for Laurier (Mr. Berger), Mr. Speaker, I want to tell him first of all that we do not administer this country on the basis of the stupidities one can read in the papers. In Quebec City, whenever there is a press conference, we always get a proper invitation, something we did not receive. We are not going to start watching the TV networks to know when press conferences are scheduled. If and when people want to have us, they are certainly able to write and send us invitations.

There is something I should like to tell Canadians concerning the famous five-year plan this Government granted to the National Research Council, something the previous Liberal Government had failed to do, because it preferred to pay out small *ad hoc* amounts now and then, not always regularly. For a long time the National Research Council had been seeking a five-year plan. We have granted them what they had been seeking. I am certainly pleased to refer to a statement made by the Council's Executive Board in 1985, and I quote: " Over the past 70 years, the NRC has consistently sought to meet the needs of its era. Over the years, it has been called upon to play various roles which it has assumed brilliantly. Today, the problems facing us are obvious. The Canadian economy is going through a difficult period. Practically all Canadian industries must rise to the challenge of technological change if they are to compete internationally. These requirements occur at a time when the federal deficit is increasing dramatically."

This infamous deficit which we have inherited from our predecessors and compels us to make cuts in all Government Departments and Agencies. Well, we have had enough of that. Since you are attacking us, Sir, I have not finished yet; you had better not rush standing up, because I still have much to say. When the President of the National Research Council mentions that cuts have been made, it is not because the funds—now that the facilities have been built, the money has been spent, there is no reduction. It is just the end of the construction stage.

The Canadian people must understand that. We have made no cut. There will be a reallocation of positions. Mr. Speaker, I think that should answer my friend, the Hon. Member for Laurier (Mr. Berger).

Mr. La Salle: Bravo, Suzanne!

Mr. Berger: Mr. Speaker, clearly the Hon. Member for Louis-Hébert can quote a statement from the National Research Council, but I ask her once more, as elected representative of Quebec City, to apologize to the former Dean of Laval University, Mr. Larkin Kerwin, a distinguished scholar born in Quebec City who is now head of the National Research Council of Canada. When will she apologize for the offending comments she made today in this House?

Mrs. Duplessis: I will apologize when Mr. Kerwin has himself apologized for not inviting me. Moreover, the Hon. Member for Laurier (Mr. Berger) should all the more apologize for belonging to a party which has misled the people of Quebec. As for me, Sir, I have always risen in public forums to defend the interests of Quebec, and when the time comes I will rise again, you may be sure of that.

• (1740)

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I attach quite heavy significance to the debate this afternoon. While it is inevitable in this political Chamber that the debate be political, I thought we might have heard debate of a slightly higher level, both in terms of reasonableness and logic and of the temper of that debate. Instead, we heard an outburst of sound and fury moments ago which signified nothing. We heard the claim that for many people reallocation has not meant the loss of jobs. We heard the curious implication, by virtue of an assertion, that the recent Nobel prize winner, by virtue of $1.2 million over three years, has been extraordinarily heavily subsidized in his research by an effective government program in support of research.

The Member for Nepean—Carleton (Mr. Tupper) knows, as do I, that if a Nobel prize winner in the United States got as little as $50 million for three years of research he or she would probably be blushing. The most junior scientist in the United States would receive $1.2 million for a three-year grant.

Mr. McDermid: That's nonsense.

Mr. Siddon: That's an exaggeration.

Mr. McCurdy: Let us not kid ourselves. The absurdity of this debate is manifested by members of the Party in power.

Mr. Siddon: What about your own distortion?

Mr. McCurdy: Every Member knows that I am not saying that the United States is a superior country. I am saying that Canada has the necessary creativity and resources and ought to have the guts, foresight and intelligence to use that creativity in a way which will benefit our citizens, in terms of both economic pay-off and the ability to pay for our programs of social justice and the security of equality for the people of our country.

Mr. Siddon: That is exactly what we are doing.

Mr. McCurdy: As the Hon. Minister of State for Science and Technology (Mr. Oberle) knows, the problem in this country is that we have until now been a resource-based nation. We have been fairly successful in that. By virtue of our exports we have been able to sustain a level of social justice which is unchallenged by most countries in the world. I think members of most political Parties would support that. The fact is that those resources are falling in price and are subject to increased competition from around the world and to substitution. They are, therefore, endangered.

We are faced with competition in a knowledge-based world. In such a world Canada will not be able to compete unless it does something about its ability to produce as a result of and on the basis of what we know. If our resources are to profit us they will do so only on the basis of an absolute national commitment to use research, science and technology to convert

our resources to products available to nations around the world. We need a science and technology policy not directed to the enhancement of defence-linked expenditures, but rather to expenditures which will produce products demanded by a peaceful world.

We quite evidently have a need to take some bold initiatives to ensure the economic survival of this country. We need a strategy of linking research and science technology to industrial development plans. Instead of placing the kind of emphasis on that thrust which I think rational people would demand of an independent country run by a Government with a notion of how to secure that independence, we have a thrust for a free trade arrangement which could threaten the development of research and science technology in this country.

Mr. McDermid: What a crock.

Mr. McCurdy: As the Science Council pointed out, we are talking about competing, on a free trade basis, with a nation which spends huge amounts of money. The federal Government of that country spends 77 per cent of its research funds on defence. Comparable government expenditures in Canada run around 9 per cent. To open ourselves up without considerable preparation is going to put a great deal of our scientific and research community at risk. Indeed, it could be fairly argued that we should not even be talking about it until we have addressed the need.

There has been a great deal of comparison this afternoon between what the Liberals have done and what the Conservatives have done on science and research. We have heard vague allegations that those of us committed to social justice are somehow opposed to reasonable choices and decisions with respect to science. Let us be perfectly clear that we are in a sorry state. The Prime Minister (Mr. Mulroney) recognized this in the book he wrote before becoming Prime Minister. To paraphrase, he said that we are in danger of becoming a Junior B team in the league of science. Of course, that is true. One point three per cent of the GNP is devoted to research, compared to 2.5 per cent in all the other leading industrial nations of the world. Among OECD countries we rank about tenth.

• (1750)

The Minister of State for Science and Technology has said, in justifying some of the changes with respect to government and scientific establishments, that our Government spends disproportionately on science as compared to industry. The fact is that we rank tenth among OECD countries in the amount of government expenditures on science. In the industrial sector we rank thirteenth. If we look at any of the other criteria for scientific and technological performance, we are in trouble. A $20 billion deficit in technological exports has already been cited. There was reason for the Prime Minister (Mr. Mulroney) to say that we had better get on the starting line for the technological revolution.

We have heard members of the Liberal Party criticize this present Government. The Liberals have produced a sorry record regarding their policies with respect to science and technology. That is undoubtedly clear. It has already been pointed out that they failed to commit themselves to proper five-year funding plans for the granting agencies. Indeed, they interrupted the five-year plan that the Clark Government introduced in 1979. We all know about the scientific tax credit boondoggle. It is difficult to argue that any of the politicians in power in the last hundred years have had the commitment to research, science and technology that is appropriate to our future economic development. There is no doubt that the Liberals were bad.

When the Prime Minister said that we must become "major league" in the scientific enterprise, we had much to hope for. Some recent initiatives have been helpful. Some focus has been brought to bear on the issue of research, science and technology.

Some Hon. Members: Hear, hear!

Mr. McCurdy: I would submit that there has been more public discussion and debate about the issue in recent weeks than there has been in my memory. There have been some initiatives that in context have to be praised. The creation of a National Advisory Board with the Prime Minister as chairman has the potential to be a significant initiative.

An Hon. Member: Hear, hear!

Mr. McCurdy: The promise of a national science and technology strategy is helpful in that it has been repeated, although it is slow in coming. But promises made in other forums, vague promises of more co-operative talking together, the other two parts of that four part program, are not helpful at all. At least there has been a salutary focus. The exaggerated rhetoric and the dangerous misleading of the public about what is being done is not helpful.

We have been told that there will be $800 million in new money for space-based research. That is not new money. There has been no net addition. We are having a debate now about reallocation from NRC in order to fund that. Why not at least be truthful? Why not present the facts to permit a reasonable informed analysis of what the Government is doing?

I would like to read the so-called contradiction identified by the Minister of State for Science and Technology in the question I asked him, which was: Who among the scientific community suggested that the NRC be savaged to support a space program. With respect to the space program, Howard McCurdy said on March 27, 1985 that I do support and would support scientifically and politically the involvement of Canada in a space station used for peaceful purposes. But not by savaging the NRC. Remember Pinocchio, Mr. Speaker. Early in the spring, we were all shocked, including the Minister, about the announcement that RRAP was to be cut by some $60 million. It has not been cut. There has been some scurrying around and instead we are going to have some

reallocation within NRC. This reallocation is going to put people out of jobs. There is a certain accuracy but a certain lack of precision in the message being communicated about what this Government is doing. We are told that $1 billion is going into university research.

Some Hon. Members: Hear, hear!

Mr. McCurdy: The implication is that this is new money. If you look at the Minister's own figures, at the very best, $730 million of additional money will go into university research, if the industrial community contributes to the three granting councils 500 per cent more than it ever has in the last few years. Still there is a considerable gap of more than $250 million in what the Minister says he is going to do and what is actually being done. We have to remind ourselves of Pinocchio. In measuring the value of that exaggerated increase, we must remember that $738 million is exactly half of what NSERC alone indicated was required to meet the need—never mind MRC, never mind SSHRC. We were misled. What that will mean is that there will be under the most optimistic predictions a 2.9 per cent real increase in the amount of money going to the granting agencies.

What we need is honesty. We do need a rational science, research and technology policy. We do not expect the changes to occur overnight. We do not expect them to occur by virtue of the irrational attack on programs already existing to feed pie-in-the-sky notions of what is politically convenient.

There are some suggestions that could be made. The very essence of all of this is that one of the problems that this nation has must be addressed, that is, its orientation towards a resource based versus a knowledge-based society. That suggests that there should be some serious initiatives taken by the Government in the reform of university and secondary education generally in terms of our arrangements for funding the universities. In this commitment to science and technology, $2 billion has been cut from the expected increases in funding at the university level over the next five years. That is another action this Government has taken that could not possibly be consistent with a rational science and technology policy. There need to be some reforms in post-secondary, secondary, and primary eduction commensurate with our new thrust in science and technology. That should include more technical training. We have to recognize the basic importance of science, research and technology by placing the Minister of State for Science and Technology in the Priorities and Planning Committee of the Cabinet where he belongs. If you refer to the CAUTNT bulletin you will find some other useful suggestions that would serve to advise this Government on a policy it is struggling to achieve and which is necessary for this country.

Mr. Deputy Speaker: It being six o'clock it is my duty to inform the House that pursuant to Standing Order 82(12) the proceedings on the motion have expired.

[*Translation*]

Accordingly this House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, October 23, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND FORESTRY—GOVERNMENT'S RESPONSE TO FIRST REPORT OF STANDING COMMITTEE

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, pursuant to Standing Order 99(2) I have the honour to present, in both official languages, copies of the Government response to the first report of the Standing Committee on Environment and Forestry entitled Forest Resources and Industries in Eastern Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Friday, October 10, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. Speaker: The Minister of Finance (Mr. Wilson).

Mr. Gauthier: On a point of order. Before the Minister starts his speech, may I point out, Mr. Speaker, that the Hon. Member for Davenport (Mr. Caccia) had the floor the last time the House discussed the matter of the Throne Speech. I think there are six minutes left in his speech and we would like to have him conclude his remarks.

Mr. Speaker: At that time the debate was on the amendment; we are now on the main motion. Under those circumstances it is appropriate for the House to hear the Minister.

• (1110)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very pleased to participate in the debate on the Speech from the Throne. My colleague, the Minister of State for Finance (Mr. Hockin) and I will be very shortly beginning a new round of pre-budget consultations.

I cannot overstate the importance that I accord to these meetings. The presentations by representatives of the business, labour, consumer, social and voluntary communities are invaluable to us. They make an indispensable contribution to the decision-making process by achieving better communication between the Government and Canadians, better understanding of the problems facing the country, and better solutions to these problems.

The forthcoming round of consultations will focus on the key elements of the Government's economic strategy. That strategy has had one overriding objective—the renewal and sustained growth of the economy and the creation of jobs for Canadians.

[*Translation*]

We are succeeding. The economic indicators attest to that. But most important, we have made significant progress in laying the foundation for a more productive, dynamic economy capable of sustaining growth.

[*English*]

Further progress depends on our continuing to build on the strong foundation that we put in place. Our consultation agenda reflects this vitally important continuity and consistency. I want to take this opportunity to set out the agenda for consultation, then I want to deal with tax reform, which is one of the main issues.

The first agenda item is fiscal responsibility. Sound, responsible management of the nation's finances continues to be crucial. If Canadians are to have the full benefit of a more productive and prosperous economy, we must get on with this job. As Members know, we are committed to a fiscal plan that reduces the deficit annually to the end of the decade. I will be seeking the views of Canadians on measures that should be considered to achieve this objective.

[*Translation*]

The second item on our consultations agenda is improving the climate for economic growth and job creation.

[*English*]

Our objective is to encourage and facilitate a continuing improvement in the competitive position of our economy. From the outset our renewal program has recognized the critical importance of a dynamic private sector. Past policies have often obstructed private sector initiative and stifled opportunities for economic development. We have been acting to identify and remove obstacles to private initiative, such as overbearing government regulation, inadequate and shortsighted provisions for training and skill development, and disincentives for investment. At the same time, we have sought opportunities to encourage entrepreneurial activity and to encourage the full participation of young people and women in Canadian economic life. We will continue these important thrusts.

In my last Budget I initiated a review of our major social transfer programs and related tax provisions. I set out four principles to guide that review. As we proceed with that review I will be seeking to develop measures that are consistent with the directions of comprehensive tax reform. In these and other areas, we are relying on the assistance of Canadians to help identify problems and offer solutions.

We will also welcome suggestions on where we might reallocate resources to higher priority areas in order to continue to address these challenges in a fiscally responsible way.

The third item on the consultations agenda is promoting trade and expanding foreign markets.

[*Translation*]

Ensuring Canada's stature as a superior world trader is a compelling national imperative. Our economic well-being derives largely from our ability to compete. We must also enhance our access to traditional markets and secure new ones. I am looking forward to the views of business and labour on matters that bear on our ability to compete.

[*English*]

The fourth item for consultation, one that I want to discuss in some detail, is tax reform. Members will recall that on July 18 of this year I announced the Government's intention to proceed with a review of options for comprehensive tax reform.

Tax reform itself is not a new initiative. In the 1984 agenda paper, the Government identified the tax system as an obstacle to growth. In a gradual and measured way over the past two years we have introduced a number of important improvements to the system.

In the area of corporate tax, we have taken steps to broaden the tax base, reduce tax rates, remove investment distorting incentives and simplify the system.

In the area of personal income tax, we have broadened the tax base by eliminating a number of tax avoidance techniques and introduced a minimum tax to ensure that high income people cannot avoid paying any tax.

[*Translation*]

And this year I began a detailed examination of a possible replacement for the outdated, unfair and inefficient federal sales tax.

[*English*]

We have made progress, but in considering the further progress we wish to make, and in light of the recent major changes in the United States, we decided that a broader approach to tax reform in Canada is required. Such an approach would consider the system as a whole. It would seek a better balance between personal, corporate and sales taxes, and would make complementary changes in a co-ordinated way. My July 18 announcement signalled that new approach.

Comprehensive tax reform offers Canada an important opportunity to make changes to meet today's realities and to gear up to meet the challenges of the decades to come. We have the opportunity to make the tax system simpler and fairer for all Canadians, to create a tax environment that more effectively encourages productive economic activity and support social justice, and to shape a tax system that meets the national need for a stable source of revenue to finance essential public services. These are the main objectives of tax reform.

The reform effort is being carried out within a number of specific guidelines. The first guideline is fairness. No characteristic of the tax system is more important in the minds of Canadians than fairness.

The Government has already made a start to enhancing the equity of the tax system. We have introduced a minimum personal income tax. We have curtailed tax shelter techniques and eliminated the use of limited partnerships to avoid tax. We halted the practice of income splitting through interest free loans between family members as a means of reducing tax. These are all steps in the right direction, but much more remains to be done.

Clearly, the tax system must ensure the fair sharing of the tax burden among taxpayers. People in similar circumstances should be treated by the tax system in the same way. High-income individuals and profitable corporations should all pay their fair share.

It is our intention to reduce sharply the special tax preferences for individuals and corporations. By doing so we will be able to reduce significantly the rates of personal income tax paid by Canadians, and that will mean higher take-home pay.

We will look at ways of further improving support for low-income Canadians through the tax system. We have already introduced a refundable sales tax credit and prepayment of the child tax credit. Tax reform offers the opportunity to build on these progressive measures.

Because the current federal sales tax treats similar products very differently, and because different rates of tax apply to various goods and services, an important part of the over-all tax burden is unevenly distributed through the economy. Similar products should bear the same rate of tax and the sales tax burden should be spread more equally across goods and services.

The second guideline is simplification. It is not difficult to believe that the word Canadians are most likely to associate with the tax system is "complex". The more complex the tax system is, the more likely it is to lose the respect and confidence of most Canadians and thereby to have its effectiveness diminished. A simpler tax system can be achieved on a number of fronts—simpler tax forms, improved tax policies, a broadened tax base and a simpler rate structure. These would result in less need for business and individuals to take tax considerations into account in business and financial decisions.

[*Translation*]

Tax reform will aim to make the system simpler for small businesses. And it will aim to make compliance easier for individual Canadians. By doing so we will strengthen the self-assessment principle that is the basis of our tax system.

Third, balance. One of the biggest problems in the present tax system is that the amount of personal income tax Canadians are paying is too high.

This excessive reliance on the personal income tax must be halted. The government believes that personal income taxes should be reduced to leave more money in the pockets of Canadians to spend or save as they see fit. This means we will be seeking higher revenues from the corporate and sales tax systems. This will be done in a balanced, fair way.

• (1120)

[*English*]

The fourth guideline is revenue stability. We must ensure that tax reform increases the certainty of achieving the revenue goals the Government sets. A stable and predictable source of revenue is essential to the Government's budgeting process. However, certain features of the corporate and sales tax systems contribute to revenue instability. Such instability makes it difficult to manage the nation's finances responsibly.

Revenue stability can be increased by limiting tax expenditures, reforming the federal sales tax and reducing the need for ad hoc changes in tax rules. Hon. Members are well aware of this Government's commitment to fiscal responsibility. It is the Government's intention to ensure, through a reform of the tax system, a sounder, more predictable revenue base. It is not our intention to take greater revenues. However, while tax reform is proceeding, I cannot preclude other tax action if such action is necessary to meet the goals of fiscal management and economic and social policy.

The fifth guideline is international competitiveness. Earlier I spoke of the necessity of keeping Canada competitive in world trade. The tax system should reinforce the ability of Canadians to compete. Given the major changes in the United States, particularly reduced corporate and personal tax rates, we in Canada must ensure that our tax system keeps in step where our competitive position is at stake. The corporate tax system must continue to be conducive to investment. This will maintain and enhance our job creating ability. Because the knowledge, skills and drive of people are the key to a successful modern economy, we must ensure that the tax system is not a deterrent to retaining and attracting key people.

Our sales tax system is also in need of reform to remove the serious competitive biases that currently put our exports at a disadvantage and favour imports.

[*Translation*]

Sixth, economic growth. Relatively high marginal rates, a narrow base and numerous selective write-offs, deductions and credits have reduced the role of business judgment in shaping investment decisions and made tax considerations far too influential. Such a system does not make for the most efficient allocation of capital.

[*English*]

In pursuing tax reform, we shall intensify our examination of the multitude of tax preferences which have built up over the years. Reducing the number of selected tax preferences, broadening the tax base and lowering tax rates will give market opportunities a greater role in investment decisions. This will result in better prospects for job-producing economic growth and will also mean that lower tax rates will result in a greater incentive for Canadians to work and invest.

A reformed tax system must also recognize distinctively Canadian priorities and values. Tax reform should assist in meeting national, social and economic needs. The tax system must be sensitive to our commitment to build greater regional equality. To help finance our large capital requirements, it must encourage domestic savings. It must continue to support affordable post-secondary education and medical insurance. It must reflect our commitment to social justice by providing effective ways to assist Canadians most in need.

The eighth guideline is measured transition. The implementation of tax reform should not leave Canadians in doubt about tax rules. The Government is committed to a measured transition so that businesses and investors will not need to suspend their long-term planning while changes in the tax system are being discussed. A measured transition will also allow Canadians time to understand the new system and to adjust to it.

A final important guideline is consultation. I reaffirmed at the outset my personal commitment to consultation. Consultation will be especially important for such a far-reaching initiative as comprehensive tax reform. I will be keenly interested in receiving the views of all Canadians in the course of the coming pre-budget consultations. I will also ask for the involvement of Hon. Members in this process and I will be

referring the guidelines and directions set out in the document I am tabling today for review.

[*Translation*]

I will also consult extensively with my provincial colleagues in an effort to ensure harmonized tax systems across the country.

[*English*]

Fiscal responsibility and tax reform are clearly linked. The options for tax reform would be severely limited if we did not continue our commitment to reduce budget deficits and greater spending control. Through continued expenditure restraint we are creating considerably more flexibility for tax reform.

[*Translation*]

Today marks the beginning of my new round of pre-budget consultations. The issues I shall be discussing with Canadians are crucial to our nation's continuing ability to provide jobs and prosperity.

[*English*]

As the next step in the tax reform process, I intend to issue specific directions for change at the time of my next Budget. In my November 1984 Economic Statement I said we must address the causes of our economic problems and not just the symptoms. It is evident from our record of performance and our plans for building on that performance that we are indeed doing just that.

[*Translation*]

Comprehensive tax reform clearly presents an enormous opportunity and an equally major challenge. By reducing the number of tax breaks that benefit only a few, by ensuring that profitable corporations pay their fair share, and by relying more on corporate and sales tax revenues, we will be able to cut personal income tax rates. That means increased take-home pay for Canadians. And the overall result will be a simpler, fairer and more efficient tax system.

• (1130)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I regret to interrupt the Minister but his time has expired. If there were unanimous consent he would be allowed to finish his remarks.

Mr. Gray (Windsor West): Mr. Speaker, we will give unanimous consent so that the Minister will have the time required to complete his speech, provided that Members who want to offer comments and ask questions will have a similar consideration extended to them and be allowed to go on longer than the time that is customarily given for such comments and questions.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I thank Hon. Members for their consideration.

Comprehensive tax reform clearly represents an enormous opportunity, but at the same time an equally major challenge. By reducing the number of tax breaks that benefit only a few, by ensuring that profitable corporations pay their fair share and by relying more on corporate and sales tax revenues, we will be able to cut personal income tax rates. That means increased take-home pay for Canadians.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The over-all result will be a simpler, more fair and more efficient tax system. That is our goal, a goal worthy of this nation and worthy of our dedicated efforts.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In closing, I would like to table the documents to which I referred during the course of my remarks.

The Acting Speaker (Mr. Paproski): I must have the unanimous consent of the House to allow the Minister to table these documents. Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, I want to offer some comments and raise some questions with respect to the Minister's remarks.

The Minister spoke of fairness as one of the Government's main objectives in tax reform. This is certainly a worthy goal. However, the actions of the Minister of Finance (Mr. Wilson) over the past two years strongly suggest that the Government's tax reform will be a sham reform and not a real one. After all, it was his Government which created the new capital gains tax exemption giving higher tax breaks to a handful of wealthy Canadians. On behalf of ordinary Canadians I ask: Is that fair? I think the answer is clear—it is not fair.

In its last two Budgets the Government increased taxes for ordinary Canadians to the point that this year a family with two children and one income-earner earning $30,000 a year will pay $630 more in taxes. I ask again: Is that fair? I think the answer is clear—it is not fair. The Government talks about fairness but its actions have proven that it is moving and will likely continue to move in the opposite direction. One question springs to mind: Will the Government do as the United States has decided to do in its tax reform and fully tax capital gains?

The Minister says in his statement that he wants to ensure that "profitable corporations pay their fair share". But how does the Minister and the Government intend to define "profits"? The Government could define them in such a way that many corporations would still escape from paying their fair share of taxes. So I ask the Government: Will it create a minimum tax for corporations?

The Government talks about relying more on sales tax revenues, broadening the sales tax base and cutting personal tax rates so that there will be increased take-home pay for Canadians. Who ultimately pays sales taxes? It is the individual Canadian without regard to level of income and ability to pay. It is clear and well understood that sales taxes are regressive. They are a heavier burden on lower income people. The Government sounds as if it were intending to raise sales tax rates or impose new sales taxes, perhaps called by another name, on goods and transactions, such as the sales of services which are now exempt from sales taxes. If that is what the Government intends to do—and it is giving a very strong signal that it is when it talks about broadening the base for sales taxes—then it is creating a cruel illusion for ordinary Canadians by seeming to put more money into their pockets through the lowering of personal tax rates and then taking money out of those same pockets by making ordinary Canadians pay higher sales taxes. If this happens, and the signal is there in the Minister's speech, then the new Tory tax reform will be nothing but a sham. In fact, if I may say so, it will be nothing but a fraud perpetrated on ordinary Canadians.

The Minister talked about stability as one of his goals. He talked about stability by saying that "raising more total tax revenue is not an objective of tax reform but that it should increase the certainty of achieving the revenue goals that the Government has set for itself". I ask the Government: Will it be making a commitment right now to rule out any efforts to raise more money through its so-called tax reform? If it does raise more money through this tax reform, will it commit itself to returning the revenues to Canadians through lower taxes? If the Government cannot guarantee that the total net effect of all the tax changes it will bring about through its so-called tax reform will not mean that ordinary Canadians will pay more in total taxes than they do at present, or for that matter more than they were paying before the last two Budgets, then I say that the Government will be exposed as having as its real purpose, its hidden agenda, another massive tax grab from ordinary Canadians.

Canadians will welcome real tax reform. However, ordinary Canadians are looking for less of a total tax burden, not just some type of Tory shell game in which the peas are moved around from one shell to the other giving an illusion of lower taxes through lower personal tax rates. Instead it will be an over-all heavier tax burden as a result of other types of taxes such as sales taxes. The signal is clearly there in the Minister's statement.

I wish to conclude by saying that, yes, Canadians want to have real tax reform of the kind I mentioned. However, on the basis of this Government's track record over the last two years, there is little—in fact nothing—on the basis of which Canadians can have confidence that the Government will provide real tax reform and will help them rather than create another massive tax grab.

I wish to say that the Liberals, the Official Opposition, will be fighting very strongly for individual Canadians to make sure that they have real tax reform in spite of the reality caused by what has happened before by this Government. Instead of a real tax reform there is nothing more in store for ordinary Canadians than one more massive tax grab.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am pleased and delighted that the Hon. Member for Windsor West (Mr. Gray) got to his feet. I thought he would be congratulating us on our economic performance. With respect to our economic record, as the Hon. Member knows, the unemployment rate in Windsor is down to 5 per cent. Housing starts are up well over the rate of increase in the national average. I am sure the Hon. Member would wish to support the economic record of the Government of Canada.

• (1140)

The Hon. Member has raised a number of issues, but as has been the case in a number of his interventions, he has his blinkers on. He only sees what he wants to see. He has talked about the tax record of the Government. He has ignored the fact that we have increased the child tax credit, accelerated the payment of the child tax credit and introduced a very innovative low-income refundable sales tax credit which helps those most in need. He has ignored the fact that we will have eliminated income splitting as of next year, we introduced a minimum tax, we removed the financing gimmicks for yachts and motels, we removed the scientific research tax credit, we very much limited the scope of limited partnerships, we reduced the investment tax credit and we eliminated the inventory allowance. All of these measures are designed to create a fairer, more equitable and more balanced tax system. That is the direction we will continue to take in tax reform.

I would ask the Hon. Member to look not only at certain elements of what has happened in the past but at the broad record of tax reform that we initiated immediately after we came into office. We were presented with such a mess which was built up by the previous Government since 1971 that something had to be done and something had to be done fast.

Mr. Cassidy: Mr. Speaker, I am disappointed that after the Government has been talking about tax reform for two years, it has now been announced by the Minister of Finance (Mr. Wilson) that there will be a further period of consultation and that there will be some announcements in the Budget of February or March of next year followed by possible legislation or further consultation. Effectively, therefore, major elements of real tax reform, if it does take place at all, will not be put in place until 1988 or 1989.

I do not believe that the tax system can be called fair when total tax freedom is given to people with capital gains of up to half a million dollars. I do not believe that the tax system can be called fair when it has increased the taxes payable by ordinary Canadian families by $1,300 just in the course of the first two years of the Conservative Government. I do not believe the tax system can be called fair when it gives enormous tax concessions to pension contributions made by high-income Canadians who have incomes four or five times the income of the average Canadian worker. I do not think the tax system can be called fair when the situation which the Minister himself finally recognized in his speech exists in which some 80,000 profitable Canadian corporations do not pay any taxes at all every year despite having profits that total perhaps $12 billion or $13 billion.

If the Minister wanted to convince Canadians that he was serious about tax reform, he would have come to grips with those problems which have been created by his Government. He would also have come to grips with those problems which were created by a former Minister of Finance and his successors, the present Leader of the Official Opposition (Mr. Turner), who started us on this slippery slope of concessions and loopholes for the corporate sector which is forcing us to reconsider the tax system.

I fear that what the Minister is announcing—

[*Translation*]

I am afraid that what the Minister announced means that he is going to put pennies in the average Canadian's front pocket and take the dollars out of his back pocket, through the sales tax. That is what he intends to do with tax reform, especially with the increased revenue expected under the proposed sales tax system which has now been announced by the Minister. There is no indication, however, that tax remissions will be allowed so as to make this tax a progressive, not a regressive tax for the average Canadian family.

[*English*]

In looking to fairness, the Minister does not appear to have recognized at all that his plans to increase the sales tax will have an enormous impact on ordinary Canadian families. As a consequence, we are talking about a system which will put nickels and dimes back into people's front pockets while taking $1 bills and $5 bills out of their back pockets. These changes in the sales tax are designed to broaden the tax, to impose it on services and to impose it on many essential goods and services which are now tax exempt. It seems to me that that is part of what the Minister announced just now.

While we in this Party can take credit for the fact that the Minister is finally talking about profitable corporations that do not pay taxes, my Party feels that in order to be really serious about this issue, we must have more specifics rather than the vague generalities which have just been put forward. Are ordinary Canadians in favour of reducing personal income taxes? Yes, of course they are. Are ordinary Canadians, on the other hand, in favour of the reduction in personal income taxes—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the only comment I would make is that I appreciate the support the Hon. Member will obviously give us in tax reform. The Hon. Member made a comment that I believe he will find incorrect when he sees the proposals as they develop.

I would like to draw his attention to the impact of the changes in federal sales taxes. They have to be seen as an integral part of another element of tax reform and that is the low-income refundable sales tax credit. We believe that this is integral because it will provide for a distinct change in the impact of sales tax in that the sales tax will not be regressive as a result of the use of this very innovative tax reform technique, the low-income refundable sales tax credit.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): First of all, Mr. Speaker, I should like to congratulate you and tell you how very pleased I am to see you back in the Chair. I also take this opportunity to assure you and your colleagues who will be acting in your stead that I am prepared to co-operate fully towards ensuring orderly and especially very constructive debates in this House. Needless to say, Mr. Speaker, the atmosphere in the House would be more enlightening if we were always debating positive and progressive issues. But such is not the case, certainly not when it comes to the Speech from the Throne.

At first blush, the speech has something for all groups and all sectors, for everybody in fact. However closer scrutiny reveals that it does not offer much to anybody, a seemingly contradictory statement. Quite simply, the first impression we get is that it is full of wishful thinking and promises which are not followed up by concrete programs.

We in Atlantic Canada did expect to hear about constructive regional development measures, we thought the Government would give special consideration to this problem which explains why the Atlantic region is lagging so far behind the rest of Canada. We expected more because we were led to believe there would be a lot more. Mr. Speaker, none other than the Prime Minister himself had this to say in St. John's, Newfoundland:

[*English*]

"The fact of the matter is yes, there has been a substantial economic comeback in Canada over the last two years—but that wealth is not being fairly shared and evenly distributed across the country.

So we have got to re-examine fundamentally some programs and attitudes because Canada is capable of generating tremendous wealth and prosperity.

But opportunities must be fairly and properly distributed and they are not being right now.

[*Translation*]

Mr. Speaker, that is what the Prime Minister (Mr. Mulroney) said in the Atlantic region, but how have those fine words been translated in the Speech from the Throne?

This is what we find in the Throne Speech:

Building on the human and natural resource strengths of the regions, a renewed co-operative effort will lead to a new development agenda.

As a first step in achieving improved results from this sustained national approach, an Atlantic Canada Opportunities Agency will be constituted to facilitate and coordinate all federal development initiatives in the area.

What do all those fine words mean, Mr. Speaker? We now know that they do not mean much, especially after the visit of the Right Hon. Prime Minister to Moncton. Indeed, in his speech the Prime Minister was unable to explain to the New Brunswick Economic Council the role of the Atlantic Canada Opportunities Agency except to say that the Agency would be set up in the near future, by next spring. For the moment, that simply means a reshuffling of bureaucrats and a few changes to bring in an additional level of bureaucracy. I fervently hope that it will not happen.

Mr. Speaker, as you know, businessmen find that there is already much too much bureaucracy. We can also ask the question: Why a new bureaucracy? Certainly not to administer new development programs with new money. As you know, Mr. Speaker, the last two budgets took away hundreds of millions of dollars from the funds allocated to regional development. How can there be regional development if the money required is not there? How can we eliminate regional disparities if the outlying regions are treated exactly the same as the wealthy regions in central Canada?

The Prime Minister was not alone in suggesting that the Speech from the Throne would pay special attention to regional development. Last September, the Atlantic Ministers arrived in Moncton for a conference called "Focus on the Atlantic". They had come to hear the views of the residents and business people of the Atlantic region and to assess the situation. These people gave the Minister the same message as they had given the Prime Minister the week before in Fredericton. I am sure that you recall the visit of the Prime Minister to Fredericton. That was where the workers threw their hard hats before the Prime Minister. Afterwards, the Prime Minister promised the workers that the Atlantic Ministers would listen to the representations of the CN workshop employees in Moncton.

This is what they did. The Ministers took a few minutes to listen to the representations of the workers.

However, Mr. Speaker, while they may have listened, they did not hear anything. On that same day, there was a demonstration bigger than anything people had ever seen in Moncton in front of City Hall. This demonstration was significant because the workers wanted to show their dissatisfaction not only with the way the CN workshops were being dealt with, but also with the attitude of this Government to the problems of the Atlantic.

In spite of this demonstration, the Ministers failed to understand the situation. Two weeks later, there came the announcement of a program which is nothing but a joke, and even an insult.

How can we, in the Atlantic region, believe this Government really wants to help the disadvantaged regions?

What is even worse is that we are being compared to the Third World, to countries such as Bangladesh.

If I may, Mr. Speaker, I would like to recall another example of the indifference of this Government, this time in relation with the jobs strategy. Here again, there have been cutbacks. There is much less money in this program than before. What is even stranger is that the changes made to the program favour the regions where the private sector plays a major role in job creation, which is not the case of our own region because our private sector is quite weak.

Let us turn now to fisheries, an industry which is most important for the Atlantic area and especially for my constituency of Westmorland—Kent. If you read that part of the Throne Speech that is written in French, you could believe in this Government's good intentions, Mr. Speaker. Listen carefully.

"*La pêche est une activité économique d'une importance fondamentale au Canada. Afin d'assurer une plus grande sécurité à nos pêcheurs et de protéger leurs investissements, mon gouvernement accordera une attention particulière à l'amélioration des ports pour petits bateaux dans toutes les zones de pêche.*" That was all very good. One would believe that they had the best intentions in the world and that they were going to do something. But reading the English text:

• (1150)

[*English*]

To provide increased safety for our fishermen and to protect their material investments, my government will place special emphasis on improving the management of small craft harbours in all fishing areas.

[*Translation*]

Mr. Speaker, as seen by the people of the Atlantic area, the English text is much more accurate and better reflects this Government's actual intentions.

[*English*]

The intention of this Government is "make believe that you are going to do something".

The lobster fishermen in New Brunswick are worried about the increase in poaching activity. The fishermen would like to see the Department of Fisheries and Oceans put more effort towards the protection of the lobster stocks in particular. The budget of the Department of Fisheries and Oceans has been reduced to such a level that patrol boats worth $200,000 to $300,000 can only afford fuel for two to three days of the week.

[*Translation*]

It's absolutely shocking.

[*English*]

Enforcement officers cannot work extra hours and furthermore, they are tied to their desks because they have no fuel to run their patrol vehicles.

[*Translation*]

How can one believe this Government is sincere! The other primary sectors, like farming and the forest industry, are very briefly mentioned although they are of the utmost importance to the development of our communities.

Let us turn to tourism. As we know, Mr. Speaker, the tourist industry is an important job provider in the Canadian economy, in the Atlantic and throughout the country. Indeed, it accounts for 600,000 jobs in Canada and its growth potential is tremendous. This is an industry that can create the greatest number of jobs in the shortest time frame. In spite of that potential, its growth is only 8 per cent in Canada, as compared with a 13 per cent growth rate on the international level.

It is clear, yes abundantly clear, that the vast number of taxes introduced by this Government since it was elected certainly did not help the tourist industry.

Mr. Speaker, in the last two years I have been listening to the Minister of State for Small Businesses and Tourism brag about this Government's concern for the industry. The Government has bragged about having created an independent portfolio for tourism, but what happened to the Department of Tourism in the last Cabinet shuffle? In June last, the Prime Minister simply struck it off. The Department of Tourism is no more. We now have a Minister of State for Small Businesses and Tourism.

• (1200)

[*English*]

TIAC Chairman, Walter Tilden, expressed his disappointment by saying that it would appear the Government does not know what to do with tourism. The Executive Director of TIAC, John Lawson, also expressed disappointment by saying:

> We're back to a combined ministry. That's a clear sign that tourism is once again relegated to a back room.

Just think how disappointed these people must be after reading the Speech from the Throne. Nowhere in the Throne Speech is the word "tourism" mentioned. The Government has forgotten all about tourism.

One of the best years for tourism was 1986. Expo 86 was a prime contributor to this success. We should have taken advantage of the situation to consolidate our position in the international tourism industry. However, the Government has refused to increase its level of marketing abroad. Because of inflation and the devaluation of the Canadian dollar, the marketing budget has been considerably eroded. It is not putting as much money as it should be into that marketing strategy. The Government just chose to forget the industry. It has broken all the promises made during the 1984 campaign.

[*Translation*]

What else should I say, Mr. Speaker? I could go on and on. I have not dealt with all the industries, but as seen from Atlantic Canada, the Throne Speech points to more difficult times ahead, because this Government does not seem to care about outlying regions. The more so because this Government did not succeed in gaining public confidence.

What about the answers given by the Minister of Employment and Immigration (Mr. Bouchard), who will not take a stand and oppose the recommendations that would jeopardize the whole unemployment insurance scheme—the Forget report recommendations. He simply would not take a position. That is very disquieting!

Mr. Speaker, it is to be hoped that the Prime Minister understood the message the fishermen delivered to him when he visited Moncton, for they were anxious to express their dissatisfaction and concern in connection with the Forget report recommendations.

To conclude, Mr. Speaker, may I add that I hope this Government will wake up in time, especially to prevent the Atlantic region to suffer a setback *vis-à-vis* the other Canadian regions. This Government must announce concrete programs and measures to develop primary industries and reduce regional inequalities.

[*English*]

Mr. Caccia: Mr. Speaker, the Hon. Member comes from a province in which parks play a role. I noticed the Minister of the Environment (Mr. McMillan) was in the House until a couple of minutes ago. However, I should like to ask the Hon. Member for his comments.

After being in power for two years, the Government has not yet introduced any amendment to the National Parks Act. These amendments were drafted by the previous Government and are badly needed in order to update the functioning, the use, the validity, and the long-term value of parks for Canadians, for the protection of wildlife, and for the protection of our ecological heritage in his province as well as in other parts of the country.

Would he care to comment on the fact that the Minister of the Environment is boasting about a $3 million increase in the budget of that Department? Actually the Department has lost in purchasing power, because of 4 per cent inflation over each of the past two years, a sum of some $59 million. It is sheer erosion and an inability on the part of the Department to keep the purchasing power it used to have in 1984 at the same level.

Also I should like to ask him whether he would care to comment on the fact that the present Government is making some statements on the question of contaminants and on the necessity of introducing an Act to amend the existing one. It has pulled the rug from underneath research in toxic chemicals by not making a commitment, as it should have done, on the

establishment of a joint toxicology centre at the University of Toronto and the University of Guelph. There is a need for this centre because of the present situation.

Finally, would he like to comment about the fact that the Government has been in power for two years and we are being asked to wait another year for any progress along the Niagara River? We should come to grips with the contamination caused by dumpsites along the Niagara River. We are being asked to wait another four years for any action or movement of any kind on acid rain—and I know that affects the Province of New Brunswick as well—because of the agreement between the Prime Minister (Mr. Mulroney) and President Reagan, which left the initiative in the hands of polluters in terms of coming up with some research and development control methods over the next five years. This makes us conclude that on both these fronts—and I am referring to toxic chemicals as well as to acid rain—there has been no tangible action to speak of in the two years it has been in government. Would the Hon. Member care to comment?

[*Translation*]

Mr. Robichaud: Mr. Speaker, I am pleased to reply to my hon. colleague. Over the past two years, this Government has made all sorts of fine promises and tried to impress people with beautiful statements and empty speeches. As evidence of this and of what my hon. colleague was saying concerning the environment, one need only consider what is happening in the Atlantic region in connection with the Atlantic Development Board. Certainly, over the past two years, the Government could not help noticing the unemployment problem we are facing because of the jobs which were lost in the CN shops in Moncton; yet, all the Prime Minister has been able to announce recently was the creation of a board. Words, words, nothing but words. The board will be in operation next spring. What is it going to do? He just could not say. It is the same situation everywhere in Atlantic Canada, as far as regional development or environment are concerned. We can hear a great many fine promises, but see hardly any concrete action.

• (1210)

[*English*]

Mr. Caccia: Mr. Speaker, perhaps the Hon. Member and my colleague might want to comment on the fact that budgets of important Departments such as that of the Environment, and I suppose also that of Tourism in which the Member is particularly interested, are suffering because in their allocation of funds no provision is made to protect purchasing power. As a result, these Departments are losing badly to inflation every year.

[*Translation*]

Mr. Robichaud: Mr. Speaker, that is indeed exactly what is happening in the Ministry of Tourism and its budget, more specifically that of the marketing program. The Minister is bragging about the special effort they have made marketing tourism in the United States, but the credits affected to marketing are exactly the same as in past years. Which means that in view of inflation and the devaluation of our dollar, we are getting much less services than we used to. I really feel that the Minister has failed in his responsibility, that he should have argued his case with a little more energy to convince his Cabinet colleagues to grant him more funds to make this tourism marketing program a really valuable one.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I will now recognize the Hon. Member for South West Nova (Mr. Comeau) in debate.

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I too would like to congratulate you on your reappointment to the position of Assistant Speaker.

It is an honour for me to have the opportunity to respond today to the Throne Speech and to talk on a subject relevant to my part of Canada, that of regional industrial expansion. I wish to explain to the House that Atlantic Canadians, the so-called poor cousins of Confederation, are the people best suited to tackle their own problems. Given the chance, we will demonstrate to other Canadians that we are again capable of regaining our place as a world leader. As has often been quoted; "Those who do not know and understand their history are doomed to repeat it". To demonstrate the requirements of the Atlantic provinces better I will use my riding as an example.

South West Nova is the oldest settled part of Canada. Although generally typical of many parts of the Maritimes, it is also very unique. The first permanent European settlement in North America began at Port Royal when a French nobleman, Sieur de Monts, established a "habitation" from which to base his trade in fisheries and furs. He brought with him the first resident geographer, Samuel de Champlain, the first pharmacist, the first surgeon, the first poet, playwright and lawyer, Marc Lescarbot, and a few years later the first European woman to be resident in Canada.

The first highway in Canada was built at Port Royal in 1606 and the first successful agriculture development took place there. The first water-powered mill was erected at this site and the first ships to be built in North America were soon sailing from the Annapolis Basin. The first conversion of a native Canadian to Christianity took place in 1606 when Membertou, Chief of the Micmac Indians, was baptized. The first social club in North America, the Order of Good Time, was founded by Champlain to make the people's stay more enjoyable.

In 1621, King James of Scotland and England granted Nova Scotia, Latin for New Scotland, to Sir William Alexander, and an original manuscript copy of this charter will soon be deposited at the Fort Anne museum.

In 1629, the first Scottish settlement in the new world began at Fair Haven near the site of the French colony. At this time, Nova Scotia was granted its own flag and coat of arms, the first in North America.

As time went by, many battles were fought over the ownership of Acadia or Nova Scotia and most took place within the boundaries of my riding.

[*Translation*]

Over the years, the ownership of Acadia or Nova Scotia led to many fights and, as I said, most of them took place within my own riding. In the end a peaceful climate was restored in Nova Scotia, but not before quite a few Acadians were uprooted from their homes and exiled to Europe, the West Indies and New England.

Mr. Speaker, the best way to show how tenacious those people were is to recall that hundreds and hundreds of them walked thousands of miles through forests and across rivers to find their homeland. As it happens, Mr. Speaker, I am a direct descendant of these remarkable people and living proof of the love—sometimes unfathomable to foreigners—that we the residents of the Maritime Provinces have for our land and our way of life.

Other Canadians simply cannot appreciate this heartfelt sentiment which binds us to our homeland and our heritage and which makes it impossible for us to forsake them. If they cannot understand that, Mr. Speaker, what more can I say?

[*English*]

Immigration into the Maritimes had pretty well ceased by about 1850. The New England planters in the 1760s, the United Empire Loyalists in 1770s and 1780s, the freed slaves from the United States and the displaced farmers and crofters from Scotland, Ireland and England who came afterward had taken up most of the available land by then. This was at a time when half of Canada had hardly seen a settler. It is no wonder that we in Nova Scotia look upon the western provinces as being relative youngsters.

The sea has always been an integral part of the life of the Maritimes. I wonder whether those Canadians who belittle our former prosperity know that in the Maritimes at the time of Confederation we had the fourth largest merchant fleet in the world. It may seem hard to believe, but it is true nevertheless. With a population of perhaps one million people at most, we were competing on an equal footing with Great Britain, France, the United States, Russia, Spain, Germany and Japan. The Town of Yarmouth in my riding had more ships registered than any port in the world, more than London, Portsmouth, Calais, Amsterdam or Boston. Where did this prosperity go, you may ask, Mr. Speaker. When Nova Scotia was dragged into Confederation, kicking and screaming, I should add, the trade policies of central Canada took the prosperity up the St. Lawrence River to Montreal, Toronto, Hamilton, Windsor and many other such communities. That prosperity has never returned. We have been reduced to the embarrassing dilemma of coming to Ottawa hat in hand looking for assistance.

As the Prime Minister (Mr. Mulroney) said in his speech the other day, it is not more dollars that we need in Atlantic Canada as much as the ability to make the decisions as to how the dollars that we have will be spent.

Ever since Confederation people in Ottawa have been telling Maritimers what is good for them. But really, Mr. Speaker, they have been looking east with blinkers on. They only see what they want to see. That will not help us regain our prosperity.

The Atlantic provinces must be allowed to run their own affairs and make their own decisions. One hundred and twenty years of simulated indulgence from central Canada has left us relatively worse off than when we started.

I am sure that those remarks will have some of our detractors question our patriotism. The patriotism of the people of Nova Scotia can never be questioned. We have defended our country in her time of need with no hesitation. People of all heritages, Indians, French, English, Irish, Scottish, African, and others, have willingly answered the call. In my riding of South West Nova we have the West Nova Scotia Regiment, successor to the first English regiment in Canada, Phillip's 40th Foot, first raised from among the citizens of the Annapolis Valley in 1717.

• (1220)

I personally know many veterans who fought to keep our country free. If I may digress for a moment, I am extremely pleased with the Department of Veterans Affairs under the capable direction of the present Minister who has vastly improved the direction of programs and their delivery to our many worthy veterans. In the town of Middleton in my riding we have Royal Canadian Legion Branch No. 1. I do not think anyone need question our patriotism in the Annapolis Valley.

[*Translation*]

Let us get back to the topic of my remarks. We residents of the riding of South West Nova have a diversified way of life. Industries based on the development of resources such as forestry and agriculture are often interconnected with one another or with the fishing industry. It is not exceptional to see a farmer doing some fishing, or a fisherman felling trees to earn a few extra dollars.

Given the kind of land and geography we have, a worker may indeed have two or three different sources of income. In winter, when farming and fishing activities are practically non-existent, many of my constituents would like to work their woodlands. Current forest development programs—locally administered, I would point out—offer them this kind of opportunity. Perhaps this might serve as an example.

[*English*]

The people of my riding are adaptable and versatile. Our agricultural industry includes everything from dairy production to grain growing to hog ranching and fur farming. Some farmers combine two or three aspects of farming in order to best compete in the market-place. One might say that we do not put all of our eggs in one basket.

The federal Government is also a big employer in my riding. We have several national parks, including the first national

historic park in Canada, Fort Anne. We have the Canadian Forces basic training establishment at CFB Cornwallis, and many of my constituents are employed by CFB Greenwood, the air base just outside of my riding. The Department of Fisheries and Oceans provides employment for many others. As well, we have the largest tin mine in North America.

[*Translation*]

We also contribute substantially to the textile industry and as you can imagine, shipbuilding represents an important area of employment. Our plant used for the manufacturing of ambulances and mobile operating rooms to be sold abroad show that we have the capacity to compete on the international level.

Because of Canada's geography, it is often easier for us to meet competition abroad than in Canada. Year after year Nova Scotia sells Christmas trees in the United States for a total of $30 million. Of course, such an operation only provides part-time jobs for many people, but it is an essential source of additional revenues.

[*English*]

Economists will advise that regional development must be based on comparative advantage. Atlantic Canadians have long known that the emphasis must be on what a region does well. Historically, since the earliest days of European settlement, much of Nova Scotia's economy was based upon shipping and international trade. This led to the development within the province of considerable expertise in serving diverse world markets, and to the establishment of sophisticated transportation networks to facilitate this activity. Those historic skills and patterns have continued to the present day.

Foreign exports of Nova Scotian goods in 1983 were valued at $1.1 billion. The largest item of export from the province is fish products which account for 38 per cent of total exports, valued at approximately $418 million. Nova Scotia is ideally suited to harvest the rich resources of the northwest Atlantic. The province has developed an impressive on-shore fish processing industry. South West Nova alone has 90 of the 160 Nova Scotia fish processing plants. Canada is the world's largest exporter of sea food products, and all indications are that the richness of its fisheries resource will enable it to maintain its position.

In both landed value and weight, Nova Scotia is a leader in Canada, contributing 28 per cent of the total Canadian fishery products export value. Nova Scotia is located adjacent to some of the world's best fishing grounds. It is also situated directly on the major trading route between North America and Europe. Shipping fish products can be done very efficiently. Ferries operate daily between Yarmouth, Nova Scotia, and Bar Harbour, Maine, and between Digby, Nova Scotia, and Saint John, New Brunswick, carrying refrigerated trailerloads of fresh fish products to markets in Canada and the northeastern U.S. My riding alone accounted for 8.7 per cent of the 1983 landed value of fish for all of Canada. To put this in perspective, my riding alone had more land value than the whole Province of Quebec. My riding alone had nearly twice the landed value of the whole province of P.E.I. My riding of South West Nova had approximately the same landed value as the whole Province of New Brunswick.

In 1981, the fishing industry in my riding accounted for 4,560 direct jobs. However, listen to this. A 1985 study undertaken by the Gorsebrook Institute for Atlantic Canada Studies, found that the independent fish processors are misunderstood by both government and economists. The 1983 Kirby Report on the East Coast fishery had done little to explain the operations or to address the problems facing the Nova Scotia independent processing sector and the thousands of fish plant workers who depend on this vital industry. The Kirby Report had focused primarily on the economic problems of Atlantic Canada's giant fish processing firms. Our independent operators survived the difficulties of the early 1980s and were able to maintain the thousands of jobs they provide in rural Nova Scotia. They did this without millions of bail-out dollars from the taxpayer.

The role of the federal Department of Fisheries and Oceans is central to the concerns of fish processors in Nova Scotia. Although there is some respect for DFOs efforts to preserve and regulate access to fish stocks, the general tenor of processors' comments is quite critical of government performance, the report says. This dissatisfaction during the summer of 1984 focused on regulatory activity at the individual plant level and on anticipated negative effects of the refinancing of the large Atlantic processors. Small and intermediate size plant owners are convinced that the restructured companies will have to to turn to Government and seek additional support within the next five years.

The success of independently owned fish plants still lies in their ability to react more quickly in their communications and decision-making, and they are more likely to provide the direct supervision necessary to run a profitable company in a labour-intensive industry.

The misunderstanding is still there in many parts of the Ottawa decision-making process. This is why the factory freezer trawler decision was greeted with such suspicion and apprehension. The ongoing problems of small craft harbours has preoccupied the fishing industry for many years now and the decision-makers in Ottawa will have to deal with this issue.

[*Translation*]

No government activity is more important than transportation for the Atlantic Provinces. As it is necessary to ensure that businesses in the Atlantic area overcome the geographic obstacle to compete on national as well as on international markets, the constant presence of the Government in the transportation system is mainly justified. As a result of subsidies and various regulations, the transportation system has become an efficient tool for economic development.

On the whole, the general direction of transportation reform will contribute to increase the efficiency and productivity of

the transportation system. However, this market-oriented approach is giving rise to a deep concern, because we have to determine how communities will be attracted by the setting up of a freight and passenger service.

The importance of transportation for the citizens of South West Nova was clearly shown last year when federal decision makers tried to abolish the wintertime service of the *M.V. Bluenose*. The people considered such a move as an attack against the basis of their economy.

• (1230)

[*English*]

As pointed out earlier, Atlantic Canada has relied on international trade for almost 400 years. We have learned to compete with the best in the world. Atlantic Canadians have much to gain from successful bilateral trade talks. We recognize that the security of markets must be assured.

Atlantic Canada has felt the effect and the damage of countervail actions which are being advocated by the U.S. protectionists. Security of access to markets offers the stability needed to plan investment and production decisions.

The doom and gloomers who fear that we will lose our national culture by competing with U.S. companies must reassess their views of Canada. Their lack of confidence in Canada's ability to compete is a national disgrace.

The opposition Parties have taken to talking about what they call "new money". They do not seem to understand that printing money and throwing it at problems is not the way to solve these problems. A great deal can be accomplished by spending the money more wisely and by removing the barriers of red tape which simply discourage investors.

The Speech from the Throne announced the creation of an Atlantic agency to co-ordinate regional industrial expansion in Atlantic Canada. I welcome this initiative.

It is my hope that this agency will direct and monitor a new over-all industrial strategy for regional economic growth and that decisions will not be made by Ottawa-based bureaucrats. This agency should seek the participation of the private sector, labour, and both senior levels of Government. Finally, the agency should seek to reduce bureaucratic red tape which restricts growth.

Before concluding let me say that I am sure you have heard about the giant Bay of Fundy tides, the highest in the world. I want to end with a quote from the famous Nova Scotian statesman, Joseph Howe, who said:

> Brag about your country, boys. When I'm abroad, I brag about everything that Nova Scotia is, has, or can be, and if they top me at everything else, I can always turn around and stump them when I say "And how high do your tides rise?"

These tides are still rising, Mr. Speaker.

Mr. Caldwell: Mr. Speaker, I think everyone would agree that one of the benefits of the Throne Speech debate is that we have an opportunity to hear about other areas of Canada. Many of us may not have travelled as extensively as other Members who have been in the House for some time, and we like to hear about these areas.

I was interested to hear the speech by the Hon. Member for South West Nova (Mr. Comeau), in which he outlined activities in his area. I might point out that in my area the tides do not rise but the water is getting very high.

I was also interested in his remarks regarding the fishing industry. The Hon. Member may have a large saltwater fishing industry in his riding, but I can boast that the biggest freshwater fishery in the world is located in my riding. There are some 2,000 people who make their living from the freshwater fishing industry in my area.

Let me also say that I am pleased that he is the new Chairman of the Standing Committee on Fisheries and Oceans. I am sure he will bring a wealth of knowledge to that committee.

The fishing industry in our area operates under provincial jurisdiction and it has basically prospered under the quota system for the boats. What does the Hon. Member believe could be done to return some prosperity to the saltwater fishing industry in his area and to the East Coast of Canada? What direction would he like the committee to take and what programs would he like to pursue?

Mr. Comeau: Mr. Speaker, I thank my colleague for the question. We have had some discussions regarding the size of his freshwater fishery and the fact that it is the largest in the world, I believe. I congratulate him for his continuing interest in promoting this fishery, as he never misses an opportunity to discuss it with me as a member of the Fisheries Committee.

The Hon. Member asked what I would like to see in the fishery. In the past few months there has been a rather major problem with the allocation of scallop stocks off the lucrative Georges Banks. Rather than imposing a decision on the allocation of these stocks, the industry was brought together at the insistence of the Minister and myself and was able to meet for some time so that an industry decision rather than one imposed by Ottawa was reached. I understand that the proposal has been submitted to the Minister of Fisheries and Oceans (Mr. Siddon) which I hope he will accept.

That is the direction in which I would like to go, to have the industry make its own decisions.

Mr. O'Neil: Mr. Speaker, let me begin by congratulating the Hon. Member for South West Nova (Mr. Comeau) on his excellent speech as well as on his selection as Chairman of the Fisheries Committee. I have worked with Mr. Comeau for the past two years and know of his intense interest and expertise in the area of fisheries. It seems most appropriate, given that he represents a constituency with the greatest landed value of any constituency in Canada. I know that Mr. Comeau will continue to represent aggressively the interests of his constituents and the fishing industry in particular.

The Acting Speaker (Mr. Paproski): I just want to remind the Hon. Member that he should refer to the Hon. Member for South West Nova by his riding. He should not refer to the Hon. Member by name.

Mr. O'Neil: I apologize to the Hon. Memer for my familiarity.

Perhaps the Hon. Member could give us his thoughts on the question of quota problems being experienced for VSW in the Scotia-Fundy region.

Mr. Comeau: Mr. Speaker, let me take this opportunity to congratulate the Hon. Member for Cape Breton-Highlands-Canso (Mr. O'Neil) for his appointment as Chairman of the Standing Committee on Regional Industrial Expansion. I hope I am not jumping the gun.

I have also had lengthy discussions with the Member about his major concerns. The Hon. Member referred to quota problems in the Scotia region. I imagine that he is referring to some of the comments that have appeared in the press recently, in which it was noted that there was a large amount of illegal overfishing. I suggest that the Hon. Member check with the Minister further, but I have reason to question some of the allegations that have been made in the press. I question the manner in which the figures were calculated.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would first like to congratulate the Hon. Member for South West Nova (Mr. Comeau) for his speech. I think it is a tradition in this House that a Member rise on the Throne Speech. I also think that he has very aptly outlined the history of his constituency and I congratulate him for it.

Mr. Speaker, I would like to ask him a question as a Member from Eastern Canada and the new Chairman of the Fisheries and Oceans Committee. We know that the Minister of Fisheries and Oceans (Mr. Siddon) has, let us say, snuffed out the marine environment laboratory at the Bedford Oceanography Institute, and the Hon. Member certainly knows the importance of research and development to fisheries and oceans. Is he now ready to tell the House what his position will be as Chairman of that Committee? Will he recommend to the Minister that the Government reinstate that research and development component in the area of fisheries and oceans at Bedford, in order that the laboratory be reinstated to its full capacity?

[*English*]

Mr. Comeau: Mr. Speaker, I thank the Hon. Member for the question and the opportunity it gives me to say that I am quite pleased with the Minister's approach, which is to concentrate more effort on the understanding of fish stocks off the East Coast and to combine the various sectors within the scientific branches which previously were heading in many directions. Now the concentration will be on science and a greater knowledge of the stocks, their location and their future on the East Coast.

The Acting Speaker (Mr. Paproski): The period for questions and comments has terminated. Debate.

• (1240)

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise today to participate in the debate on the Address in Reply to the Speech from the Throne. It is my intention to focus on two areas of concern, that of jobs and service. I want first to touch briefly on the statement made by the Minister of Finance (Mr. Wilson) in the House today as part of his contribution to the debate on the Speech from the Throne. In his address he indicated that it is his intention to bring about a reduction in income tax for, I believe, the majority of Canadians. We, of course, welcome that reduction. However, what concerns us is that at the same time he has pretty well guaranteed there will be in some way an increase in the sales tax collected from the average Canadian. That increase would be on top of an increase of 3 per cent which has been in place since the Conservative Government took over in September of 1984. This is a tax which has extracted over $1,300 from the pockets of Canadian families. There is no guarantee that this tax reform about which the Minister of Finance talks, while it may end up putting a few pennies in the pockets of average Canadians, will not steal dollars from their backpockets through the imposition of new sales tax approaches.

I am also a bit concerned that the Minister of Finance is waiting yet another two years for another review and even further consultation on tax reform when he already knows that 79,000 Canadian companies with annual profits of $13 billion or more pay nothing to the federal Treasury. They pay nothing to help run the country and to provide the services we feel are appropriate to our society.

Let me now focus on the area of service. I think the attitude of the Conservative Government regarding service to Canadians is best exemplified through its handling of Canada Post. There is clearly a campaign in place to reduce the level of service to Canadians. It is being done under the guise of deficit reduction both for Canada Post and for the Government as a whole. What it actually is, though, is a threat to existing services.

Mr. Malone: Hear, hear!

Mr. Angus: I hear some support for the Government's position, and I am not surprised. Let me tell you, Mr. Speaker, the kinds of things that are happening.

Mr. Malone: One dollar out of $3 to pay off the debt.

Mr. Angus: Fifty rural routes in Canada have been dropped. Fifty areas where people live miles and miles and miles away from urban centres, have lost their postal service. These people now have to travel 20, 30, 40 and 50 kilometres to pick up their mail. Seventy-two rural post offices have already been closed as a means to reduce the deficit, and in consequence service has been reduced. New subdivisions are springing up all over the country and, by and large, the majority are not

being serviced. They are certainly not being serviced to the same level I receive in my own community when a letter carrier walks up my driveway five days a week and plops a few bills in my mailbox. We are establishing a variety of levels of service and by so doing we are establishing a variety of levels of class of citizens.

In my constituency there is great concern over the potential to eliminate rural routes. We fought off the elimination of three rural routes last spring and we are keeping a watchful eye on things to make sure they do not try the same thing this fall. There is a fear that some of the rural post offices will be closed, and that fear has been encouraged by Canada Post through its actions.

The hours of operation of some of the rural post offices have been cut back. They are now open from Monday to Friday from eight o'clock in the morning to 2.30 in the afternoon. In the case of the Nolalu Post Office and the Gillies Post Office, which are located approximately 30 miles from the urban centre of Thunder Bay, the individuals who live in that rural area and who commute to Thunder Bay, which is the primary place of employment, have been disenfranchised. In order to reach a job at 8 a.m., they have to leave at 7 a.m. or earlier. To reach a job at 9 a.m., they have to leave at 8 a.m. or earlier. They do not get home until 5 p.m., 6 p.m. or 7 p.m. Therefore, they do not have access to their post office. The post office is closed on Saturday so they do not have that option. The postmasters and postmistresses in these communities went to their bosses and said: "Listen. We believe strongly in service. You talked about not wanting to hurt service. We are prepared to offer flexible hours". In fact, they said they were prepared to open for an hour or so in the evening so that citizens who lived around those post offices, who depend on them for communication, could have access. The answer was: "No. Those are the hours".

Mr. Malone: The union said no.

Mr. Angus: The Hon. Member said the union said no. That is not true at all, Mr. Speaker. The individuals involved, with permission of the unions, said quite clearly they would be prepared to provide those services. The Government's answer was, no, because the Government is trying to reduce service, and it is doing it on the backs of the rural residents, in particular.

One of the fears people in the rural area have because of this attitude and because of the decision by Canada Post to restrict the hours of operation, is that Canada Post wants those post offices to fail. It wants to see the level of revenue reduced to the point where anyone can see it is not efficient to keep the post office open. That is the feeling of the people in the rural area of my riding as to what is about to happen to them.

The Minister, I gather, has been receiving mail from citizens. The Canadian Labour Congress, in co-operation with the postal unions, has put advertisements in newspapers and has circulated pamphlets to citizens in postal walks, and the pamphlets are being mailed to a variety of individuals. In order to assist Members of Parliament, the Minister kindly wrote to us and gave us a suggested way in which we could respond. I would like to quote from that suggested response:

> I have noted the comments about providing door-to-door delivery for all urban addresses. As you are no doubt aware, Canada's urban population is growing rapidly, and the cost of providing door-to-door delivery to new addresses is so great that to finance it would require either major increases in postal rates or greater dependence on taxpayers' dollars. The Government and Canada Post find those options unacceptable.

Further along it reads:

> I am confident that Canada Post will balance its budget within the next two years—

Clearly, the Government has a fixation about deficit reduction regardless of its impact on service to Canadians. If we follow this strange logic further, we will see the day when the Conservatives will be suggesting we eliminate mail service to those northern remote communities which depend on it for food, dry goods and other products because it costs so much to get it there. Or they will be charged more. We already have a separate fee service to send mail to the United States. Perhaps we will have to pay more to send mail to the North. That is one of the dangers of the route the Government is taking.

Let me now turn to jobs. The Speech from the Throne, quite clearly had a target in it for deficit reduction. What it sadly lacked was a target for an increase in employment or a decrease in the number of unemployed, a concrete projection to which the Government would make a commitment. We all know it is not simple. Jobs cannot be created overnight. A plan must be in place to create them. However, we were not even given an indication that there was a plan in place with some figures attached to it.

• (1250)

There are things we can do to create jobs in Canada and, quite frankly, to create jobs in the community of Thunder Bay and the riding of Thunder Bay—Atikokan. Some of them are not in disagreement with the Government in either a philosophical or a technical way. The question of replacement of the rolling stock for VIA Rail is one such example, something the Liberals promised when they were in office and something the Conservatives promised during the election campaign. It is something for which the former Minister of Transport indicated his clear support since the last election. There are indications from the present Minister of Transport (Mr. Crosbie) that he supports the concept as well.

Over the last two years people have been working toward the attainment of the decision to replace the rolling stock. The Government in its widsom, and I compliment it on it, decided that it would go the route of a consortium. It was decided that it would ask Bombardier and UTDC, the Urban Transit Development Corporation which owns Can-Car Rail in Thunder Bay, to put together a joint package for VIA Rail. This was done because the Government clearly wanted to have the cars produced in Canada in order to ensure that the employment opportunities regarding the replacement of those cars would be spread reasonably well throughout the system.

We have only two passenger rail car manufacturing facilities in Canada. While my constituents and I would have liked to have the whole package we recognize that there is a need to share these jobs.

The process did not go all that smoothly. Design problems were encountered, which prevented the plan from moving forward as fast as it could in terms of the cost estimates. However, those problems were solved. A solution was reached with respect to getting these two double-decker trains to pass each other without a fear of their colliding at the top. After that was solved there came the question of money.

During last winter and into the spring and summer of this year VIA Rail sat down with the consortium to work out the dollars and cents, as well as the design aspects involved. This summer an agreement was reached. The parties involved met with the newly-appointed Minister of Transport. We all appreciate that he was new to that portfolio and that he needed some time to understand not only the process to date but the process that would occur. Quite frankly, the Minister and his cabinet colleagues will have to determine whether or not the Government is prepared to pay the price which VIA and the consortium came up with.

For the last two weeks in the House my colleague, the Hon. Member for Regina West (Mr. Benjamin), and I have raised the matter with the Minister. We are clearly in support of it. I met with over 1,000 workers at Can-Car Rail just one week ago. They asked me to bring back a letter to the Prime Minister (Mr. Mulroney) in support of the project. I would like to read it into the record for Hon. Members. It states:

> Dear Mr. Prime Minister,
>
> This letter has been circulated on the shop floor of Can-Car Rail in Thunder Bay. The workers at this plant have been waiting now for many months for confirmation from your government that the contract for the construction of double-decker rail cars to replace VIA Rail's antiquated rolling stock will be awarded, in part, to us.
>
> I am sure you can understand that the release last week of a document showing that VIA is in serious financial trouble has caused us a great deal of concern about our own future. We want to say, Mr. Prime Minister, that we believe our future in this industry is largely dependent upon Can-Car Rail securing this contract.
>
> As Canadians, we believe that a viable national rail transportation system is a fundamental and necessary aspect of nationhood in Canada, and we believe that the upgrading of VIA's equipment, particularly the rolling stock, is necessary to maintain an effective and viable system.
>
> Therefore we are working along with our Member of Parliament, Ian Angus, to ensure that the contract we have been counting on for so long will soon be forthcoming. We ask that you make a public commitment to this effect as soon as posible.

Copies of this letter were delivered to the Prime Minister last week. I took the opportunity of asking the Minister in the House either what decision had been made or when it would be made. His response was that before too many suns and moons have passed he hoped to have an answer for me. Well, about seven suns have passed and perhaps a quarter of a moon. I encourage the Minister of Transport, who is here in the House today, to take the opportunity to ask me a question at the end of my remarks in which he can indicate that, yes, his cabinet colleagues have agreed and the announcement is forthcoming.

The last area I would like to delve into is with respect to a report commissioned by the federal Minister of the Environment (Mr. McMillan) along with his colleagues in British Columbia, Alberta, Saskatchewan and Ontario. It is a report entitled *Western Canadian Low Sulphur Coal, Its Expanded Use in Ontario.* When the report was released the Minister of Transport had some very positive things to say about the recommendations which it contained. For example, he said that it could result in significant benefits to the Canadian railways, Great Lakes marine carriers and transfer terminal operations. He said that the increased volume in coal traffic would stimulate rail efficiency which would lead to lower rail costs. He also indicated that any reasonable measure that can be taken to improve the competitiveness of western Canadian coal has his support.

When I finally had the opportunity to read the report I became very excited. I became excited for a number of reasons. The report was undertaken initially to see if one of the answers to our acid rain problem in Ontario, basically, and part of Quebec, was through the use of western Canadian low-sulphur coal. This is why the task force was put together and why a great deal of money and a great deal of time was spent doing research. The answer which the task force came up with was that, yes, it is one of the ways in which we can reduce acid emissions. Over and above that what I find exciting are the benefits which will flow to a large part of Canada as a result of adopting the recommendations in this report. I would like to give Hon. Members some examples in this regard.

If low sulphur western Canadian coal is used instead of installing scrubbers in Ontario Hydro plants and we continue to import at the same high levels—in fact even higher levels—high sulphur American coal, then we can create twice as many jobs in Canada. We will be able to bring in more than twice as much revenue to Canadians, with benefits reaching from British Columbia right through to Ontario and even into Quebec.

I would like to mention some specifics. Over-all, 101,000 person-years of employment would be created over the next 15 years which would bring in total incomes of $1.6 billion. In terms of British Columbia, from where the bulk of the coal will come, 28,000 person-years will be created with $444 million of revenue. In Alberta, 39,000 person-years will be created with revenue of $671 million. In terms of Saskatchewan, where there is a lower figure because of the type of coal there, there will be only 1,000 person-years with $12 million in income. For the Province of Ontario there will be created 14,000 person-years for incomes of $301 million.

I would like to wind up this part of my remarks by saying that it is an area that we have to look at because we in Canada will receive the benefits. We will have more people working. We will have more people paying taxes. Therefore it will be a revenue generator.

S.O. 21

The Acting Speaker (Mr. Paproski): Before I leave the Chair I would like to say that the Hon. Member's time with respect to debate has now terminated. He will have 10 minutes devoted to questions and comments when Orders of the Day are resumed after the Oral Question Period, if he is in the House.

It being one o'clock, I do now leave the Chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE DISABLED AND THE HANDICAPPED

RICK HANSEN'S GLOBAL JOURNEY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, last Sunday I met and welcomed our roving, rolling ambassador extraordinaire, Rick Hansen, in Montreal. Shaking his gloved hand, I could sense Rick's strength and the tenacity of purpose that has propelled him over 24,900 miles around our globe. I shared in his enthusiastic determination to raise public sensitivities and awareness to the potential of the disabled. His goal to establish a $10-million international trust fund for spinal cord research seems to be closer to reality today than when I visited with him and wished him good luck and farewell in Vancouver just two years ago.

Barriers are continually being challenged and overcome by wheelchair users. Physical access to buildings is improving. However, better psychological access to society through attitudinal change is needed as well. Too many people are still more conscious of the wheelchair than of the person in it.

The next few months of battling the Prairies in winter are going to be rough, but Rick Hansen is tough. Our prayers and thoughts will be with you, Rick, and we look forward to your arrival in Ottawa this weekend.

* * *

HISTORIC EVENTS

THIRTIETH ANNIVERSARY OF HUNGARIAN REVOLUTION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, today solemn services are being held in various communities across Canada to mark the 30th anniversary of the Hungarian Revolution and to remember those who lost their lives in that historic struggle for freedom. On October 23, 1956, the years of oppression by the communist regime culminated in an uprising and alerted the free world to the courageous struggle of the Hungarian people against totalitarianism and the suppression of freedom. The revolution was finally crushed by the Soviet army less than one month later on November 4.

In 13 days, between October 23 and November 4, thousands of citizens were killed while some 200,000 refugees left their homeland. Of these, 37,000 came to Canada to enrich our culture and to contribute to the greatness of our country. Canada, a country whose signpost is freedom, recalls this struggle today and joins in this very special remembrance.

* * *

ETHNIC AFFAIRS

ELECTION OF EAST INDIAN CANADIAN TO BRITISH COLUMBIA LEGISLATURE

Mr. Dan Heap (Spadina): Mr. Speaker, yesterday Mr. Moe Sihota was elected to the B.C. Legislature. Mr. Sihota is, I believe, the first Canadian of Indo-Pakistani origin to be elected to any Legislature in Canada.

The peoples of South Asia have come a long way in Canada since the *Komagatu Maru* with a shipload of would-be Indian immigrants was turned back from Vancouver Harbour in 1914 by a country with then clearly racist immigration laws. There are now 200,000 Canadians of East Indian origin living in Canada.

Mr. Sihota is a lawyer. Although he is only 31 years old, he has degrees in social work and in law. He was formerly a member of the UBC Board of Governors and ombudsman at UBC. He was formerly the President of the B.C. Young New Democrats. He is currently a member of the Esquimalt Municipal Council, and by yesterday's vote of 13,603 to 10,639 he is a member of the New Democrat caucus in the B.C. Legislature.

* * *

AIR CANADA

DISCONTINUANCE OF DIRECT EDMONTON-OTTAWA SERVICE

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I want to bring to the attention of the House a regressive and unacceptable decision which was taken by Air Canada. The airline is slashing direct flight service between Edmonton and Ottawa, thus relegating the City of Edmonton to second-class status. What was once a four-hour direct flight can now be an exhausting and time-consuming seven-hour marathon which stops not only in Toronto but also in, God bless us, Calgary.

Transportation and communication links lead to economic activity, they do not follow it. Thus, Air Canada, by this totally unwarranted act is dealing another body blow to an already struggling Alberta economy.

How does Air Canada defend this insensitive and needless decision? It does so by claiming that this will lead to better use of its aircraft. My direct observation is that these flights have nearly always been fully booked. Indeed, at times it is difficult to get on a flight.

By arranging its flights to suit its own convenience rather than placing its customers first, Air Canada is being irresponsible. As for myself, I will now fly Air Canada only as a last, unavoidable resort. I have strongly urged others to boycott the airline until this reprehensible decision has been reversed.

* * *

WELFARE

NATIONAL COUNCIL ON WELFARE'S REPORT ON POVERTY

Mr. Sergio Marchi (York West): The report by the National Council on Welfare has provided further evidence of the growing disparity between the rich and poor in Canada. The report outlined that there were close to 4 million Canadians, or 16 per cent of our population, living in poverty. This is more than in 1980. The results also showed that one child in five is growing up in poverty; that single mothers are five times more likely to be poor than families with two parents; and that 60 per cent of female single-parent families are poor.

• (1405)

The Tories continue to peddle the myth that all is well in the land, and that the economic tide is propping up everyone's boat equally. Brutal statistics tell a tale of two cities, a tale of two Canadas, a tale where food banks are on the rise and the line-ups are getting longer. There is nothing more humiliating and degrading to a human being than to stand in line for a daily piece of bread. Regrettably, this is a reality. The sooner the Government recognizes it, the closer we will be to successfully combating poverty across all regions.

* * *

[*Translation*]

NATIONAL SMALL BUSINESS WEEK

DYNAMISM OF ENTREPRENEURS IN LOTBINIÈRE CONSTITUENCY

Mr. Maurice Tremblay (Lotbinière): This being Small Business Week in Canada, Mr. Speaker, I should like to lay special emphasis of the dynamic spirit of our entrepreneurs in the riding of Lotbinière. Their significant contribution to regional economic development and job creation being essential, their achievements deserve praise.

First and foremost, Mr. Speaker, I can assure you that Small Business Week will not go unnoticed in Lotbinière. For starters, the Bois-Franc Chamber of Commerce will hold a one-day convention and play host to businessmen. In addition, the regional economic organizations in the riding are taking this opportunity to compile a survey of the activities of our entrepreneurs. Among other things, the territory covered by the Bois-Franc Economic Development Corporation reported an increase of 411 jobs over last year and was instrumental in the establishment of 24 new business concerns. For its part the territory covered by the Lotbinière MRC added eight new companies to its list and thus created 223 new jobs, not to mention the expansion of existing businesses.

Mr. Speaker, I am proud to tell the House about the constructive achievements of small business in Lotbinière, and I can only encourage their representatives to keep up the good work, and to assure them of my full support.

* * *

[*English*]

FINANCE

NON-PAYMENT OF INCOME TAX BY ARGUS AND POWER CORPORATIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, today Argus and Power Corporations are the recipients of the eighth and ninth great untaxed corporation awards. Generous Liberal and Conservative tax expenditures allowed Argus the right to receive tax credits instead of paying taxes in 1983, 1984, and 1985, on profits totalling tens of millions of dollars.

An Hon. Member: Shame, shame!

Mr. de Jong: Power Corporation received generous tax credits in 1981, 1982, and 1985, and was allowed to pay no taxes in 1983 and 1984 on hundreds of millions of dollars of profits. Had the tax system been fair and equitable and these two companies been required to pay a tax rate of 25 per cent on their profits, Canadian taxpayers would have had their tax bill reduced by $118.7 million because of these two companies alone.

* * *

CANADA POST CORPORATION

REMOVAL OF MAILBOXES FROM TORONTO STREETS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, Canada Post has once more earned the wrath of the customers it is supposed to serve. Residents of Parkdale—High Park are furious over the removal of mailboxes from their neighbourhoods. Across Toronto 700 mailboxes have been removed and the increased distance between post-boxes is creating both inconvenience and frustration. This high-handed action on the part of Canada Post is further evidence of the lack of regard the Corporation has for its customers.

The Canadian public is entitled to fast, efficient service. What we see are rate increases, service cuts, deficits and excuses. Proposals to cut mail delivery and pick-up services are infuriating Canada Post's customers and time is running out on their patience for footing the bills while getting the boot. I call on Canada Post to return the mailboxes to Parkdale—High Park and get on with the job of serving the Canadian public.

* * *

PENITENTIARIES

COST OF CONSTRUCTING PRISON IN MANICOUAGAN RIDING

Mr. John Nunziata (York South—Weston): Mr. Speaker, $41 million—think about it for a minute, Mr. Speaker—is the amount of taxpayers' dollars that are literally being frittered away because the Prime Minister (Mr. Mulroney) wants to play sugar-daddy to his constituents in Manicouagan.

• (1410)

The Auditor General pointed out yesterday that there was absolutely no need for a protective custody prison in Baie Comeau or, for that matter, anywhere in Quebec. Yet the Solicitor General (Mr. Kelleher) rose yesterday and directly contradicted the Auditor General. Other Ministers of the Crown have attacked the integrity, impartiality, and objectivity of the Auditor General. It is inexcusable that that should be done.

It was also revealed today by the Auditor General that the Prime Minister (Mr. Mulroney) had a member of his own staff sitting on the construction task force to oversee the construction of the Port-Cartier prison. It is obvious why that individual is there—to further the goals of the Prime Minister to continue to porkbarrel in his own riding and to ensure that contracts are given to his friends.

* * *

[*Translation*]

PUBLIC ACCOUNTS

IMPROVEMENT IN MANAGEMENT OF PUBLIC FUNDS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, glancing through the report tabled yesterday by the Auditor General, I was pleased to see that he is aware of the Conservative Government's resolve to reduce public outlays even more.

Although he was careful not to comment on specific political programs or trends, he did say he was particularly pleased to receive the February 1986 note concerning tighter resources management which was sent to all deputy ministers and heads of agencies.

He went on to say that the course steered by the Government with respect to resources management is along the line of his earlier recommendations.

Yesterday Mr. Dye expressed satisfaction with our commitment towards improved accountability and better management.

Mr. Speaker, there is no doubt that the Government firmly intends to stabilize the management of public funds, and I am pleased that the Auditor General has publicly acknowledged our initiative. All economic indicators are positive and at last we can see the light at the end of the tunnel.

* * *

[*English*]

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF LIBERAL PARTY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I am making this statement today on behalf of the Liberal trade critic. It is what he would like to say to his Leader but cannot: "Please, please, tell me what is going on. On Monday I called for the suspension of free trade talks after the U.S. lumber tariff. Yet, on the same day, you said that to walk away from the talks now may unleash damaging countervailing action against us. It was bad enough when the Liberal spokesperson for External Affairs wrote an article in *The Gazette* of Montreal late last year endorsing the Macdonald Commission, but now the confusion is complete. That leaves us with a policy for everybody—pro, con, and in the middle—but it also leaves us looking exceedingly foolish".

* * *

INCOME TAX

AUDITOR GENERAL'S CONCERN FOR SYSTEM

Mr. Alan Redway (York East): Mr. Speaker, in his report released earlier this week the Auditor General pointed out his concern for the integrity, fairness, and credibility of our income tax system.

The Government takes these concerns very seriously. During the past two years it has ended tax loopholes such as the scientific research tax credit, hotel and recreational vehicle tax shelters, carve-outs, and income splitting. In addition, the Government is phasing out the investment tax credit and the inventory allowance.

This past July the Minister of Finance (Mr. Wilson) announced a comprehensive tax reform review, upon which he expanded this morning. It is aimed at eliminating corporate tax expenditures and reducing personal income tax rates.

These quick and positive actions clearly demonstrate the Government's concern with fair and effective control of taxpayers' dollars.

* * *

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express concern with regard to the awarding of the CF-18 contract by the Department of Supply and Services. Yesterday I raised in the House the fact that the former Minister of Supply and Services interfered in the bidding process of the Department of Supply and Services, thereby changing the established programs of that particular Department.

I raise this point because the Minister who represents Atlantic Canada has abdicated his responsibilities, not only to his constituents in Halifax but to all constituents in Atlantic Canada. This particular Minister, on orders from either above or from various other Ministers, has changed the process. It is very clear that the bidding process, the integrity of the bidding process and, indeed, the merit principle which has been so much applicable, if you will, to the Department of Supply and Services, has now been done away with. It is blatant, political porkbarreling by the Government of Canada to award its friends, to the detriment of regions less fortunate, like those in Atlantic Canada.

* * *

[*Translation*]

PUBLIC ACCOUNTS

AUDITOR GENERAL'S OBJECTIVES

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, as Deputy Chairman of the Standing Committee on Public Accounts, I would like to draw the attention of the House to the positive elements in the Auditor General's sixth report.

As you know, the criticism voiced in this report was both judicious and appropriate. We realize what has to be done and we are convinced the Government intends to pursue even further the objectives set by the Auditor General. We have been submitted a program and we all intend to act on that program as responsibly as we have done so many times in the past.

I may point out that this Government has even made considerable progress in controlling the public accounts. It has made sure that past audits are followed up. In fact, the Auditor General praised the present Government's philosophy which centres on the need for tighter resource management.

Mr. Speaker, Canadians voted for a change on September 4, 1984.

• (1415)

[*English*]

Canadians asked for a significant change, Mr. Speaker, and significant changes are in the report.

ORAL QUESTION PERIOD

[*Translation*]

AUDITOR GENERAL

COMPETENCE OF OFFICE HOLDER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. Three Ministers have challenged the accuracy and competence of the Auditor General with respect to the prison in Port-Cartier.

Both the Solicitor General and the President of the Treasury Board have denied factual statements made by the Auditor General, and the Minister of State, the Deputy Prime Minister's neighbour, even said that he had grave doubts as to his competence.

Does the Deputy Prime Minister agree with his three colleagues who challenged the objectivity and integrity of the Auditor General, who is directly accountable to Parliament?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we never challenged the Auditor General's comments. What we challenged was the false interpretation the Opposition gave of many of the tables, comments, figures and data presented in the otherwise excellent report by the Auditor General.

[*English*]

ROLE OF AUDITOR GENERAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we understood that when the Prime Minister was not here, and we understand why he is not, that the Deputy Prime Minister would be the chief operating officer and I hoped he would respond to these questions. I will leave it to Maz., Mr. Speaker.

The Auditor General has caught the Prime Minister with his hand in the cookie jar.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The response of the Government is to have three Ministers attack the credibility of the Auditor General. This is just not another public servant whom the Government can malign. This is an officer of

Parliament, responsible to the taxpayers of the country through Parliament, and I want an answer from the Deputy Prime Minister as to what is in line here. Are we trying to undermine one of the parliamentary officers?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, when a Government has competent Ministers, the Prime Minister or a Deputy Prime Minister does not have to act on their behalf. We have competent Ministers. They speak out, and they speak out with clarity.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: What we are dealing with here, and simply to back up the President of the Treasury Board, is more Liberal distortion.

REQUEST FOR WITHDRAWAL OF MINISTERS' STATEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, not at all. We have the Auditor General saying that the Prime Minister wasted $41 million of the taxpayers' money, and the response of the Government is to attack the Auditor General.

Mr. Clark (Yellowhead): That is a falsehood.

Mr. Turner (Vancouver Quadra): I want the Deputy Prime Minister, on behalf of the Government, to say that he wants those three Ministers to withdraw the statements attacking the Auditor General.

• (1420)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I suppose we could talk about the swashbuckling style of the Liberals which provoked the Auditor General's ire as well. That is why we suggest he has made a comprehensive and objective report. We certainly do not find any difficulty with that. We do find difficulty with the distorting and twisting kind of interpretation that some Liberal Members are putting on the report.

CONSTRUCTION TASK FORCE—REPORTED PARTICIPATION OF PMO STAFF MEMBER

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the Prime Minister's prison. It was revealed today that a member of the Prime Minister's staff has been sitting on a task force overseeing construction of the Port-Cartier penitentiary. Can he confirm that, and indicate that person's function on the task force? Would he also not agree that this is further evidence of political interference by the Conservative Government?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that apparently the Auditor General was referring to a planning implementation committee set up in accordance with the requirements of Chapter 140 of the Administrative Policy Manual of the Treasury Board. I might add that the committee was set up several months after approval of the Port-Cartier project.

NEED FOR PRISON—AUDITOR GENERAL'S REPORT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary is directed to the Solicitor General. In view of his conversation with the Auditor General last evening, is he now prepared to admit that the Auditor General is right when he says there is no need for a protective custody prison at Port-Cartier?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, that is quite correct, the Auditor General did call me. I did not call him. Mr. Dye and I agree with the figures contained in his report at paragraph 7.51. That shows a surplus of 30 protective custody beds. That figure includes the 250 protective custody beds to be built at Port-Cartier. If you do not build Port-Cartier you are going to have a deficit of 220 protective custody beds, so obviously there is a need for that prison.

Some Hon. Members: Hear, hear!

* * *

FINANCE

NON-PAYMENT OF INCOME TAX BY CORPORATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance. He will be aware of the information we brought to the House a few weeks ago that 64 Canadian companies with profits of over $25 million per annum paid no income tax in 1983. We have new information today that in that year there were only 252 Canadian companies with profits in that range.

Given the evidence that one in four Canadian companies having more than $25 million in profits paid no corporate income tax, can the Minister tell us why he simply announces more consultations on tax reform rather than undertaking to bring in measures in next February's Budget which will ensure that those corporations pay their fair share in taxes?

Hon. Michael Wilson (Minister of Finance): First of all, Mr. Speaker, I do not think there is anyone in this country who would criticize the Government for consulting about something as large and comprehensive as tax reform. I again draw the attention of the Hon. Member to what I have said to him time and time again, and it has not got through his head, that we have acted. We acted in October, 1984, to change the rules on limited partnerships. We changed the rules on the scientific research tax credits and subsequently eliminated them. In the last Budget we eliminated the inventory allowance and changed the investment tax credit. Those four items are contributing factors to the figures which the Hon. Member

has mentioned in the course of his question. We have acted in these areas and we are going to act again in the future.

[*Translation*]

NEED FOR TAX REFORM—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary. Could the Minister of Finance explain why he is not prepared to take measures with respect to companies that are making profits—and there are 80,000 of them—and why he is not prepared to promise there will be some action in his next budget in February, instead of following his party's policy of deferment? Both the Auditor General and Canadian taxpayers agree on the need for immediate tax reform.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member put his question without having listened to the answer I gave to his first question.

• (1425)

[*English*]

He did not listen. He is not listening. I have said time and time again that we have acted and addressed, in part, the problems that he has raised. We have introduced this comprehensive tax reform proposal to continue the good work we have already been doing.

Mr. Gauthier: Raising taxes mostly.

Mr. Wilson (Etobicoke Centre): The Hon. Members on the other side are critical of the good work we have been doing—

Mr. Speaker: Order. The Hon. Member for Ottawa Centre.

BUSINESS TRANSFER TAX INQUIRY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, today the Minister all but announced that the Government will introduce a new form of sales tax which he calls the Business Transfer Tax. Canadians can expect to pay a major increase in sales tax through that new tax. What is the use of putting a few pennies into their front pockets by reducing personal income tax if you are going to take a lot more out of their back pockets by means of this new sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I guess we will have to get used to this distortion. When we have something as complex and as comprehensive as tax reform, it is very easy to pick and choose, to cherrypick those things which are going to distort the whole purpose of tax reform. I said in my comments this morning that we are going to increase the tax load on corporations. I also said that we are going to expand on the very progressive element of tax reform that we announced in the last Budget, namely, the refundable low-income sales tax credit. Those are very important parts of tax reform and I ask the Hon. Member not to distort the issue by ignoring those very positive elements.

PENITENTIARIES

PORT-CARTIER PRISON CONSTRUCTION CONTRACT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the President of the Treasury Board. It concerns the awarding of contracts at Port-Cartier. Yesterday in the House the Minister said: "The usual call to tender procedure was followed in this case". In view of the fact that the Treasury Board guideline, Article 310, Section 8, very clearly states that sole source contracts can only be given where there is a pressing emergency in which delay would be injurious to the public interest, will the Minister now retract his statement of yesterday and admit that no tender was issued in the case of property management and the preliminary site plan, and admit to the House that the rules were not followed as required by Treasury Board?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have no intention of withdrawing what I said yesterday. In fact, I may inform Hon. Members that to the best of my knowledge, all the criteria set by Treasury Board were met in awarding contracts for the Port-Cartier prison.

REQUEST THAT MINISTER WITHDRAW STATEMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, since this morning the Auditor General said publicly that he did not think there was a pressing emergency, in referring to the construction of a prison at Port-Cartier, will the Minister finally admit that the action taken by him and his colleagues goes against the rules of his Department and decide to withdraw what he said yesterday in this House, since there has been a very clear breach of the rules?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, if I understand correctly, I was asked three questions. The answers are as follows: No, no and no!

* * *

[*English*]

FINANCE

PAYMENT OF TAXES BY CORPORATIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Finance. On repeated occasions the Minister has taken great credit for how the Government has plugged up the various tax loopholes. Will he give us assurances that one-quarter of the most profitable companies in Canada today are paying their fair share in taxes, instead of paying no taxes at all, like in 1983? Are they paying taxes today?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member can read the statistics as well as I can. We have said that one of the key objectives of this tax reform is to

make sure that profitable corporations are paying their fair share of tax. I look forward to the support of the Hon. Member in that objective.

REQUEST FOR EARLY LEGISLATION

Mr. Simon de Jong (Regina East): Mr. Speaker, I will give the Minister the assurance and total support if he brings in legislation in his next Budget. Why wait for 1988 and 1989? Why not introduce such measures in the next Budget to make certain that all corporations making more than $25 million in profit a year pay their fair share? I will give him that assurance. Why not bring it down in his next Budget rather than wait for 1988?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member listened to the answer that I gave twice to his colleague. We have already acted. We acted in October of 1984, in May of 1985, in July of 1985, in February of 1986, and I think it was July of 1986. Surely the Hon. Member can recognize that steps have been taken to deal with the problem we inherited from the previous Government. We have taken action and the results will show up very clearly.

* * *

• (1430)

PENITENTIARIES

PORT-CARTIER PRISON—AUDITOR GENERAL'S REPORT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Solicitor General. The Minister in answering questions put by the Hon. Member for York South—Weston continues to contradict and challenge the competence of the Auditor General of Canada. Does the Minister not realize that, as recently as this morning, the Auditor General reconfirmed the finding contained in his report where he said that the decision to build the institution at Port-Cartier, instead of at Drummondville, cannot be justified on the basis of need?

Mr. Clark (Yellowhead): What is the question?

Mr. La Salle: It's the same question.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am a little at a loss. I would like to know what the question is.

An Hon. Member: There was no question.

Mr. Tobin: Mr. Speaker, I would be glad to repeat my first question since the Minister was not listening.

Mr. Dingwall: Typical of the Tories—

Mr. Tobin: Does the Minister not realize—

Mr. Dingwall: And the Deputy Prime Minister.

Mr. Tobin: —that in answering questions put by the Hon. Member for York South—Weston he continues today to challenge and contradict the competence of the Auditor General, who, as recently as this morning, reconfirmed his—

Mr. Speaker: Would the Hon. Member put his question? The Minister has asked that the Hon. Member put his question again. Would the Hon. Member put the question?

Mr. Tobin: Mr. Speaker, the Minister could not understand my question when I put it fully last time. I thought I had to repeat it fully.

Mr. Clark (Yellowhead): Come on. Order.

Mr. Crosbie: Ask the question, if you have one.

Some Hon. Members: Question.

Mr. Tobin: How can the Minister say—

Mr. Clark (Yellowhead): What's the question?

Mr. Tobin: —he is not contradicting the Auditor General—

An Hon. Member: Joe who?

Mr. Tobin: —when the Auditor General again today said the decision to build the institution at Port-Cartier cannot be justified on the basis of need?

An Hon. Member: Joe who?

Mr. Kelleher: Mr. Speaker, I can give a very short and simple answer to my hon. friend. I am not contradicting the Auditor General, I never have, and I am not, here today. I am accepting the report he gave—

Mr. Gauthier: Sit down while you're ahead.

Mr. Kelleher: —in which he showed a surplus of 30 protective custody beds.

Ms. Copps: You are gone.

Mr. Gauthier: Going.

An Hon. Member: Gone.

Mr. Kelleher: I agree with that. But it includes Port-Cartier. If you take that away, there is a very large deficit, hence the need for Port-Cartier.

Mr. Tobin: Supplementary.

Mr. Speaker: The Hon. Member for Essex—Windsor.

Mr. Langdon: My question is directed to the Minister for International Trade.

Mr. Tobin: If the Minister is asleep and not here today, do I have to suffer? He should take a wake-up pill.

TRADE

UNITED STATES CUSTOMS SURTAX

Mr. Steven W. Langdon (Essex—Windsor): The Government claims that a U.S. free trade agreement will solve problems like the new customs surtax which has been imposed on us. Is the Minister aware that the only country to have a free trade agreement with the United States, that is, Israel, has also been zapped with this tax? Does that not completely demolish the Minister's arguments?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I would suggest that it reinforces our argument, particularly since we are each other's largest trading partner. I may point out, as the Hon. Member has himself, that this move by the U.S. affects all U.S. trading partners. That is why we are taking it to the GATT Council on Monday.

CANADIAN RESPONSE TO LUMBER TARIFF

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, how can the Minister go to Boston and say the lumber attack, the tariff on lumber, is an attack on our sovereignty and yet take action only through the U.S. courts and the U.S. appeal system? Why are there no strong Canadian moves to try to counter this tariff?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I suppose I have not had a chance—and I welcome the opportunity the Hon. Member has given me—to point out that the stand taken to fight the softwood lumber tariff was a stand decided on by all 10 Canadian provinces, including the four provinces affected, by the IWA, who had representation at our meeting this week, by the industry spokesman, and by the federal Government. So the answer to the Hon. Member's question is simply that the stance we have chosen to adopt is supported 100 per cent by all the parties involved.

* * *

FINANCE

SALES TAXES—EFFECT ON DISPOSABLE INCOME

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. This morning the Minister spoke of relying more on sales tax revenue in order to reduce personal income tax rates. Since the Government has raised sales taxes three times in 18 months and Canadians are paying $3.5 billion more a year in sales taxes as a result, will the Minister tell the House why Canadians should look forward to lower income tax rates and more take home pay if it only means the Government is going to tax away their disposable income through higher sales tax and a broader sales tax base?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the question the Hon. Member has just put is almost identical to one which was just asked by the real Opposition, the New Democratic Party.

What I would ask the Hon. Member to consider when she asks the question, is the importance of the low income refundable sales tax credit which is an integral part of the reform of the sales tax itself.

PERSONAL TAXES—REQUEST FOR ROLLBACK

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister speaks of low-income Canadians whose personal taxes will be rising 27 per cent over the next two years as a result of his last two Budgets. Does the Minister intend to roll back those increases? Is that included in the concept of fairness he spoke of this morning?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I include in my concept of fairness is the increase in the child tax credit, the acceleration of the payment of the child tax credit, the introduction of the low income sales tax credit to which I just referred, the movement of $100 million to help people who are on welfare now to get back into the job market. All of these questions related to taxation are going to be included in the review because it is comprehensive tax reform. We are not going to pick and choose. We are not going to identify just those areas the Hon. Member would like to pick out and try to embarrass us on.

The whole point is to look at the broad question of tax reform and the balance. It is the balance which is important here.

* * *

INSURANCE

LIABILITY INSURANCE—REQUEST REINSURANCE MARKET BE ORGANIZED

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of State for Finance. Although insurance is primarily a provincial responsiblity, there is a liability insurance crisis facing Canadians and all of us are concerned. Will the Minister agree to take a leadership role in solving this problem and help to organize a reinsurance market in Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I commend the Hon. Member for raising this very important issue. I sympathize with the problem. I want to say that I feel it is very important that all Canadians have affordable insurance.

Mr. Blackburn (Brant): Hurrah!

Mr. Cassidy: What is the Government's position?

Mr. Hockin: Not only do we have Bill C-8 before the House, which is in place to strengthen the solvency of the

industry in the long term, but in the short term—yesterday, for example, and today at noon—I have been meeting constantly with members of the industry—

Ms. Copps: Order.

Mr. Speaker: Order, please.

* * *

TRADE

UNITED STATES IMPORT SURTAX—PROVISIONS OF EMPLOYMENT SUPPORT ACT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister for International Trade. When the United States last imposed protectionist laws against Canada in 1971, this country passed an act called the Employment Support Act which at that time safeguarded 22,000 jobs against U.S. import surcharges. Will the Minister now use this law to protect the workers who are about to be laid off in Canada's lumber industry?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I undertake to examine the law in question to see if it is appropriate.

LUMBER INDUSTRY LAY-OFFS AT THUNDER BAY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, perhaps the Minister could tell the House and the workers in the lumber industry what specifically the Minister is going to do to assist, for example, the 20 per cent of the workforce in Thunder Bay in the lumber industry who are to be laid off on November 3. What action will the Minister and the Government be taking on their behalf?

• (1440)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Government is taking action in concert with the provinces, the industry, and the union to seek to reverse this preliminary decision. It is a preliminary decision. The process allows for verification of the facts as presented. All the parties to the dispute have decided to seek to reverse the decision when it is finally handed down some time in December.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

INQUIRY WHETHER AGREEMENT EXISTS TO REDUCE NUMBER OF FRANCOPHONE EMPLOYEES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the President of the Treasury Board and concerns the decision of the RCMP to lower the percentage of French-speaking officers from 20 to 14 per cent. In his reply on October 16, the Minister said the following, as reported on page 428 of *Hansard*:

—discussions that never received the approval of the Treasury Board or Cabinet.

Does the Minister know whether there has been an agreement in principle between the management of the RCMP and the Secretariat of the Treasury Board on this policy to reduce the proportion of French-speaking personnel from 20 to 14 per cent?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as the Hon. Member has said, and I believe that he quoted accurately what I said a few days ago, there have been discussions between officials of the RCMP and officials of my Department to try to agree on lowering the target for francophone members of the RCMP. As I said at the time, this agreement or discussion between officials has not received the approval of the Treasury Board required for it to become Government policy. I can assure the House that we shall want to review such a decision very closely because we have no intention of relaxing our efforts to strengthen the francophone presence in the Canadian Public Service.

REQUEST FOR EXPLANATIONS CONCERNING LETTER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, if there has been no agreement in principle, and the Minister used the words "agreement" and "discussion", I think that we should have a clarification of the terms employed. How can the Minister explain the correspondence exchanged June 13 between the Commissioner of the RCMP, Mr. Simmonds, and the Special Advisor of the Treasury Board, Mr. Aquilina, in which the following was said:

[*English*]

Since it was agreed, at the January 10th meeting, that it would be to our mutual advantage to formalize the agreements reached—

[*Translation*]

Mr. Speaker, this looks like a rather firm agreement in principle to me. How can the Minister explain this letter?

Hon. Robert de Cotret (President of the Treasury Board): Very simply, Mr. Speaker. There are discussions daily between the officials of various Departments. If the Hon. Member wants to have an answer, he should at least give me an opportunity to reply. Such decisions and discussions occur regularly, but they are not discussions among elected representatives in a position to make Government decisions. There has been no Government decision which could weaken the efforts of this Government as concerns official languages.

[*English*]

AGRICULTURE

EFFECT OF UNITED STATES LEGISLATION ON CANADIAN GRAIN GROWERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Deputy Prime Minister or the Minister of Agriculture. The Institute of Agrologists in its farm task force report in Ontario has estimated that the harm done to Canadian grain growers due to the U.S. Farm Bill will be in excess of $4 billion this year, a figure similar to that which was arrived at a month or so ago by the Prairie Pools. Given the Government's stated policy of consultation with farm groups and provincial Governments on emergency aid, why has the Government arbitrarily picked the $1 billion figure as a limit to which it will go in terms of assistance when it knows that more than $4 billion will be required?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am aware of the study to which the Hon. Member refers. Indeed, I have seen two or three other studies and calculations. We do not run over a cliff or head off into the sunset by $3 billion or $4 billion. The $4 billion figure was arrived at by making a direct comparison of the support American farmers receive from Washington with the support Canadian farmers receive from both federal and provincial sources.

As I have said before, the fact of the matter is that it would be totally and completely irresponsible for any elected public official, regardless at what level of government he or she may be in, to suggest—indeed, to mislead—Canadian farmers to believe that we in Canada have the financial resources to take on Washington. The truth of the matter is we do not. Farmers understand that.

COMPENSATION FOR FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since bank depositors with over $60,000 were given 100 per cent compensation about a year ago by the Government, can the Minister explain why farmers are only being given about one-quarter of what their sustained losses will be?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I will say again that if the Hon. Member were to examine the record he would see that this is the largest single farm-aid package ever delivered by any Government in the history of our country.

Some Hon. Members: Hear, hear!

Mr. Wise: We have to recognize that agriculture is a joint and shared responsibility. I want to compliment the provinces for the contributions they have made. I hope that when they establish their priorities they will be in a position to add supplementary funds to this contribution.

NATIONAL RESEARCH COUNCIL

SENIOR MANAGEMENT—MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Minister of State for Science and Technology who, in the House yesterday, threatened and questioned the integrity of senior management of the National Research Council by saying:

> I have offered to intervene personally for the employees wherever I can, but I cannot give the same kind of assurance to some of the senior management who have fed the Hon. Member some of this information which is less than truthful.

I ask the Minister to withdraw immediately this threat, and confirm that he has complete confidence in the integrity and ability of senior management of the National Research Council.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, yesterday the Hon. Member admitted that some of the testimony he adduced in the House did not coincide with the facts. What he is telling me now is that perhaps he twisted the facts and that he received accurate information.

REQUEST THAT MINISTER APOLOGIZE TO MANAGEMENT

Mr. David Berger (Laurier): Mr. Speaker, I again ask the Minister to apologize to the senior management of the National Research Council and to withdraw the threat and the comments that he made yesterday regarding the integrity of senior management of the NRC. Can the Minister unequivocally confirm that public servants have the duty to provide all Members of Parliament with factual information about the activities of government?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, it is precisely what I had in mind when I made comments about the testimony that had been adduced in the debate. I will review what I said yesterday. If I said anything that could be harmful or that could impugn the motives of the senior management of the NRC then, of course, I will apologize.

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FISHERIES

ALLEGATIONS OF ILLEGAL BLACK MARKET FISHERY IN NOVA SCOTIA

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Allegations have been made that thousands of tonnes of groundfish—between 30 per cent and 50 per cent above and beyond federal quota—have been caught, landed, processed, and sold in the U.S. market. Can the Minister confirm whether such a black market fishery exists and is threatening the health of the stocks?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I tell the Hon. Member for Cape Breton Highlands—Canso that there is no evidence of any black market fishery in the Province of Nova Scotia. I have examined the basis of calculation on which the provincial Department of Fisheries makes this allegation and I find that it is seriously in error. While there will always be some modest degree of misreporting in the fishery, most fishermen do report their landings accurately since they know that this is the ticket to their own future. Furthermore, they know that the law requires accurate reporting.

* * *

[*Translation*]

NATIONAL DEFENCE

POSSIBILITY OF ESTABLISHING TEST RANGE IN QUEBEC—IMPACT

Ms. Lynn McDonald (Broadview—Greenwood): The Minister of National Defence being absent, Mr. Speaker, I will direct my question to the Acting Minister.

Is the Minister aware that the people in the Saguenay—Lac-Saint-Jean region have been trying for the past three and a half years to express to the Government their concern about the setting-up in their region of a test range for F-18 aircrafts?

Does the Minister realize that the impact study carried out by the Department of National Defence has totally ignored the social and economic criteria raised by the citizens of that region?

What is the Government planning to do to meet the concerns of these people?

• (1450)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will have to take the question as notice and bring it to the attention of the Minister of National Defence. From my previous incarnation, I can say that we had a process in place of working very closely with the people of that region. I know that the Member of Parliament from that region was very closely involved and things were going along smoothly. I am surprised to hear the representation of the Hon. Member but I will ensure that my colleague is made aware of it.

Mr. Speaker: The Hon. Member for Broadview—Greenwood. One short supplementary.

QUESTIONS RAISED BY LOCAL RESIDENTS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, why has the Government failed to respond to the questions raised by the people in the area since last April, questions brought to the Government by the Quebec Inter-Ministerial Committee, on the test range? Will the Government stop the tests until—

Mr. Speaker: Order, order.

Ms. McDonald: —the coming inquiry—

Mr. Speaker: Order.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I indicated, I will bring the representation of the Hon. Member to the attention of the Minister. From my experience, I think the tone indicated by the Hon. Member is inappropriate. There is a great deal of co-operation, and the people in the region are in fact enthusiastic about having that test range there because of the jobs and economic benefit it brings.

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe. One short supplementary to his previous question.

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PENITENTIARIES

PORT-CARTIER PRISON—AUDITOR GENERAL'S REPORT—MINISTER'S STATEMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. Does the Deputy Prime Minister agree that when the Minister of State and former Minister of Public Works said of the Auditor General that he doubts his capacity, the Minister in fact called into question the competence and integrity of the Auditor General of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Government is not calling into question the competence of the Auditor General. What is creating a haze over the integrity of the Auditor General is the jargon and distortion that we are getting from that side of the House.

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INDIAN AFFAIRS

SERPENT RIVER BAND—CHEMICAL CONTAMINATION OF RESERVE LANDS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. As the Minister knows, the Auditor General's Report criticized severely the capacities of his Department in the area of land management. I would like to refer the Minister to a specific example, that of the Serpent River Band. For 23 years this band has had a chemical soup

brewing on its reserve because no clean-up clause was included. Will the Minister guarantee to the band that the clean up of that 25-year-old problem will begin next spring?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very pleased to inform the Hon. Member that something that has gone on as long as the chemical waste disposal on the Serpent River Band land is now under discussion with the leadership of the band. I have had discussions with the leadership as well as with Rio Algom. I have had discussions with the operating Vice-President of Rio Algom, and discussions between Rio Algom and the band are taking place now on the use of Rio Algom for a dump site. These discussions are ongoing.

START OF CLEAN-UP OPERATION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I thank the Minister for that assurance, however limited. Will the cleanup begin next year and will the Minister guarantee that the funds for the cleanup will not be taken from other accounts designed to benefit the Indian people of Ontario?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member knows that there are dollars allocated within a region. I will have to review that, but before a commitment can be made we must have the agreement of Rio Algom to use its site for disposal.

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DISASTERS

CHERNOBYL REACTOR ACCIDENT—DISPERSAL OF CESIUM

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Recent American laboratory studies show that the Chernobyl nuclear accident emitted as much long-term radiation in the form of cesium into the world's air, topsoil, and water, as all the nuclear atmospheric tests and bombs ever exploded. What is the Government doing to monitor and protect the people of Canada from this potential danger?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, regarding the testing done by the Lawrence Livermore National Laboratory in California, it is the Department's assessment that that is a credible laboratory. In terms of the study, we have not assessed whether or not that release would be on site at source or would be affecting Canada, but I can tell the Hon. Member what is happening in Canada. Monitoring is taking place continuously. I can assure the Hon. Member and all Canadians that, as recently as this week, our monitoring showed that we do not have any reason to believe that the fallout in Canada is not within acceptable levels as we indicated earlier closer to the time of the Chernobyl accident.

ENERGY

INDUSTRY'S LOSS OF JOBS IN ALBERTA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and concerns the desperate situation of the petroleum industry. Almost 50,000 jobs have already been lost in the industry this year and it is projected that 20,000 more jobs will be lost this winter. The Minister has refused to participate with Alberta in a cash flow stabilization program for the industry and particularly for small producers. Could the Minister indicate how many more thousands of jobs have to be lost before the federal Government will act by assisting Alberta in establishing such a program?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am well aware of the employment related problems which Canadians are experiencing in the energy industry, especially in Alberta, and I sympathize with them.

However, there can be no solution to the energy crisis without a stabilization of the market as such. The problem is resulting from an oil glut which affects prices. The Government has already provided this industry with billions of dollars in tax money, something for which the industry has commended the Government.

[*English*]

SYNCRUDE APPLICATION FOR ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, perhaps I could be a little more specific. Syncrude has asked the federal Government to provide a guarantee agreement of $175 million to see a 20,000-barrel-per-day increase in production. Is the Government considering this, and is it willing to provide this assistance in view of the increased production and thousands of jobs it would create?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we have ongoing discussions with the provinces, especially Alberta, concerning the energy issues. Last Monday, I met personally with the Alberta Minister; although we have not addressed directly these issues, they are part of the discussions we are pursuing with the provinces.

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[*English*]

CANADIAN WHEAT BOARD

DOMESTIC PRICE OF WHEAT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister responsible for the Wheat Board.

Early in August the Cabinet set a new price range for domestically consumed wheat. At present the price being paid is at the minimum of that range. Can the Minister inform the House when the new domestic price will be set and if it will be set at the $10 level which was unanimously recommended by the special committee of the House?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Government presently has the recommendations of the committee under consideration. The Hon. Member will know that the price range that is presently being charged for wheat used domestically is the new price range. When the Government reaches a decision on what adjustments will be made, we will make the announcement.

RECOMMENDATION THAT PRICE OF BREAD BE MONITORED

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, when the increase recommended by the committee which the Government has suggested it would follow is put into place, will the Government or Consumer Affairs monitor the price of bread, cake and so on, as was also recommended by the special committee?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member will know that that was one of the things recommended by the parliamentary committee. The Hon. Member should also know that this is a very complex issue and that the Government is considering all factors, including how best to treat not only producers but consumers and processors as well. There are many jobs at stake and that is also a major consideration of the Government.

* * *

• (1500)

ENERGY

EFFECT OF NATIONAL ENERGY PROGRAM ON ALBERTA

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I would like him to inform the House if it were the case that the National Energy Program had never been put in place, Alberta would have some $56 billion more, there would be no need for a stabilization fund, and the unemployment experienced today would not in fact be taking place?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I have here a similar statement from the Vice President of Texaco Canada Resources. I do not want to read this statement, but I think the Opposition would be well advised to do so; the statement is along the same lines. The Government policy meets the needs of the oil industry.

[*English*]

EMPLOYMENT

ADJUSTMENT PROGRAM FOR OLDER WORKERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Labour. On February 26 in the Budget of the Minister of Finance, it was announced that a program for older worker adjustments would be put in place to replace the Labour Adjustment Benefits Program. The Minister informed the House which provinces had consummated a deal with the Government of Canada. Would the Minister inform the House what plans he has for the remaining provinces in order to get them onside?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as all Hon. Members know, this program was announced in the February Budget. The sum of $125 million was put toward this particular program. Negotiations are ongoing with all provinces. Personally, I have met with all my provincial colleagues, and officials are still fine-tuning the agreements that will hopefully be signed soon.

POSITION OF PROVINCES

Mr. Dave Dingwall (Cape Breton—East Richmond): My brief supplementary is to the same Minister. I certainly do not doubt his sincerity. Would the Minister confirm that the reason for the rejection by the various provinces across the country and the delay that they are taking is as a result of the Government of Canada's wishes that the provincial legislators pay the lion's share of the money with regard to the older workers' program? If not, would he explain to the House what plans he specifically has in place to establish a national program for older workers' adjustment?

Hon. Pierre H. Cadieux (Minister of Labour): There has been no rejection by any province as yet, and I do not expect that there will be any rejection. We are still negotiating.

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CROWN CORPORATIONS

AIR CANADA AND CANADIAN NATIONAL RAILWAYS—PRIVATIZATION INQUIRY

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to direct a question to the Minister of State for Privatization. Could she tell us whether her Department, any other Department of the Government, branch, or Crown corporation, has commissioned a survey to be made across Canada about the privatization and the selling of shares of Air Canada and Canadian National Railways? I urge the Minister to be careful about her answer.

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, as I understand it, the question has to do with polling on privatization of Crown corporations. To my

knowledge, there may have been some polling done but I cannot think off-hand of any recent surveys of the kind the Hon. Member is describing.

[*Translation*]

Mr. Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault), one question please.

* * *

NATIONAL DEFENCE

CF-18 MAINTENANCE CONTRACT—REQUEST FOR FULL DISCLOSURE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Deputy Prime Minister the following question: In view of rumours that have been around that tenders for the CF-18 maintenance contract have been tampered with, could the Deputy Prime Minister give us the assurance that when the awarding of the contract is announced, the whole matter will be cleared up, that all information will be given as to how tenders were processed?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to assure the Hon. Member that tenders have absolutely not been tampered with. The tender now before Treasury Board is identical in every respect other than the extension of the tendering date from August 31st to October 31st. That is the only change, but the tender itself is identical to the original one submitted to Treasury Board, and it is on that basis that a decision will be made. Moreover, when that decision is made, I will be very pleased to explain the Government's reasons, why that decision was taken in Canada's best interest.

* * *

[*English*]

POINT OF ORDER

ALLEGED UNPARLIAMENTARY REMARK

Miss Aideen Nicholson (Trinity): Mr. Speaker, my point of order arises from a remark by the Minister of Finance (Mr. Wilson) during Question Period. I do not have the "blues" in front of me. If I understood him correctly, the Minister of Finance said that I had asked my question in order to embarrass him. Imputing motives has long been considered unparliamentary. I hope that the Minister would see fit to withdraw his remark.

In view of the very positive remarks that were made at the beginning of this session by Hon. Members on both sides about wanting to have an improvement in civilized behaviour in the House, I do not think it fits in with that spirit when a serious question from an Hon. Member is treated in this fashion.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Hon. Member knows, the Minister of Finance (Mr. Wilson) had to leave the Chamber. I will certainly check the statement and consult with the Hon. Minister. If there is a correction, or a point of order to be made, I am sure that he will do it, being the gentleman that he is and having the respect that he has for this institution.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): I would like to ask the Government House Leader if he will give us the statement of business he intends to call for the rest of this week and for the coming week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): We will continue this afternoon with the seventh appointed day for the Address in Reply to the Speech from the Throne. Friday will be the eighth and final day of the Address in Reply. Monday has been designated as an allotted day. On Tuesday we will continue with Bill C-12, the amendments to the Prairie Grain Advance Payments Act.

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[*Translation*]

COMMITTEES OF THE HOUSE

PANEL OF CHAIRMEN

Mr. Speaker: I wish to inform the House that the names of the Members appointed under the provisions of Standing Order 92(5) to constitute the Panel of Chairmen are as follows: Derek Blackburn, Jack R. Ellis, Ernie Epp, Richard Grisé, Gaston Isabelle, Russell MacLellan, Fred McCain, Keith Penner, Marcel Prud'homme and Barry Turner.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. Speaker: I would like to advise Hon. Members that there is now a ten minute question and comment period on the remarks of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Hovdebo: Mr. Speaker, during his speech, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) indicated his excitement about the recent coal report and pointed out the values that would be rendered to Alberta, Saskatchewan, British Columbia and Ontario. I would like to ask the Hon. Member if he can give us some indication of what will be the cost to the hydro consumers of Ontario if the coal report is put into effect.

Mr. Angus: I would like to thank my colleague for his question. In terms of the consumer in Ontario, assuming that the cost of either using western Canadian coal or the scrubber option with the United States coal is applied totally to Ontario Hydro's consumers, then we can see that with the scrubber option, the additional annual costs will be $39 per household. With the western Canadian coal, it will be $79 per household. That is predicated on the consumer alone picking up the tab. Hon. Members who were here this morning will remember that I pointed out the economic benefits to a large part of Canada, for example, $444 million of new income to the Province of British Columbia; $671 million more for the Province of Alberta; $12 million more for the Province of Saskatchewan; $301 million for the Province of Ontario.

• (1510)

Because of the wide-ranging benefits of the Province of Ontario and Ontario Hydro deciding to use western Canadian coal, I believe there is a legitimate argument that the federal Government, as the single clearing house for all provinces, should participate financially. The increased cost to Ontario Hydro customers would be less than it would otherwise be, at the very least, or in fact would be negated by such assistance.

Eastern Canadian provinces will benefit from reduced acid rain emissions. In that event we would not see the destruction of forests in Quebec and in Atlantic Canada which we are now experiencing. From the long-term point of view it makes sense for the federal Government to participate financially in this project.

Mr. Malone: Mr. Speaker, I say to the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) that I appreciated his comments in respect of the use of low-sulphur coal. He and I share a common objective which I am sure is shared by many other parliamentarians. It would be to the advantage of all Canadians, our balance of payments, western Canada, and our environment to use it in central Canadian industrial regions.

I was not perplexed with the latter part of the Hon. Member's speech. In fact I agreed considerably with it. However, I was perplexed with the earlier part of his speech when he said that the government Party was preoccupied with debt. He indicated that we needed more postal services and better VIA Rail services, both of which are desirable objectives. Does he not see anything wrong with a situation where we pay $1 out of every $3 in taxes to pay the interest on the present debt? Is the debt of no concern to the New Democratic Party? Can we just allow it to grow and grow, bearing in mind that today the payment on that debt is the largest single cost to Government?

It is correct that we all have wish lists. There are more things about which we can dream and want to do. However, is there a belief that when one is in debt, one borrows one's way out of it? How can the New Democratic Party take a position that we do not have to be concerned about the debt, that we can just borrow more money? How can the Hon. Member say that there is no economic accountability in that regard? How does he justify that?

Mr. Angus: Mr. Speaker, I thank the Hon. Member for his comments relating to the coal question and his question relating to the deficit. It is important for me to acknowledge today the work of one of my predecessors, the former Hon. Member for Kootenay East—Revelstoke, Sid Parker. He worked very hard to focus attention on the need to use western Canadian coal in eastern Canadian markets.

I take the Hon. Member's question concerning the debt in all seriousness. I will use the example of VIA. Currently taxpayers are spending somewhere in the neighbourhood of $500 million per year trying to keep that ancient rolling-stock working. The Hon. Member knows that it freezes up in the winter in his part of the country just as much as it does in mine.

The reports of respected people in the field indicate that there will be a pay-back in five years to seven years of the expenditure for new rolling-stock. If we make such an expenditure, it is not a giveaway or a pet project. It is an investment in a revitalized VIA system. It is also an investment in jobs in a number of parts of the country. Both investments will have ongoing returns for taxpayers or the Treasury of the country. By building or purchasing those cars, we will not have a half billion dollar burden each year on the federal Treasury in five years to seven years.

There are more ways to look at the matter than just at the expenditure of public funds. We on this side of the House look at it as an investment, particularly an investment in human resources of which there is an abundance in the country.

Mr. Malone: Mr. Speaker, the Hon. Member for Thunder Bay—Atikokan made a good point. He talked about an investment in VIA Rail as something which may make money in the future.

Mr. Blackburn (Brant): It will.

Mr. Malone: I hear the Hon. Member for Brant (Mr. Blackburn). I agree that there are many things which can be done, but surely when a business principle is applied, be it on a farm, a small business, or any other business in Canada, innumerable investments can be made which will return money to the business or to the country. However, a business would go

broke if it borrowed on every one of its investments and got its debt load out of balance with its capacity for a return. It is an investment, but our present debt is such that it now takes $1 out of every $3 in taxes to pay the interest on the debt; it does not buy down the debt.

How does the Hon. Member square that with the notion that it does not matter how fast we run with the debt or that we can borrow on anything?

Mr. Angus: Mr. Speaker, I think the Hon. Member is reading into my comments a number of things which I did not say. Nevertheless, let me respond to how he sees my attitude and the attitude of my Party regarding the debt. We recognize—and I will use a business phrase—that one has to spend money to make money. There is the economic generator of public spending; there is no question about it. When we invest by creating jobs to get more people to work, we have more people making a decent living and more people paying taxes. If we add to that the corporations about which we have been talking today that have been ripping off society by not paying their fair share, it is one darn good way to reduce the deficit. We should get them to start paying their fair share of running the country.

Mr. Taylor: Mr. Speaker, I would also like to ask the Hon. Member a question relating to western coal. Ever since I was 10 years old living in the coal-mining district of Drumheller, I have heard talk about attempts to get low-sulphur western Canadian coal into the Ontario market. I realize the difficulties. It does involve hundreds of miles of travel. I also remember the late Jesse Gouge, a prominent coal operator in Drumheller. In fact, he opened some of its first mines. He advocated the use of unit trains to get coal into the Ontario market.

In adding up the costs and the benefits, I wonder whether we are forgetting about two major items. If the low-sulphur coal fields of Alberta were opened, hundreds of jobs would be created in those coal-mines. As well, scores of jobs would be created in the railways to bring the coal to Ontario. All of these people would be paying taxes in that event.

In addition, one of the costs we are paying, because we use high sulphur American coal, is the thousands of dollars to clean up acid rain which would not exist if we had used low sulphur western coal for the last 20 years or 25 years. That is an important item. We should use Canadian coal and save the country from the acid rain caused by high-sulphur American coal.

The Acting Speaker (Mr. Paproski): The Hon. Member for Thunder Bay—Atikokan (Mr. Angus) on a short rebuttal, please.

Mr. Angus: Mr. Speaker, there is no rebuttal to the Hon. Member. Once again I find myself in the position of agreeing with him. We sit together on the Standing Committee on Transport, and I am sure we will work very hard on this particular project.

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, it is with great pleasure that I take part in the debate on the Address in Reply to the Speech from the Throne.

Three weeks ago, the Government set forth its broad objectives for future action, and four fundamental factors will form the basis for its action. First, the imperative need to maintain among Canadians the same spirit of reconciliation that has pervaded our Government's relation with the provinces; second, the continuing pursuit of economic renewal, without which no major national projects can be realized; third, expanding Canada's international role which should be a reflection of our development as a nation, and finally, the advent of greater social justice which is both the precondition for, and the logical result of, an enlightened democracy.

As the Minister for External Relations, I am responsible for integrating these objectives in our development assistance policy and our relations with other countries.

Mr. Speaker, first of all, I believe that durable national reconciliation cannot be achieved by intergovernmental exchanges alone. It will be achieved by Canadians all over this country, working together to improve the well-being of the community, both here and abroad. And I am convinced, and it is one of my priorities as the Minister responsible for the Canadian International Development Agency, that we could involve even more Canadians in our international activities. This implies, first of all, that we make CIDA better known here in Canada, by expanding our information and public involvement programs and also by making the effort to meet people in their own communities.

Recently, I started on a round of visits across Canada, and I intend to meet as many groups as I can that might be interested in our humanitarian activities.

• (1520)

[*English*]

I recently visited the Province of Saskatchewan where I was delighted to find that the leadership role historically assumed by that province in international development is still a reality. As I progress across Canada I will be comforted to know that even in those regions where difficult economic circumstances, such as agricultural prices in Saskatchewan weigh heavily on the livelihood of our citizens, the traditional generosity of Canadians remains one of the basic virtues.

I was in Toronto at the beginning of this week where I had the pleasure of meeting representatives of the Canadian Filipino community to explain CIDA's important new commitments in favour of the Government of Corazon Aquino.

[*Translation*]

Mr. Speaker, Canadians have a right to know how international development funds are used, and I intend to give them that information in the clearest possible terms. But I also want

to make CIDA better known to Canadians and thus attract new recruits who will share our commitment to development assistance for the Third World. To the question: Have we done eveything we could to recruit the maximum number of Canadians and obtain the maximum amount of resources to help three-quarters of the population of this earth in its fight against poverty? I think the answer must be: No.

Granted, the generosity of Canadians is well known, and our efforts to help the hungry in Africa are a recent example.

Before the General Assembly of the United Nations yesterday, I described the ambitious program developed by Canada for helping Africa. I stated, in no uncertain terms, our desire to see the international community stop talking and start taking action. Nevertheless, I remain convinced, and this will be my second priority at CIDA, that we can recruit more allies for our war against underdevelopment.

It is the only way to come to grips with new emergencies as they occur. Excessive urbanization would be an example.

Among the groups which have not always been given their rightful place I would single out women and young people. The integration of women in all our assistance projects is a matter of social justice in the Third World, just as it is here. In the Third World it happens to be a basic requisite for the development of many societies where women are the unacknowledged or ridiculed driving force behind community progress.

We also seek to establish closer links with another sector of our population which has not always enjoyed full freedom to play an important role, and I am referring to young people. My colleague the Minister of State for Youth (Mr. Charest) and I will work together to set up new programs under which young people will find it easier to participate in our endeavours to help Third World countries and to promote the interests of Francophones.

Our commitment to strive for a more egalitarian society in this country stems from the premise that, without adopting a paternalistic and dogmatic approach, we must first show full respect for our basic values among those we want to help. Canada's development effort must continue to be inspired by respect for human rights, so that our assistance may never contribute to perpetuating elsewhere the kind of injustices we do not tolerate here.

As well, Mr. Speaker, we will try to find new ways to co-operate with business. For example, our private sector may indeed have a definite and constructive impact on the private sector in developing countries. Nor should we underestimate the dynamism of the private sector and the significance of its innovative contribution.

As always, non-government organizations play a support role in CIDA, so central that they can hardly be considered as new partners. As a matter of fact, Mr. Speaker, we rank first among donor countries with respect to the NGO participation rate. Our NGOs have been given responsibility for implementing major programs. Just recently, for instance, we asked one of them to manage the Canadian universal immunization program designed for developing countries of the Commonwealth and those of the French-speaking nations. Our NGOs will also play a leading role in the new aid program for the Philippines which I unveiled in Toronto on Monday.

When it comes to bilateral assistance, we co-operate with the various NGOs even more closely than before. There has been noticeable improvement in this respect since we first came to office.

Yet, Mr. Speaker, I am convinced, and I am determined to prove, that we can extend even more the contribution of non-government organizations and all voluntary associations to our activities. We shall also ask for the participation of organized agencies which have not yet used their abilities to provide assistance to the Third World, such as the municipalities. In other words, we shall explore every avenue of co-operation because Governments alone will never be able to solve the problem of under-development.

We can however hope that concerted action by all sectors of industrialized societies will have a major impact on the tragic situation which still exists in the Third World.

We shall never forget that our major partners in the fight against under-development are those we want to help, and they should be able to become, with our assistance, the artisans of their own economic development.

[*English*]

It is also my belief, Mr. Speaker, that now is the time to take stock of our foreign aid programs. CIDA will be 20 years old soon. The last comprehensive review of development assistance programs was done in 1975. Since then, the world has not been sitting still. On the contrary, it has changed at a quickening pace.

• (1530)

I am convinced that it is high time we take a fresh look at the policies shaping our foreign aid program so we can maximize their efficiency. At the end of the last session the Special Joint Committee on Canada's International Relations tabled its report. The Government will be responding shortly to its recommendations. The Senate Committee on Foreign Affairs will also be submitting an important report on the international financial system and the difficult problems for developing countries concerning debt repayment. The Standing Committee on External Affairs and International Trade is presently conducting an extensive study of our foreign aid. I will of course give the fullest consideration to the conclusions of these parliamentary committees. It is also my intention to seek advice beyond the precincts of Parliament and to elicit the largest possible contribution to our reflections from the Canadian public.

This exercise must not be seen as just administrative housecleaning. It is our imperative duty in the light of human suffering to achieve the greatest possible efficiency in delivering aid.

[*Translation*]

During this Parliamentary session, Mr. Speaker, Canada will have an opportunity unique in its history to enhance its international influence.

Indeed, our country will successively host the Summit of francophone countries, the Summit of the Commonwealth and the Summit of industrialized countries.

If I may, I would like to speak further about the Francophone Summit where I had the honour of representing Canada with the Prime Minister (Mr. Mulroney), in my capacity as Minister for External Relations.

I am indeed especially proud to remind this House that, had it not been for the historic vision and enlightened policies of our Prime Minister, this Summit would perhaps never have taken place.

As far as I am concerned, this is one of the best results of our initiatives to promote national reconciliation. Could anyone have imagined a few years ago that the Canadian and Quebec Governments would be able to organize jointly on our territory a meeting of the countries that have French as a common language, and that the First Ministers of Canada, Quebec and New Brunswick would agree on a harmonious Canadian participation in this new international forum?

The major role played by Canada at the first Francophone Summit last February in Paris is also the result of a judicious definition of our potential participation and of our expectations from this francophone forum. First of all, we want these meetings to provide an opportunity to exchange practical and profitable projects. For us, the Summit is not a dream come true. It is already a meeting of collaborators. We shall bring to it our share of precious knowledge and we expect to gain in return an enriching experience.

[*English*]

It is a happy coincidence that the meeting of the Commonwealth heads of state and government will also take place in Canada during the life of this Parliament. By hosting both the Francophone and Commonwealth Summits, Canada implicitly says something about the very special role it can play in today's world and tomorrow's. We are the only industrialized country that belongs to both of these important groups. Our recent strides toward national reconciliation are helping us to play a vigorous role in *la Francophonie*, and within the venerable Commonwealth we have recently shown new leadership, notably in the urgent matter of South Africa.

Canada's history owes a lot to France and England. How fitting it is that it is now recognized in the French-speaking and English-speaking countries of the world as a unique bridge between these two large families of nations.

[*Translation*]

As you see, Mr. Speaker, the coming year will be a great year for Canada on the international scene. I for one am very pleased that Canadians will have an opportunity, because of the three summits that will be held here, the *Francophonie*, the Commonwealth and the Industrialized Nations, to measure the full extent of this country's role within the world community.

I also welcome the coming opportunity to play host to our African friends, whether through the *Francophonie* or the Commonwealth meetings. As I said once again before the United Nations yesterday, our Government, after having responded positively to the critical situation in Africa last year, has no intention of reducing its help to that continent now that other subjects are making the headlines.

I have already said, Mr. Speaker, that I also want this new parliamentary session to give us an opportunity to refine our strategy for development assistance. So, to conclude, Mr. Speaker, let me assure this House that I will make every effort to develop the most effective assistance program possible and to conduct external relations that bring tangible results.

Canada's prestige is at stake, but more important still, millions of human beings in need are looking forward to it.

[*English*]

Mrs. Collins: Mr. Speaker, I would like to congratulate the Minister on her speech this afternoon. It touches many areas of real interest to me. I want to say how pleased I am with her announcement of special assistance for the Philippines. Having had the opportunity of visiting there earlier this year, I was certainly made very aware of the difficulties that country faces and how much they appreciated Canada's involvement and what the support our country can give them will mean to the new government of Mrs. Aquino. I know as well how it will be welcomed by the Filipino-Canadian community. Over the summer I had the opportunity of meeting with representatives of that community in Vancouver and they were really anxious to become involved and were eagerly looking forward to the announcement which the Minister made this week.

I want to come back to that in a moment, but I also want to say I was so pleased with the Minister's comments at the UN yesterday with respect to our involvement in Africa. Again having a special interest in that area, I am pleased to see that the Africa 2000 program is well under way. Of course, the third area is the focus on women and development. As I have had the opportunity of either travelling to some of the countries with which we are involved, or during the summer welcoming representatives from those countries at Expo, I have heard over and over again just how important that is. It is women in so many of the lesser-developed countries who are bearing the burden of poverty. If they are going to make advances in their economy, it is going to be so often the women who are going to do it. Whatever we can do to strengthen their role in these countries is vitally important.

With respect to Africa 2000, I still find that across the country there is a lack of understanding about what we are trying to do in Africa. I think it is important that there be some component of that program directed toward public education. I wonder if the Minister might comment on that and advise the House if there would be programs in this respect.

As to the Filipino assistance program, can she advise the House how Filipino-Canadians can become involved in the new program and what might be the appropriate kinds of assistance they could provide and what the next steps are going to be in the development and delivery of the new assistance program for the Philippines?

[*Translation*]

Mrs. Landry: Mr. Speaker, I sincerely thank the Hon. Member for her concern for the cause of development and also for her reference to the announcement I was pleased to make Monday in Toronto concerning the Philippines, for her concern for the Philippines community. I feel the Government's commitment was a gesture of support to Mrs. Aquino's new government, which has shown a positive commitment to her country's social and economic recovery. So the announcement we made was aimed at supporting Mrs. Aquino's policy.

• (1540)

The Canadian Philippine community was very pleased with our announcement. I told them that of course the program orientation was decided upon after a planning mission was sent to the Philippines in September, with a delegation made up of CIDA officials and representatives from the Philippine-Canadian community who met the Government, the NGO's and everyone concerned with the development of the Philippines. These people came back with certain priorities with which we will try to deal as quickly as possible.

We are conscious that at present the Philippines need some short-term assistance and we are therefore considering short-term and eventually long-term programs. We rely greatly of course on the support and contribution of Canadian groups of Philippine origin. We told them that we will keep in contact with them, that they can apply to the organization, to CIDA and that we would be pleased to develop jointly with them, and of course with the Philippine authorities programs, which will meet our commitments to the Philippines.

Therefore, I am quite pleased to indicate to this House today that we greatly rely on the contribution of the Canadian community of Philippine origin.

My dear colleague's second concern was related, I believe, to the Africa 2000 program. Africa 2000 is a program which we announced last spring and which was an additional commitment of our Government to Africa. This was a $150-million commitment for a 5-year period and we have asked more specifically for the assistance of the NGO's. A slice of $75 million has been allocated to the non-governmental organizations which are to develop and submit to us programs designed in keeping with our commitments to the needs of Africa.

Also, there is a whole development assistance program to foster women's integration.

My hon. colleague has also indicated her interests in the community of women; I am pleased therefore to repeat that within the framework of the Africa 2000 program, we have allocated an envelope of $25 million for the integration of women in the development. I should like to mention some of the commitments: $10 million to finance health-related projects; $2 million for the assistance program with the United Nations; $6 million for studies aimed at promoting university education among women. I think, therefore, that the Canadian Government has committed itself not only in words, but also in deeds by taking steps to favour the integration of women in the development.

Of course, you mentioned also how the program is and should be promoted throughout Canada. As I indicated a while ago, I am anxious, during my travelling from coast to coast, to inform the public about the Canadian International Development Agency. I refer to the various projects in which Canadians can participate, and I hope, through this initiative, to recruit new partners to help us develop our projects for Africa, in order to meet even more efficiently the urgent needs of Africans.

The Acting Speaker (Mr. Paproski): The time allocated for questions and comments is over. Resuming debate. The Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) has the floor.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I thank you for allowing me to take part in this debate on the Speech from the Throne. Not long ago, on the afternoon of October 1, 1986, several experts used the expression "*déjà-vu*" to describe the last Throne Speech. Personally, I feel that the term "rehashed" fits better. Why? Because the Prime Minister had delayed by as much as a whole month the opening of the session to give his new Ministers the time to make their contributions to the Throne Speech. Yet, we have been hearing the same platitudes as in November 1984, at the opening of the first session, when we heard the promises made during the election campaign of the preceding summer. Today, Mr. Speaker, we can rightfully conclude that the more it changes, the more it is the same.

Mr. Speaker, we find in this nice little booklet, the Speech from the Throne opening the second session of the 33rd Parliament, an item which is not altogether new. One should not forget the Blue Paper of November 5, 1984, dealing with a new direction for economic recovery. The time has come for us to assess this economic recovery the Government keeps harping about in its Throne Speeches. In assessing those results, I would like to quote an article by Alain Dubuc in the September 6, 1986 issue of *La Presse*. This is what he says appropriately of those two years of Conservative administration:

> The same thing all over again. Economic growth: it is the best way of determining if the growth of the economy is adequate. Our economy grew by 3.3 per cent in 1983 and 5 per cent in 1984, the last two years of the Liberal administration. In 1985, the growth rate slowed down to 4.5 per cent and should not exceed 3 per cent this year, as we are entering a slowdown phase. There has been no progress on that account.

This is Mr. Alain Dubuc, from *La Presse*, not me, speaking. And it is quite clear. In this economic renewal process, our

economic growth is not going forward, but backward. Obviously, there is no progress.

But there is more, Mr. Speaker. In the same assessment, in that article of September 6, 1986, Mr. Dubuc writes, and I quote:

Inflation: Price increases had already been slowed down to 4 per cent in the Summer of 1984 when the Liberals were defeated. And no progress has been recorded since. Dollar: Our currency was worth 77.14 US cents in August 1984. It is now worth only 72 cents, after falling below 70 cents in last February.

I think, Mr. Speaker, you will correct me if I am wrong, but I think that presently it is below 72 cents, around 71½ cents.

Purchasing power: This is the measure of consumer prosperity. However, in 1985, while inflation increased by 4 per cent, salaries increased only by 3.5 per cent. The same trend seems to be prevailing this year. And while the purchasing power will therefore have decreased by 1 per cent, the tax burden imposed by the Federal Government will have increased by 23 per cent.

That is what the Conservative Government means by economic renewal, Mr. Speaker. Reducing the purchasing power of consumers.

Mr. Speaker, the Government has been boasting about massive investments since they took power. Let us see what Mr. Alain Dubuc says, and I quote:

Investments: Renewed confidence in businesses was going to be the key to the Conservative success. This excitement is usually reflected in the investments of the private sector.

Now they will increase by a mere 2.8 per cent this year, that is at a slower pace than the economy generally.

In the export field, Mr. Speaker, we know quite well that for several months our governments have been discussing free trade with the United States. And let me quote again from that report:

Exports: This other source of vitality for the Canadian economy, or foreign trade has also decreased. In 1984, our Canadian exports exceeded our imports by $20 billion. This year, that excess will be reduced to around $12 billion. As a result the balance of payment surplus which amounted to $2.5 billion two years ago could turn into a record deficit of $8 to $9 billion this year.

And finally, Mr. Speaker, the other very important factor of economic renewal in which the Conservative Government takes pride and for which it takes credit is job creation. Of course we have been told so many times in this House about the 500,000 jobs that have been created. That is the fact, and Mr. Dubuc indeed is not overlooking it. I quote him:

Job creation—This is where the Mulroney Government put its pride. From August 1984 to August 1986, 569 000 jobs have been created in Canada. However the figures seem to indicate this was done in one shot. Since the beginning of 1986, not one job has been created in Canada. There were 11,632,000 jobs in January; there are now 11,615,000, or 17,000 less than at the beginning of the year.

Mr. Speaker, that is the score, and I would like to add this to what Mr. Alain Dubuc stated on the matter of job creation, concerning the 569,000 jobs. Mr. Speaker—how could the Conservative Government create those 569,000 jobs? Mr. Speaker, the truth should be stated once and for all. How could they? We are all aware that before the Conservatives came to power, we Liberals had an employment program called Works Canada. It was a 52-week employment program. As a matter of course the Conservative Government abolished that program and created 26-week job creation programs. This means the same programs that used to create one job now created two. There are the figures. That is how they play with statistics, Mr. Speaker.

But in the end, after a year and a half, we see those programs no longer have the rollover needed, there are no new jobs created anymore. On the contrary, we have lost 17,000 during the first six months of 1986. That is the truth, Mr. Speaker.

And once again, on October 1st they come up with a speech on economic renewal. Mr. Speaker, I would not like to miss this opportunity, since this is Small Business Week in Canada. Last summer, I had the pleasure of travelling across the land, from Vancouver to Halifax, and meeting with people, businessmen and women who were concerned about small business development in Canada.

Mr. Speaker, during all that time, during those meetings, I was leading that Liberal task force on small businesses. People submitted that the time had come for the Government of whatever stripe, red, blue or green to stop the rhetoric on small business, to stop putting people to sleep with the suggestion that small business is the most wonderful thing in the world, and to start helping those who really need it.

I should like to tell Hon. Members how a Cornwall businessman defined small business when he appeared before our task force. I should like to quote him, if I may. This will take a few minutes, but I suggest we ought to reflect upon this definition of what is a real Canadian entrepreneur.

• (1550)

[*English*]

Today's small businessman is faced with overwhelming odds. He is faced with "Big Government" who legislate laws that govern every decision he makes and every action he takes. He has to know about labour laws, corporate laws, workmen's compensation laws, tax laws and I could go on and on. He is swamped by paper work, in order to satisfy the whims of every bureaucrat who administers and enforces these laws.

He also has to run his business, buy the products, wheel and deal prices, sell his product or service at a profit, meet ever increasing competition from larger big businesses, satisfy his bank manager, work long hours and all too often with very little left for himself. He is the head office, the bookkeeper, the buyer, the salesman. He is also on the front line, accessible to all, not only customers, but also the target of every charitable organization, sports club or service club who wish a sponsorship or a donation. Yet, you will find him coaching a minor hockey team, leading a charity drive, attending a service club or merchants' meeting and serving on a church or civic committee.

This is our average Canadian businessman or businesswoman and what are we doing for them today?

[*Translation*]

Mr. Speaker, the Speech from the Throne contains one paragraph about small business, just one, and I want to quote it so everybody will remember it:

My Ministers will introduce programs to promote small business and entrepreneurial values. Included will be measures to improve procurement procedures, to strengthen the unsolicited proposals program for small companies and entrepreneurs, to increase technology tranfer from government laboratories, and to develop new initiatives to promote entrepreneurship among youth.

Here we go again, Mr. Speaker, words, more words, nothing but words! What a beautiful speech! But the Progressive Conservatives have been in office for two years now, so when are they going to start practicing what they preach? Hopefully they will not tell me that the capital gains tax exemption was meant for small business. It is not quite true, and statistics will bear me out, Mr. Speaker. It is happening in major cities, nothing but real estate speculation. If you are on the market for a house, the price has almost doubled. Why? Because of the capital tax exemption. How many jobs has this created? How many times did we point this out in the House?

Now, they are bragging about another pension reform involving the investment of pension funds in small business. Yet, at the same time, they announce that businessmen cannot invest their pension fund in their own business. Mr. Speaker, where is the logic in that? I have just given a definition of what is a small businessman in Canada. How could a municipal pension fund, administered by a board of directors, be invested in a convenience store when no control structure has been provided? That fund is the businessman. When he is gone, there is no business.

Therefore, Mr. Speaker, if he were allowed to use his pension fund, he could lower his bank loan, pay less interest and therefore expand and enlarge his business which would be less encumbered. But no. That request was made to the Minister of Finance on a number of times. He refuses because he fears that someone might take advantage of the situation and starts playing around. But how? He fears small business which creates the majority of jobs, and this was acknowledged yesterday in the Auditor General's report—actually it was just a press release Mr. Speaker, where it said: 'A tax credit of 225 millions dollars granted by Revenue Canada'. This means, Mr. Speaker, that through the Income Tax Act, tax credits are made legal. And they worry about the fact that small businessmen might invest their pension fund in their own business to create jobs. They refuse, they do not trust these businessmen; who knows they might try to play around with their income tax. It is ridiculous, Mr. Speaker. It indicates that the Government does not trust Canadian men and women who are working an average of 16 or 18 hours a day on their business to earn a living, while paying out to large corporations millions of dollars in subsidies. Those are the facts. That is the economic recovery the Progressive Conservative Party has been talking about.

When I travelled this past summer with the Liberal task force on small businesses throughout Canada, I received a great many recommendations. I can assure the House that by the end of November, we will have prepared a preliminary report on this issue, contrary to this Government. We should remember that, Mr. Speaker. In January or February 1985, or in the spring of 1985, the previous Minister of State for Small Businesses announced a consultation from coast to coast. He travelled everywhere in this country to learn, because nowadays, we must pay our Ministers for them to learn. A Minister must be well educated and well prepared to administer his Department and suggest policies and programs to help the constituency of his Department. But for the past two years, Ministers have been learning. They have been learning every day. They set up commissions and task forces. As I was saying, he was travelling from coast to coast with an army of his officials, paid with taxpayers money, to find out what was the problem with small businesses and what would be the solution before suggesting policies. This is October, 1986. We have not yet received a report, preliminary, final or otherwise, on this ministerial task force, Mr. Speaker.

As for us, we did it without any budget nor public servant. We toured the country on our own money, and in late November we will publish a report and will put forward to Canadians some policies for small businesses.

That's the difference, Mr. Speaker, between the Conservatives and the Liberals. The Conservatives, after 20 years in opposition, came to power without any program, without any knowledge, without any vision, nothing, Mr. Speaker. And today Canadians are suffering the consequences. Some wonder why Canadians have lost confidence in this Government; the answer is very simple, Mr. Speaker. This Governement has no vision. It does not know where to go, as was evidenced today by the Minister of Finance (Mr. Wilson). For two years now he has been changing his mind with the weather, considering a value added tax, or a transfer tax, or a tax reform, or increasing personal income tax and reducing corporate tax. Today he is proposing to increase corporate tax and reduce personal income tax. Now, Mr. Speaker, when will that nonsense stop? How much must Canadians pay for that nonsense from this Conservative Governement?

You are indicating that my time is up.

The Acting Speaker (Mr. Paproski): Questions or comments. Debate.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to Standing Order 66, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Trinity (Miss Nicholson)—Banks and Banking—Takeover of Continental Bank. (b) Repayment of Bank of Canada advances; the Hon. Member for Cochrane—Superior (Mr. Penner)—Indian Affairs—Departmental administration—Request for reform. (b) Request for independent inquiry; and the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Royal Canadian Mounted Police—Reduction of Francophone

employees. (b) Policy relating to official languages—Government position.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her speech at the opening of the session.

Hon. Bob Layton (Lachine): Mr. Speaker, I welcome this oppportunity to speak today. Many Members will recognize that although the election is some two years past, when we were chosen to lead the country toward the changes it needs, Ministers of the Crown have few occasions to express themselves in debate in the House. I found myself in that position as Minister of State for Mines, so it is with a great deal of pleasure and anticipation that I share a few thoughts with Hon. Members today.

At the outset, Mr. Speaker, I would like to add my congratulations and sincere best wishes to you and your elected and appointed colleagues who together serve the House of Commons. Our election process at the beginning of this second session of Canada's Thirty-third Parliament was, for all who participated awkward and arduous, but in its final result a most democratically successful and satisfying exercise of Member power. Let us all hope that Member power, that admirable, even essential, goal of the parliamentary reform process, initiated by the Government, will be reinforced by our future actions and decisions together.

[*Translation*]

I would also like, Mr. Speaker, to congratulate the Hon. Member for Capilano (Mrs. Collins) and the Hon. Member for Restigouche (Mr. Girard) for their exemplary contribution at the onset of this Throne Speech debate. They grasped and stressed the positive and constructive elements of our Progressive Conservative government's political program. Their example and the quality of their speeches did serve well those who followed. But finally it was the Prime Minister, Mr. Speaker, who once again reminded us that our mission, our main mandate, is to introduce and maintain a responsible and stable system of government in order to ensure confidence in ourselves and in the future of our great country.

Areas of progress up till now are not difficult to enumerate and record. It has been done by many others. But that is not enough. We have to show our intentions to follow through, to reduce crippling deficits and ensuing interest rates in order to secure investments and jobs. You can rest assured, Mr. Speaker, that we are committed to keep the promises we made.

[*English*]

I am particularly proud to participate in the Address in Reply to the Speech from the Throne debate because it gives me an opportunity to share some thoughts and, perhaps, feelings about my riding of Lachine with its key role in the historic and economic development of Canada, and its key role today in the economic renewal of the Montreal region. The federal riding of Lachine, which I am proud to represent, is comprised of the four cities which developed along Lac Saint-Louis to the southwest of Montreal. These cities are Beaconsfield, Pointe-Claire, Dorval and the southwest section of Lachine. Not known to many, other than the 57 families who, along with my own, live there for six to seven months of the year, Lachine riding also includes the car-free and carefree municipality of the Island of Dorval.

[*Translation*]

Historically, Lachine was established as a relay post for the celebrated *voyageurs*, a trading station where those travelling in canoes and those travelling in larger boats could barter wares for pelts and furs. Lachine is where I believe our trade originated without all the intricacies of today. In spite of the changes in means of transportation, communications and technology since the 17th century, the riding of Lachine, with its highways, its railways and its Dorval Airport, still remains the relay point between the economic centre of Montreal and the rest of Canada.

[*English*]

Thus I would like to address very briefly some of the concerns raised by the electors in my riding of Lachine. My neighbours in these lakeshore communities voted overwhelmingly for change in September of 1984. They shared, with a majority of Canadians, the concern that continuing down the road of unlimited government spending would lead to higher inflation and debts that could never be sustained let alone repaid. I believe they support the direction that our Government has taken, but are disappointed that progress is slow and at times intermittent. It would be their wish that the Prime Minister (Mr. Mulroney) would, in nautical terms, "stay the course" so that a stable, fair and promising future would be the inheritance of all Canadians.

• (1610)

Paralleling this concern for fiscal responsibility and responsible management in Government, there is a frequently raised concern for equity and simplicity in the tax system. My constituents will welcome tax reform as it was announced in this House this morning by the Minister of Finance (Mr. Wilson) with its encouragement for and protection of personal savings. Many have expressed disappointment with current regulations that tax and restrict the use of savings and compromise those who accept early retirement packages leaving their long-held jobs open to younger workers.

The business leaders of my constituency warmly support the steps taken by the Government to encourage initiative and

reward success. However, they are looking for equal opportunity and uncomplicated access to government Supply and Services contracts and to internationally competitive regulations on research investments and trade activities. They ask simply for the level playing field, that often obscured goal of our trade negotiations, and of course for a chance to get into the game.

My community has been home to many for most of their lives. Families have been raised, schools and churches have been built. Most of my neighbours are looking to the Government to maintain conditions that permit them to continue to live where they are. In recent years, heavy industries located in the east end of the Lachine riding have been particularly affected by the international economic slowdown and recession. Many large companies have either closed down or cut back their operations with the result that jobs and job opportunities have been greatly reduced. One group which has been particularly hard hit by these changes is that consisting of managers and executives over the age of 45 who have, in many cases, been released after many years of service and are unable to find other employment. However, with the enlightened leadership that has characterized the public administration of our municipalities over the years, other interests including the modern technologies of biochemistry, electronics and aerospace have been encouraged to establish and develop operations in our area with its access to transportation, to highly trained human resources and to excellent living conditions. These are the key factors in executive decisions.

Lake St. Louis is a lovely natural playground. However, the absence until recently of industrial and municipal waste treatment systems has cast a cloud of uncertainty on its use for bathing and other aquatic sports like water-skiing and windsurfing. Now, with the combined efforts of all concerned—and I am glad the Minister of the Environment (Mr. McMillan) is with us today—and with the putting in operation of the vast Montreal urban community sewage collection system, it is hoped and expected that this beautiful waterfront with parks and beaches will be accessible and totally safe to one and all. A population of close to two million Canadians will be able to enjoy it. I believe that all Governments share in the responsibility to develop and preserve these precious natural resources.

[*Translation*]

And more generally speaking, Mr. Speaker, city residents in my riding belong to the Montreal urban community. We are deeply worried about what is happening in Montreal. For many various reasons, our region did not share in the economic renewal experienced by other areas in 1984 and 1985. It is obvious, Mr. Speaker, particularly in the eastern part of the region, but confronted to that problem, the Prime Minister established ten months ago a ministerial committee of which I was a member, under the leadership of the President of the Treasury Board (Mr. de Cotret). Its terms of reference were to study the situation and bring forward long-term solutions to ensure Montreal its rightful place in the future.

To help us, our ministerial committee asked a few Montrealers, among the leaders or most informed or experienced people in various fields, to form an advisory committee.

After studying the preliminary report, and a few months ago, the orientation report, the ministerial committee is now preparing specific and practical recommendations to be implemented by the government. Some have already been announced, including the establishment in Montreal of an international banking centre and a high technology centre for aviation and aerospace industry, bio-technology, telecommunications, transportation and engineering services.

I am confident, Mr. Speaker, that if those great orientation projects are pursued Montreal will rank among the firsts as an economic and cultural activity centre. In fact, high technology that is tied to the CF-18 maintenance contract is a very important part of those projects and I hope all ministers responsible for the final decision in that matter will keep it in mind.

[*English*]

Our concerns for the future of Montreal as an economic force in Quebec and as a cultural development centre for Canada find expression also in the arguments being advanced to resolve the problem of the two airports in Montreal. When forecasts of passenger and air-freight traffic indicated in the 1960s that the traffic would soon surpass the ultimate capacity of Montreal's airport at Dorval, the Government of the day decided on a site considerably removed from the centre of the city. Alternative sites near Drummondville to better serve central and eastern Quebec and near Vaudreuil to better serve Ottawa, eastern Ontario and the northern United States were set aside, according to reports, because the chosen site at Mirabel had a lower incidence of fog. Fog was what surrounded and continues to surround the Grits.

Be that as it may, the markets never developed and the hundreds of millions of dollars invested in land acquisition, buildings and infrastructure at Mirabel have never been fully utilized. Having inherited this problem after years of inaction, the Government undertook to resolve the issue first with the farmers whose land had been unnecessarily expropriated. This past year, the Government has completed extensive studies on the best way to serve the air travel market in the Montreal region.

Convenience, cost, access, time and interconnection opportunities are all factors considered by the travelling public. Tens of thousands of jobs and hundreds of millions of dollars in new investments will be directly affected by the decision on the Montreal airports when it is taken.

The Government has received opinions from the airlines, the business community and the provincial and municipal administrations directly and indirectly affected. I am confident that the Minister of Transport (Mr. Crosbie) and all responsible will adopt a solution that best responds to these interests and that Dorval airport in the riding of Lachine will continue

its 300-year-old role as the gateway from Montreal to North America.

[*Translation*]

Mr. Speaker, I would like to conclude with a brief comment on the Constitution and the negotiations between the federal government, the signatory provinces and the nice province of Quebec.

At the outset, I would like to state that most Quebecers are first and foremost Canadians, that we are proud to be Canadians and ready to play our part and accept our share of responsibilities as citizens of this great and beautiful land.

Canada without the province of Quebec is unthinkable! It is obvious that the signing of an agreement with the Quebec government must be an important and urgent priority of our government. I hope as well that our concerted efforts will bring about a fair and lasting success.

• (1620)

[*English*]

One particularly delicate element of the constitutional negotiations will be the freedom of all Canadians to live and work together in both of Canada's official languages. Great progress has been made in developing linguistic skills among Canadians, particularly those attending schools in the last 10 or 15 years. Job opportunities in our governments, institutions and business concerns should be equalized as must access to government services and information in either language. I hope that during negotiations the necessary assurances will be found to allow the natural goodwill of Canadians to be applied to the language issues everywhere in Canada. Canada deserves our best effort. Let us be sure we give it.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member. Since the election of his Government in 1984 we have seen the closing up or the sharp reduction in activities of a number of companies which operated in basic industries in the east end of Montreal. I am not saying that they closed up or cut back because of the Government, but this is in fact what happened.

For many years, for generations, the Canadian National Railway operated shops in the City of Moncton, in his City of Montreal and in my City of Winnipeg. Now the CNR has already made arrangements to close the shops in Moncton, turning over the facilities to Canadian General Electric. About 700 workers who have worked for years at the Moncton shops will be out of work. The CNR has announced that it proposes to close up its railway shops in Montreal. If they continue to operate, they will simply operate by way of contract work for other companies.

We heard a message from the Hon. Member about the great things that the present Government is doing for Montreal and Quebec. What advice would the Hon. Member give to those workers who have worked for so many years in the Point St. Charles shops of the CNR and who are facing unemployment in the very near future?

Mr. Layton: I am happy to have the comment and also the question from the Hon. Member for Winnipeg North (Mr. Orlikow). It is true that Winnipeg, Montreal, and Moncton were the principal centres where the railways chose to build their original service and fabrication centres. It is also true that the railway systems of those days have gone through great changes, not only in the service that they render but also in the equipment that they use to render that service. There has been considerable effort made to rationalize the cost of maintaining our railroad systems. Without it, the railroads would not have the capacity to compete with the other modes of transport. Highway trucking services are very flexible. There is a great deal of competition in rates and service in the market. I am a believer that the railways are a basic form of transport for Canadians and our goods. VIA Rail, CN, and CP organizations are going through a process to create and maintain that degree and quality of maintenance in their centres, and to compete not only nationally but also internationally, as so much of our transport now travels back and forth across the border. The Montreal community had been selected as one of the major service centres on our short term service type role for the VIA operations. Many of these decisions are under review.

As a Montrealer, but more particularly as the Member for Lachine, which is a west end component of that great Montreal region, let me say that we have suffered from the loss of heavy industry jobs at Dominion Bridge, Dominion Engineering and Allis-Chalmers. These jobs are the ones being replaced by a capacity which uses a lot more of our trained minds.

During the last weeks of summer, I had the privilege of visiting a number of very advanced technological centres in the west end of Montreal. I also share with my colleague, the Hon. Member for Vaudreuil (Mr.Cadieux) a great interest in the biotechnologies. This has become one of the major future industries for Canada, and certainly for the region of Montreal. We look forward to this continuing to be an opportunity for those trained minds that we all know the country will depend on to find an outlet for their skills.

Mr. Hicks: I would like to congratulate my colleague, the Hon. Member for Lachine (Mr. Layton) on what was his maiden speech. During that speech he stressed the great necessity for everyone and every province to function in both of Canada's official languages. I would like to commend the Hon. Member further for his enviable command of both of Canada's official languages.

His riding of Lachine and my riding of Scarborough East have many similarities. Both ridings are suburbs. My hon. friend has Lac Saint-Louis to the south of his riding, and I have Lake Ontario to the south of my riding. Scarborough East does not have the heavy industry that the riding of

Lachine has, however, I would hazard a guess that both ridings have comparable problems.

My question to the Hon. Member for Lachine is, does he have the feeling that perhaps these comparable problems will be solved by comparable solutions, guided by the direction that this Government seems to be taking right now?

[*Translation*]

Mr. Layton: I extend my sincere thanks to my colleague, the Hon. Member for Scarborough East (Mr. Hicks). It is a privilege for everyone to be able to speak in both languages and I have found, over the last two years that we have all worked together, that practice is the sure way to master a second language.

[*English*]

I am very happy to have the comments of my colleague from Scarborough East (Mr. Hicks). If we share one thing in common with regard to the initiatives of this Government, it is that we are back to having confidence in our own capability to invest and have a success. I have lived through, with all of my colleagues in the House, all of those cycles where there was a very real need or concern that this might not be the right time to take a dive, move ahead, take a chance, invest. But I do not find that in the community I am part of now. There seems to be more initiative, more readiness to succeed and to achieve. It is evident in our young people, but it is also even coming back to those of us of a third age.

Mr. Orlikow: I would like to come back to the comment from the Hon. Member for Lachine (Mr. Layton). I had used as an illustration the difficulties that workers in their forties and fifties were facing because of new technologies or cutbacks. The Hon. Member added several other companies such as Dominion Bridge, Allis-Chalmers, and so on. In CN and CP, for example, there are workers for whom working for the railway was a way of life. Very often a grandfather of a worker first started working for the railway. Many of the workers who are now losing their jobs are in the age group from 45 years to 55 years and have worked for the company for anywhere from 20 years to 30 years.

• (1630)

What advice can the Hon. Member give such workers? What retraining is possible? What are their chances at obtaining jobs, when they are in that age group and with their background and experience, in new highly technological industries such as biotechnology?

Mr. Layton: Mr. Speaker, I welcome the intervention of the Hon. Member for Winnipeg North (Mr. Orlikow). There is a very special need for concern on the part of all of us for those people he identified as having a special problem as a result of fast changes. People between the ages of 45 and 55 who suddenly find themselves out of work face a very real and desperate problem.

I like the self-initiative which has been demonstrated by a number of groups in this area. I believe the Government has an opportunity to follow and support the initiative being taken by these self-help groups. One such group has been particularly active in the west end of Montreal Island, Executives Available. They maintain themselves without government aid. I am somewhat disappointed that some of our retraining programs do not recognize these special opportunities to support those initiatives.

A little earlier this afternoon I listened to the Minister responsible for external aid. CIDA is constantly looking for new ways to be more efficient in transferring our technology and support to developing nations. One such way is through the use of NGOs. CIDA has found out that NGOs are becoming the most efficient way of getting our aid and support across. I feel the same applies to the senior workers which the Hon. Member brought to our attention.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Speech from the Throne which we are considering today represents the Speech from the Throne at mid-term of the Conservative Government. It has been in office for two years. Of course the Throne Speech reveals a certain amount of tiredness. It seems that the Government has run out of steam. It is in drift right now.

Canadians hoped to see concrete measures for action, especially in the area of job creation. They were hoping to see some very specific measures for tax reform, equality for women, cultural policy, and environmental protection, all of which are very important public policy questions. However, we only see pretty vague statements. As I said, there is drift. There is no vision in the Speech from the Throne.

There are high-sounding phrases. There is talk about national reconciliation, economic renewal, and social justice. Who could disagree with these as objectives? However, there is precious little to achieve any of them. There is talk about families, and the importance of the family is recognized in the words. However, this is the Government which cut the family allowance and is cutting the child tax credit. How can we believe that it has the interest of Canadian families at heart?

I note that action was promised for victims of child sexual abuse, child prostitution, and violent pornography against women and children. It is about time. These issues have become far worse in recent years. There were unanimous recommendations on child prostitution as long ago as 1983 by the justice committee. The Badgley Commission made extensive recommendations in the area of child sexual abuse, including child prostitution and child pornography. These recommendations have been available since the summer of 1984, and we have not had action on them.

The Throne Speech mentioned a campaign against illicit drugs, but it failed to mention that the great killer drugs are alcohol, which kills 12,000 Canadians per year, and tobacco, which kills 35,000 Canadians per year. These are the licit drugs, and they create a far worse problem in terms of health, damage, loss, and destruction of families. They are not glamorous enough for the Government. It would rather follow

Ronald Reagan and go after the illicit drugs which certainly pose problems. There is no doubt about that, but they are not remotely on the scale of the illness, death, and harm caused by other drugs. The Government's priorities are wrong. It is going after issues which it thinks will give it some credibility with the public, but they are not the issues that really count.

The Government talks about economic renewal, but there is very little about job creation in the Speech from the Throne. There is a vague statement about investor and consumer confidence. The Government hopes that somehow this will mysteriously develop and be the solution to the problem of continuing high structural unemployment. Youth was scarcely mentioned although the unemployment rate among young people is even higher than the rate among older Canadians. The educational opportunities of young people have been cut back by the Government in its cuts to Established Programs Financing for post-secondary universities and colleges. These were cut last spring, yet the Government makes vague promises to youth.

I note the promise of the establishment of a new agency to promote economic opportunity in Atlantic Canada. Certainly job creation is needed in Atlantic Canada, but I question the establishment of a new agency. We already have a government Department, the Department of Regional Industrial Expansion. Will we now have two? Will they send memos to each other? Will the Department of Regional Industrial Expansion get out of job development in Atlantic Canada? Certainly these questions are not addressed in the Speech from the Throne. One reason the Government is not very specific about job creation is that it does not have a good idea. It is very misguided on the subject.

The Prime Minister (Mr. Mulroney) had a prison plan for an area where it was not needed. He moved it into his riding where it certainly is not needed, at an expense of more than $60 million. He justifies it on the grounds of job creation. If he wanted job creation, he should have considered that misguided project against other possible ones which would do a better job at creating good productive employment, long-term jobs. We simply do not see that in the Speech from the Throne. Instead we see very opportunistic schemes being used for political purposes which do not serve the public very well in terms of getting the unemployed back to work.

I was pleased to see the down playing of free trade in the Speech from the Throne. In fact the Government sounds almost like the NDP in how it is now treating free trade. It talks about trade with all parts of the world. It especially mentioned the Pacific Rim, an area in which we can certainly expect to expand our trade. It talks about mutually advantageous trade with the United States instead of a free trade agreement which would probably lose us a lot of jobs and certainly risk our political and cultural sovereignty. Whether the Government has stepped backward for the right motives or the wrong ones, whether it has just been reading the poles, or whether it has been convinced that the interests of Canadians will not be well served, I do not know. However I am pleased to see this more cautious approach to free trade. It was never a panacea for our economic ills. I am glad to see it not being touted quite as enthusiastically in the Speech from the Throne as it was in the past.

[*Translation*]

Mr. Speaker, the Speech from the Throne refers to national reconciliation, social justice and economic renewal. Yet, nothing impressive is planned to meet these objectives, however worthy they may be. There is even a step back in the Government policy on national reconciliation. The previous Speech from the Throne was stronger in this regard. The latest Throne Speech recognizes that the Charter of Rights and Freedom and the Canadian Constitution remain incomplete without the assent of Quebec. That is the least that can be said. What the Government undertakes is vague and weak, and I quote:

> Should there appear reasonable prospects for agreement, formal negotiations will proceed in the expectation that Quebec will take its rightful place as a full partner in the Canadian Constitution.

That is very little. We have to wait for reasonable prospects, but where will they come from? We should instead be creating prospects for an agreement.

In relation with social justice, the Government talks about building a modern, tolerant and caring nation in which its citizens are secure and prosperous. This is obviously a wonderful thought. However, what has this Government done? The Conservative Government was the one that attempted to reduce old age security pensions through deindexation.

This is the Government that deindexed family allowances and that now wants to deindex the child tax credit. This is the Government that increased the sales tax for ordinary families in Canada.

What the Speech from the Throne says is not reassuring, and I quote:

> Canadians would want their governments to give the highest priority in social policy to those who are in greatest need.

We agree up to a point. However, I am afraid that there is another message that can be found in the Speech from the Throne: that there will be an attack on universal social programs. Unfortunately, this is an objective of this Government, even though the Conservatives promised during the electoral campaign not to touch universal programs. They started doing so. Fortunately, under the pressure of Canadian men and women all over the country, the Government had to back down with respect to old age security pensions. Unfortunately, in spite of the efforts of women's groups, churches, unions, citizens all over the place, the pressure was not enough and the Government deindexed family allowances.

We in the NDP believe that we need universal programs. They should be the cornerstone of our system. Non universal programs are also most important, but we should not rely solely on those programs to ensure a decent living for Canadian families.

• (1640)

[*English*]

Canadians want to see action on jobs. They want to see action on fair taxes, but we do not get action in this Speech from the Throne. The speech has high sounding phrases but we do not see specific promises that Canadians would like to have heard, such as, the Government is not going to appoint its friends to high places anymore. That kind of promise for real highness in action we do not see in the Speech from the Throne. There is rhetoric on tax reform, but I will believe it when I see it. Meanwhile, the shift to individual taxes from corporate taxes is continuing. We know that 79,000 corporations made a profit in Canada in 1985 but did not pay a dime in tax. There is nothing about that. There is nothing about seriously closing tax loopholes. We need specific action. Instead we have only a vague statement of achieving a better equilibrium between income tax and "other forms" of tax. What other forms, Mr. Speaker—sales taxes, excise taxes or corporate taxes?

[*Translation*]

We have to realize that tax loopholes are the main reason for the present deficit. If corporations had paid their fair share of taxes, we would have had sufficient funds for government spending. It is therefore vitally important to plug those loopholes if we want to come to grips with the accrued deficit.

The Speech from the Throne mentioned a reduction in the deficit. We should be aware, however, that it is only a reduction in the rate of growth of that deficit. It is not an absolute reduction. Our deficit has increased more under the present Government than under the previous one.

The Speech from the Throne proposes a forum on post-secondary education. No one can find fault with such an initiative, but we have to say that it is not good enough. Last spring, this same Government slashed the budgets of post-secondary education without consulting the provinces. The cuts made in post-secondary education budgets on that occasion are just the opposite of what the Conservatives promised during the election campaign when they pledged to increase the budgets of post-secondary education. Provinces and universities and colleges are expecting this Government to roll back its unilaterally imposed reductions.

There is at least one good thing for which I could congratulate the Government, the priority given to science and technology in the Speech from the Throne. That speech announced the appointment of a national advisory board for industrial technology, to be chaired by the Prime Minister himself.

The Speech from the Throne also mentions a billion dollars for scientific research. However, contrary to what the Speech says, it is not new money, but the same already announced in the spring, in a program condemned by scientists themselves as being impractical. This program to assist universities has—according to scientists, that I am inclined to believe—very little chance of success. It requires private enterprise to provide funds to universities. However, there are no incentives for the companies to do so.

[*English*]

I would like to add that this encouragement of research is only in the field of the natural sciences and it excludes completely the social sciences and the humanities. They are part of Canada, an important part of the universities and colleges and an important part of Canadian life. They have been neglected in this Speech from the Throne.

[*Translation*]

This Speech from the Throne gave more space and more interest than usual to cultural matters, and this is also to the credit of the Government. It promises to strengthen our cultural institutions, and especially the broadcasting system. It makes a commitment to Canadian cultural values. But, this costs money. It is not possible to broadcast more Canadian programs without increasing the budget of the CBC. The Caplan-Sauvageau report is excellent and full of concrete recommandations to promote Canadian programmming. But, again, implementing these recommandations would cost money. The private sector has its own responsibilities, but we, in Parliament, are responsible for the CBC. We will have to provide more money if we want to achieve this goal of more Canadian programming.

[*English*]

This speech from the Throne includes some measures that are old, some that are new, some that are borrowed, some that are recycled—

Mr. Friesen: And they are all blue.

Ms. McDonald: Some of them are blue, indeed. Some of this Speech distinctly gave me that impression as I sat listening to it. Some measures represent reversals. I am pleased to see some of those that go backwards because they should not have been entered into in the first place.

When we add together all of these different kinds of measures in the Speech from the Throne, what do we get, Mr. Speaker? We have a speech with a lot of rhetoric, a lot of Tory objectives for the most part, and even where there is something questionable in the Speech from the Throne, such as, what I think is a veiled attack on the universal programs, it is very gently and civily put. It is not a direct attack on the social programs but a statement that something else should be done instead. This is a very civil Speech from the Throne. Nonetheless, it is not a good Speech from the Throne. It is not an effective Speech from the Throne. There are not enough concrete measures. It is not specific enough. There is no action in the Speech from the Throne. There is a false diagnosis of our problems and so there are false solutions to those problems.

• (1650)

My final remark would simply be that it is a disappointing Speech from the Throne. It is not the one Canadians hoped to get, and it will not give the country what it needs at this point.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Kilgour: Mr. Speaker, the Hon. Member mentioned the problem of smoking and alcohol and I share her concerns, as she knows. I wonder what she would specifically propose that the Government do about the heroin problem which is so severe in the province in which she was born, British Columbia, and about the question of other illegal drugs. What specifically would she like to see the Government do concerning an industry which, as she knows, amounts to $9 billion or $10 billion a year in illegal sales to Canadians, particularly young people.

Ms. McDonald: Mr. Speaker, I welcome the question. It is a subject on which I used to do some work. I was a research associate for the inquiry into the non-medical use of drugs some years ago and certainly the heroin question was very important. At that time there was considerable debate and it is ongoing. There are no answers with unanimous support from scientists or practitioners who work in this area. Methadone maintenance was certainly the fashionable solution at that time. It has had some success in Britain and it has certainly had some effect in cutting down on the black market. I do not know how appropriate a solution it is for Canada. There has also been the problem of that drug finding its way on to the streets. It is then perhaps the substitution of a less serious problem for a more serious problem, but it is not a solution in and of itself.

I would just say that we need to look at this question in a very broad context. Studies done for the Le Dain Commission showed, and they continue to be borne out, that the drug culture goes past legal and illegal boundaries. Anyone who uses one drug is more likely to use another drug. The more drugs one uses, even if they are legal drugs, even including tea or coffee, the more likely one is to use other drugs. That is not to say that people necessarily move all the way up the scale, but there is something of a drug culture and when people get into it and drugs become a solution for what is probably a human problem, then people are more likely to seek that out in other ways. I think we have to attack the idea that there is a chemical solution to human problems, and that is the way I would go after it.

Mr. McMillan: Mr. Speaker, I listened to the Hon. Member with considerable care. I suppose it is inevitable that a member of the Opposition, after a Throne Speech is brought down, would attack it for being general and vague and pious and platitudinous, lacking in specifics and lacking in details. That is the formula response from an opposition Party. I suppose if the truth be known, when this Party was in Opposition we trotted out the same formula rhetoric.

Mr. Blackburn (Brant): We remember it.

Mr. McMillan: That does not make it any more valid and its repetition this afternoon does not add any veracity to it.

I wonder if the Hon. Member appreciates what a Throne Speech is. It is not legislation. It is not a Budget. It is not an economic statement. It is an indication from the Government, through the voice of the Crown, of the path the Government intends to follow. It is not, to use the metaphore, a detailed road map.

She will know, since she read the Throne Speech carefully, that in the environmental field there were several iniatives which go well beyond the platitudinous. There was a firm commitment to bring in early, as a government-wide priority, a new Environmental Protection Act which will focus on toxic chemicals. Earlier this week in Ottawa I released some of the details of that Act, and before very long, in Parliament and outside, I will be sharing with the House and the public at large the legislation itself in draft form as a consultative tool.

The Throne Speech also makes a commitment to bring in the first major set of reforms to the National Parks Act since it was devised in 1930, some 56 years ago. That is a firm commitment, not just piety and not just platitudes.

I do not think the Hon. Member would have expected the Throne Speech to give chapter and verse about the Environmental Protection Act or the National Parks amendments, otherwise we would still be sitting in the Senate Chamber listening to Her Excellency reading the document. In so many areas touched upon in the Throne Speech we indicated where we are going and how we intend to get there, but obviously there was not room in such an institution as the Throne Speech to dot all the 'i's and cross all the 't's.

I am just wondering if the Hon. Member is appreciative of what a Throne Speech is. She indicated, I am sure unintentionally, that she had another vision of the institution than that which I have just described.

Ms. McDonald: Mr. Speaker, I did not indicate that I had another vision, although I do in fact have one. I said I thought this was a Throne Speech without vision. Where it deals with the environment, I would commend the Minister. I think there are relatively concrete, relatively specific measures in the Throne Speech. The Minister will also know that in the time allotted to a Member, apart from the first three speakers, that being 20 minutes, it is not possible to deal with every aspect of the speech. The part dealing with the environment is one of the better parts of the speech. It takes us further from where we are now.

As to how specific the Speech from the Throne should be, that is a question of degree. Obviously it cannot include a detailed analysis of proposed legislation. No one would suggest that. I was simply expressing a disappointment that it was not more precise in stating what measures would be taken. I was disappointed that quite a bit of space was given to what I would call rhetoric. There were nice sounding phrases but no

real content whatsoever. A Speech from the Throne cannot be highly detailed, but I think in the time constraints that the Governor General has in that formal situation it would have been possible to put more content into that speech.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Don Ravis (Saskatoon East): Mr. Speaker, it gives me great pleasure to speak in the House for the first time not only on the Throne Speech but in this new session. I want to congratulate you on your reappointment as Deputy Chairman of Committees of the Whole House. It is nice to see you back in the Chair.

I want to focus on the theme of science and technology as it relates to the Throne Speech. The riding I represent is a thriving technological community as well as having one of the leading educational and research institutions in North America, the University of Saskatchewan, in Saskatoon. I am delighted that this Government has demonstrated once again through a strong commitment that this issue is a priority. Having said that, I would like to commend the Minister of State for Science and Technology (Mr. Oberle) for his superb efforts in staying the course and fighting for scarce financial resources around the cabinet table.

I would first like to talk about the high technology community since that is an industrial sector which has had considerable impact on Saskatoon and whose success has been recognized in the Speech from the Throne. In Saskatchewan there is a clear recognition that industry is the driving force which pulls technology out of the labratory and launches it into the market-place. That is probably best demonstrated by the University of Saskatchewan and the private sector in Saskatoon which have been at the game of technology transfer now for probably 15 to 20 years, and I will expand on that in a few moments.

The City of Saskatoon, and my province in general, are well known for their creative and innovative entrepreneurs. To date, there are 164 high technology companies in Saskatchewan, which is an increase of 40 firms since 1982. There are over 90 technology firms in Saskatoon alone. This new development means the creation of hundreds of jobs. Saskatchewan technology firms have expanded their own sales substantially. For example, Develcon Electronics had $5 million worth of sales to NASA in one year and $4 million in sales to Lockheed Aircraft Corporation. SED Systems, which grew out of the University of Saskatchewan, had $19 million in sales of earth stations to Brazil. It had $26 million in sales on the Canadian Frigate Program. SCI-TEC, another company, had sales to Germany, India and the United Kingdom. Northern Telecom has its world fibre optics production and sales operation in Saskatoon, marketing that unique technology around the globe.

• (1700)

These people put new ideas to work, turn advanced technology into new products or processes and convert these into wealth through aggressive selling in very competitive markets. This can be done in an area of high cost. There is a great deal of financial risk in building an advanced technology business, but risk is what free enterprise is all about. The Government of Saskatchewan is a supportive partner of such entrepreneurs and shares in the financial risk of such ventures. That partnership between business and Government has rapidly made my province one of this continent's most attractive, advanced technology locations for innovators and investors.

Perhaps some people are wondering why I am not talking about our wheat and potash in Saskatchewan. I can assure you, Mr. Speaker, that things have changed in our province, thanks to some good leadership from Grant Devine's Government and thanks to a lot of people at the University of Saskatchewan and entrepreneurs who saw the challenge and certainly accepted it.

Communication is the key to implementing this partnership, especially in federal-provincial relations. For example, the new technology steering committee is responsible for the over-all co-operation of science and technology activities in Saskatchewan by the federal and provincial Governments. This is a positive enforcement that federal and provincial growth can be achieved by working together. I look forward to working with the re-elected Government of Grant Devine in the Province of Saskatchewan in the next four to five years. This committee was instrumental in co-ordinating and promoting funding decisions for research and infrastructure such as the CadCam Centre at the Saskatchewan Research Council, a proposed potash research centre, a microelectronics centre and others. Under the auspices of the committee, science and technology and DRIE have worked together to develop the ERDA subagreement on advanced technology which was signed in 1984. Again, this was the first one in Canada. The agreement will deliver $33.2 million over five years to accelerate the growth of Saskatchwan's advanced technology industries. Indeed, this is support to industrial and technological development and diversification in the west. It is an excellent vehicle for growth and development in the field of science and technology.

A new research infrastructure has been established to support advanced technology development in Saskatchewan through federal and provincial funding. Let me name a few key achievements. There is the Canadian Centre of Instrumentation which has allocated $1 million over the next five years to the Saskatchewan Research Council. The National Plant Biotechnology Centre recently opened a capital project of $6 million, with $2.4 million of operating funding. This is located in Saskatoon and is the only centre in the country that is doing research in the area of agricultural biotechnology which probably holds some of the new technology that will lead us into diversification of our current wheat and barley crops. There is the western Centre of Toxicology, with a $2 million capital expansion at the University of Saskatchewan. There is

the Linear Accelerator Laboratory expansion at the University of Saskatchewan for just under $6 million. There is the National Centre of Hydrology which I had the pleasure of opening on behalf of the Minister just a matter of weeks ago. This is a $17 million facility that was built on the campus of the University of Saskatchewan in Saskatoon. Many exciting things are happening in this area thanks to the co-operative efforts of this Government and the Province of Saskatchewan.

For more years than I can imagine, businessmen have continued to look, not to the provinces but to Ottawa for leadership in science and technology development, and for support in creating an environment that is conducive to success in R and D. Deaf ears were turned to such enterprises prior to September, 1984 but, as the Speech from the Throne confirms, now Canada has a Government and a Prime Minister committed to scientific and technological development.

In addition, the Government supports science and technology through activities such as tax incentives for industrial research and development amounting to some $500 million annually, federal-provincial sub-agreements on science and technology amounting to $100 million over the next five years, and other sub-agreements with science and technology content amounting to $327 million over the next few years.

The Conservative Government used its common sense when it eliminated the Scientific Research Tax Credit in the May, 1985 Budget. Indeed, the Liberals introduced the SRTC in 1973 to encourage scientific research. It proved to be an expensive program characterized by abuse because research was so ill defined. The Liberals failed to establish a pre-audit or approval process. Without built in security measures, the program was open for this kind of abuse.

The Government is acting in other areas to improve the fairness and effectiveness of the tax system to safeguard and ensure that tax rules are not used in inappropriate ways to avoid taxes. Instead of abusing the system, the Government introduced more effective and better targeted provisions to support research and development.

The federal Government is the single largest financial contributor to science and technology in Canada. The Government has announced in the Throne Speech an initiative that will provide $1 billion in new funding for science research over the next five years. This funding will focus on many things, including research and co-ordination between universities and the private sector. I can assure you that the University of Saskatchewan and the many small scientific research companies will look forward to sharing in some of that funding.

We spent $4.2 billion on science and technology in 1985-86. These activities support a number of objectives, including industrial development, protection of the environment, health and safety of Canadians, national security, and basic scientific research. These are all positive steps to strengthen science and technology's role in creating jobs and improving the quality of life for Canadians. That is what I call a commitment.

Those are not just my sentiments, Mr. Speaker, they are the feelings of a number of journalists and high technology experts. For example, our great newspaper friends at the *Toronto Star* have written: "No Canadian Prime Minister has ever made this kind of personal commitment to promoting high technology development". Roy MacGregor of *The Ottawa Citizen* called the Throne Speech: "An imaginative and welcome announcement that this country now agrees with the rest of the world in acknowledging the value of research and development".

I want to indicate that approximately a year ago I was invited with a number of my colleagues from the science and technology caucus committee to attend a dinner at one of the larger embassies in Ottawa. After completing our meal we were asked to discuss Canada's science and technology policy. I must say that it was embarrassing for us to say that the previous Government had not really developed a policy and that we were just in the process of developing one in the next couple of years.

In general, Canada's high technology industry reacted favourably to the four point platform increasing support to science and technology. A national advisory board for industrial technology, chaired by the Prime Minister—a first for any Government—and composed of some of Canada's leading industrialists and scientists will definitely raise the profile of leading technology initiatives. This committee will assess national science and technology goals and policies, and their application to Canada's economy. The Government will seek to achieve high standards of excellence in education, technology development, and innovation. The introduction of a new federal science and technology strategy, building on the initiatives undertaken to date, will encourage necessary reforms within federal administration to promote Canada's international competitiveness. For example, international exchanges have been initiated with a number of countries, including Japan, the United States, China, Australia, and western European countries.

• (1710)

The Government will also convene a national conference on techology and innovation to assist Canada to define new technology goals. This is what I call leadership. Research has always been intact but the development end has been lacking in the past. That point was well put to me at a dinner I attended in Saskatoon recently. A number of people from the business sector did not complain so much about research and development; they said the research was being done, but we were not spending enough money on the development side of the equation. It is all a matter of marketing and manufacturing our technology, getting the research off the shelf.

Canadians should be proud of our technological goals and achievement which this Government is committed to development. The Canadian Advanced Technology Association applauded the Prime Minister (Mr. Mulroney) for "committing his own time to assessing and setting national policy".

However, Mr. Speaker, even a group of high technology experts like those in the Canadian Advanced Technology Association will admit that industry cannot be driven by Government alone. Success in such a competitive field depends on a number of factors, but especially on a strong and vibrant university research community. Without such a community, much of the pure research which eventually results in marketable products and processes would never occur. I know as well from my experience in Saskatoon that without universities, industry would never have a steady group of highly qualified young men and women to fulfil its personal requirements.

University research has been a priority of this Government and also a priority of the Progressive Conservative Government which was led by the now Secretary of State for External Affairs (Mr. Clark). In 1979, the Clark Government gave stability and consistency to the budgets of the three university research granting councils. Not surprisingly, this commitment was forgotten by the Liberal Government which followed, which continues to press the Government today for policies that it never thought of initiating in its own 20 years in office.

In February of this year the Minister of Finance (Mr. Wilson) restored that principle and established a five-year plan of consistent funding for these granting councils. No previous Government has given the granting councils such a solid commitment. Not only that, the Minister also committed the federal Government to matching the private sector's funding of university research on a dollar-for-dollar basis up until 1991. This will mean up to $.75 billion of increased research funding for Canada's universities.

This strong commitment to research and development is a clear and positive signal for Canada's university community. It is a plan which provides much needed new funds for university research and also builds a bridge between the demands of industry and the skills of university students and professors. No longer will a potentially lucrative mechanism or process sit on the shelf of a university or Government research laboratory. Technology will now be defused and applied to industrial needs in a way which is mutually lucrative and supportive without hindering the advancement of basic science.

The Government firmly believes that putting more money into R and D at the university level is an investment in the future of Canada. The University of Saskatchewan has previously been a leader in establishing partnerships with the local high technology sector. As I mentioned earlier, SED Systems in Saskatoon is probably one of the best examples. It employs hundreds and hundreds of people and is involved in some very interesting programs, including space research.

The Government's initiative will only serve to augment the university's efforts. I am sure other Hon. Members who are fortunate to have universities in their ridings will find this to be the case as well. The matching formula, coupled with the initiatives noted in the Speech from the Throne, is a clear demonstration of the Government's commitment to research and its sensitivity to technological change. Technological change is pertinent to our survival and illustrates progress in our record of economic renewal.

A healthy economic future has been initiated throughout the country. In particular, our Government has enhanced job opportunities for our youth. There is a decline in youth unemployment. The task is by no means completed. There is still much to do in the area of youth unemployment. But it is encouraging to see that youth unemployment has dropped almost three points since we have come to office. More programs will be introduced to promote entreneurship amongst our youth.

All these commitments to R and D, linking job promotion for youth, are stepping stones to improve employment prospects as well as our standard of living. Once again, this is leadership through commitment, consultation and co-operation; indeed, a process for growth. In these steps to restructure our economy, we must all work together. The Government has clearly demonstrated its ability to work in co-operation with industry, universities and provinces in enhancing Canada's industrial strength in partnership with our young Canadian researchers.

In closing, I would like to say that these benefits can be shared by all Canadians. When we talk about research and development, we are not just talking about scientists and technicians. We are talking about all the jobs which spin off, from secretaries to people in the service industries. I think it is important that we understand that this is something which has value for every Canadian, union people, non-union people, technicians and scientists. This partnership can only mean a healthy economic future for all of my constituents in Saskatoon and for the country in general.

Mr. Hicks: Mr. Speaker, my friend and colleague, the Hon. Member for Saskatoon East (Mr. Ravis), made reference a few moments ago to the Scientific Research Tax Credit Program which was introduced, I believe, in the year 1983 by the Liberal Government. I am not overly familiar with it and I wonder if my hon. colleague could elaborate for the House some of the reasons he thinks this program failed?

Mr. Ravis: Mr. Speaker, I will begin by being very fair to the previous Government because I think it recognized that research and development is a very important building block. It is essential, if we are going to talk about economic recovery. As I mentioned, it was unfortunate that a well intended program dealing with research in universities and in the private sector, was so ill defined and had so few guidelines or safeguards attached to it that it was abused to the tune of hundreds of millions of dollars. In actual fact, it is probably going to cost the taxpayers very close to $1 billion in terms of tax credits which in fact did not achieve any research.

When I talk about poorly defined research, I am alluding to a definition which permitted things like fancy research parks, fancy office buildings, and people who abused the program to such an extent that they put money into fancy cars. Many of those people have now fled the country. In all fairness to the

previous Liberal Government, while it really wanted to achieve many of the same goals we are achieving today, the safeguards were not put in place. An election was coming and the Liberals wanted to get this program out to show the private sector that it really wanted to address this problem, and perhaps in all good faith it hoped the program would work, thinking it might cost Canadians about $200 million. The program got off the rails and, unfortunately, it turned out to be a disaster. I think that is something this country will have to pay for for many years to come.

Mrs. Collins: Mr. Speaker, I was very pleased to listen to my colleague, the Hon. Member for Saskatoon East (Mr. Ravis). I know of his commitment to the universities and to the research and development sector in Canada.

I was particularly pleased to hear in the Speech from the Throne a renewed commitment to post-secondary education with the announcement of a forum on post-secondary education which will be held in the coming year. From my own point of view, I think it is important that there is a national focus and emphasis on post-secondary education so we all really get behind it. That is so important. As my colleague, who has a university in his constitutency, indicated, our future resources really are human resources. We are not going to have the accomplishments in the industrial sector unless we have young people who are highly trained and educated and who can compete internationally around the world. I feel we really have to put some renewed focus and effort into the development of our whole post-secondary system. I know the Hon. Member shares that commitment as well.

I agree with him that the kind of initiatives outlined in the Speech from the Throne with respect to research and development are certainly long overdue. I look forward to the emphasis being placed on the private sector in working with universities to develop a great many research programs. I know that in British Columbia we have had a very positive response to such an initiative.

• (1720)

Does the Hon. Member have some comments with respect to the fact that two years ago when we formed the Government there was a great deal of interest in research and development and yet it has taken all of those two years to achieve the focus that we now see in the Speech from the Throne and other specific initiatives which have been taken? Will the Hon. Member comment on why it has taken this long? How long will it really take to implement some of these new initiatives?

Mr. Ravis: Mr. Speaker, I certainly wish to address the issue raised by the Hon. Member for Capilano (Mrs. Collins). She has many professors and staff members from the University of British Columbia and Simon Fraser University living in her riding. These people have a very keen interest in this issue. In all fairness, the Government could have come in with a science and technology policy or a change in that regard in September of 1984. In other words, let us not look at what the problem is and how serious it is, let us just act on it. Rather than doing that, the Government decided it wanted to try to reach some consensus out there in the country, because there was a fear that there was a great deal of duplication, as there so often is when federal flags and provincial flags are being waved. In many cases we are stepping on each other's toes.

In the development of this consensus I have seen the present Minister and the previous Minister assemble a great many people from across the country, including union leaders, university professors, people from the private sector as well as provincial Ministers. They have sat down to arrive at a consensus, which I think is so important. The area of science and technology is a very complex area. In the process of reaching this consensus we have been able to establish some priorities. We have been able to find out what each one of the sectors is saying. We have been able to establish sort of a nation-wide consensus. In particular, the meeting held in Winnipeg last year provided a forum for 200 people to sit down and grapple with future policy. There was talk of a White Paper on science and technology being brought down in the House this fall. I think that all of the meetings and consultations that have been held in this regard go to prove that it was time well spent.

One other subject I would like to elaborate on is that the establishment of a Standing Committee on Science and Technology has been beneficial to Members of the House of Commons. This is the first time that the subject has been given such priority.

To conclude, the Hon. Member asked me how long I think it will take. I think we are very close. I think we are possibly as close as four to six months in terms of coming out with a policy which will recognize all of the talking and consulting that has gone on in the country over the last two years.

Mr. Benjamin: Mr. Speaker, I am sorry to say that I missed the beginning of the hon. gentleman's speech. However, I caught the last ten minutes of it. In those ten minutes I heard the Hon. Member say something about improved, continuing and enlarged assistance for basic research at universities. I presume he includes the National Research Council in that remark. He talked about developmental aid after basic research has been done. I would like to ask the Hon. Member whatever happened to the free market private enterprise principle which says that it does its own development and then markets that development. Does the Hon. Member say that the private sector cannot function by itself and that it has to have governmental assistance on development after basic research is done?

Mr. Ravis: Mr. Speaker, I welcome the Hon. Member's question. He certainly knows about all of the activity that has taken place in Saskatchewan over the last four years in terms of science and technology. I would like to tell the Hon. Member that at the beginning of my speech, the part that he missed, I mentioned the fact that 140 private sector companies have flourished in Saskatchewan as a result of assistance from

the University of Saskatchewan and the University of Regina. I might add that this has been as a result of technological assistance and expertise that has come from the universities. In many cases university professors and technicians who have left the universities have gone out into the private sector to start companies of their own. In some of these cases there was assistance from the Government.

Let me return to the more important question of development aid. I do not know if the Hon. Member appreciates that we have millions of dollars worth of research sitting on shelves in government and university laboratories across the country. This is research that was done and yet nothing has been done with it. This is mainly because the mandate of government laboratories and university researchers is not to start manufacturing widgets and then sell them abroad. Their mandate is to perform the research. What the Government now recognizes is that if we can transfer some of this technology off the shelves then it will be useful.

I would like to give the Hon. Member a prime example of such a move in terms of what is happening in Saskatoon right now. At the moment a small company is taking some research from an agricultural laboratory which deals with biotechnology. This company is developing that research in its private sector laboratory and putting the products of that research into the market-place. That is precisely what we want to do. By the way, this company signed one of the first agreements in Canada to do with technology transfers.

I think the private sector is alive and well in Saskatchewan. Yes, there is some assistance, but if these people are given some of the research off the shelves we will see that they will do extremely well in developing that research into many jobs for our private sector.

Mr. Benjamin: Mr. Speaker, as I understand it, the basic research on the shelves at universities and at the National Research Council is public property. I repeat my question to the hon. gentleman. Where is the private sector when it comes to development, marketing and manufacturing? Why would the Hon. Member even remotely suggest that there also needs to be assistance in the developmental area? Where the heck is the private sector? Where is the free enterprise system? It seems that those in the private sector want the taxpayer's help all the way through the game, I presume, to help sell their widgets.

Mr. Ravis: Mr. Speaker, the Hon. Member asks where is the private sector. I hope the Hon. Member for Regina West recognizes that research that takes place at universities in Saskatchewan, or in any other province for that matter, is the proper place for research. That is what these places are all about. I think that the private sector is doing a great deal of research. As a matter of fact, there are thousands of examples which illustrate efforts that have been taken to market research that have never seen a government laboratory or university. Such research has certainly seen the graduates from these facilities.

Mr. Benjamin: They come up from the United States.

Mr. Ravis: Perhaps they do. Another important point which I think I should tell the Hon. Member about research that was done in the public sector and is now being developed in Saskatoon is the fact that a royalty will be paid to the Government of Canada where the research was developed. In other words, public sector research will now receive full recognition by the private sector which will do the development. Personally, I do not see anything wrong with that. I think it is the type of co-operation that the Government is talking about in its Speech from the Throne, in that we can begin to harness our universities and the private sector through a more co-operative approach.

Mr. Taylor: Mr. Speaker, first, I would like to commend the Hon. Member for Saskatoon East (Mr. Ravis) for a very excellent address splendidly delivered. While the Hon. Member spoke about research, I could not help but think of the time when I was Chairman of the Alberta Research Council. One of the things that Council attempted to do was to make sure there was no duplication. For the benefit of the Hon. member for Regina West (Mr. Benjamin), we would contact free enterprisers and the government Departments to work out who would pay the cost of the research that would benefit everyone. Free enterprise played a very important part in this.

• (1730)

As a matter of fact, in my own Department of Highways, I decided that at least 5 per cent of the Budget for construction of bridges would go into research. We co-operated with the contractors. Because of that research we were able to save the people of Alberta thousands of dollars when constructing bridges. We found that for years piers were being placed deeper than necessary. There was co-operation between free enterprise and the Department of Highways, each paying their proper share. The people benefited and that is the way it should be.

I would appreciate hearing the comments of the Hon. Member. I thought I should mention that because it is right in line with what he was advocating.

The Acting Speaker (Mr. Paproski): Questions and comments are now completed.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I rise today in the House to speak to the Address in Reply to the Speech from the Throne. First of all, I want to congratulate the Speaker and all other Members who will have the honour of sitting in the Chair during this session. I also would like to take this opportunity, Mr. Speaker, to greet the people of the beautiful riding of Bourassa, and a special greeting to the people of Montreal North.

Mr. Speaker, the second session of the 33rd Parliament started with the customary Speech from the Throne, which

contains the new objectives of the Government of the day. But does it? Is this an original, brand-new Speech from the Throne? Or is it a Speech from the Throne full of recycled leftovers, reflecting the true nature and substance of a Conservative Government in its decline?

The Conservative Government has declined to the point that it needed a whole month to recycle the contents of its 1984 election platform. We recall, and all Canadians will recall, those pretty speeches and the 300 or so promises they made during the election campaign. What became of them? The people of Canada are not easily fooled. They can see through the tricks and trumpery of the Government opposite. And that is why the people in the riding of Bourassa and the people of Canada are wondering what will happen to the promises made in this Throne Speech.

Mr. Speaker, this Speech from the Throne mentions social justice. How can they talk about social justice? How can they talk about their social policy? Does this Government really think Canadians believe the Conservatives when they claim to be the party of social justice?

Mr. Speaker, Canadians are not easily fooled. A Government that has managed to reduce indexation of family allowances, cut back on the increases for transfer payments made to the provinces for education and health care, cut unemployment insurance benefits for thousands of Canadians who receive severance pay or early retirement pensions and who are still looking for employment, a Government that attempted to de-index Old Age Security pensions—and they call that social justice, Mr. Speaker, when they want to de-index Old Age Security pensions?

And speaking of Old Age Security pensions, Mr. Speaker, my riding of Montreal—Bourassa has large population of senior citizens. I am constantly fighting to defend their rights and I will continue to do so. Many senior citizens in Montreal North know how I respect and sympathize with them. Other people have tried to get at the senior citizens, but I won't name names in the House. The people who wanted to disturb the tranquility and peace of mind of these senior citizens know to whom I am referring and I don't have to name them in these precincts.

Mr. Speaker, this kind of Government cannot claim to be a Government that promotes social justice. It is a Government that takes from the poor and gives to the rich. When I say it takes from the poor and gives to the rich, I think a good example is non-taxable capital gains. This Government cannot afford to talk about economic justice, and Canadians know this only too well. They no longer have any confidence in this Government, after only two years in power.

Mr. Speaker, this Government is synonymous with wasting money and wasting time. Canadians have seen through the tricks of the Conservative Government, as indicated by the polls they are so fond of quoting. Take the results of the last poll published on October 6, which inform us that the majority of Canadians no longer have any confidence in the Government opposite. According to this poll, about 52 per cent of Canadians do not approve of the Conservative Government's policies. Not only has every Canadian or just about lost all confidence in this Conservative Government, Mr. Speaker, but the Prime Minister (Mr. Mulroney) has also lost all credibility in this great country of Canada. I think that this is a rather serious matter, Mr. Speaker.

However, how could it be otherwise? The Conservative Party and this Government are without meaning and without any substance. The Speech from the Throne is a perfect example of a speech where appearances are more important than the substance, if there is any substance, a speech full of illusions which could become real only in a dreamworld.

Mr. Speaker, we Canadians live in a real world, in a country with problems which require real and practical solutions, but this Conservative Government is unable to understand this, let alone find these solutions.

Each day, the Members opposite ask us: What would you do? What would you do in such or such a case? However, it is you, Government Members, who must say what you would do, not us.

The Speech from the Throne is the proof that this Government has no action plan, that it is interested only in short term political and economic problems and that it cannot take its responsibilities and try to provide a clear direction for this country. Mr. Speaker, Canadians have had enough of Conservatives who can only make irresponsible promises, of actions which most often result in scandals, ministerial resignations and broken promises. As evidence, we have only to look at the bank failures under a Conservative Government.

• (1740)

We are telling this Government that Canadians no longer have any confidence in the Progressive Conservative Party. As I said earlier, Canadians no longer believe their high-flown and irresponsible promises. Canadians no longer believe that this Government has the authority, the respect and the ability required to govern Canada as it deserves.

Mr. Speaker, there are in my riding a great many senior citizens who are worried and concerned about the promises made by this Conservative Government and their decisions which are, as everybody knows, totally contradictory. They certainly remember and will remember, come election time, everything which could have happened to them. They have been duped. They have been deceived by this Government which would have them believe that this Throne Speech is better than that of 1984. It is not. One need only check what happened in 1985-86 to the unemployment insurance benefits for people on early retirement.

Why has the Government not accepted the proposal made by the Leader of the Official Opposition (Mr. Turner)? Why has not the Government entertained an adequate and realistic policy for golden agers in the areas of health care, shelters,

long-term care, community homes, lodging subsidies, as well as a home services scheme?

Mr. Speaker, senior citizens are a political force in Canada, as the Conservative Party painfully realized in 1982 and will painfully realize again come election time.

Mr. Speaker, there were by-elections in Saint-Maurice and Pembina recently. If they have made an objective analysis of these by-election results, Members of the Progressive Conservative Party certainly realize that they have lost a major part of their electoral support. Mr. Speaker, these results have been brought about by two years of inconsistency in power and foolish promises.

For that matter, the Prime Minister's decision to transfer the construction of a prison from Drummondville to his own riding will do nothing to improve this Government's credibility. His decision will certainly not change the opinion of the Drummondville people.

Mr. Speaker, I wonder why the Hon. Member for Drummond (Mr. Guilbault) would not speak out and oppose the Prime Minister's decision to move this prison from his riding of Drummondville to the riding of the Prime Minister?

As you know, Mr. Speaker, Drummondville had originally been selected as the site for that prison. It met with the criteria, and it was meant to complete the existing institution.

How much will this cost Canadians, Mr. Speaker? It will cost them $16 million more, $16 million to boost the image and popularity of this Prime Minister who has lost all credibility. Canadians are finding this a little expensive. Would it be in order to boost his prestige with the people in Schefferville? Why is that prison built in Port-Cartier, Mr. Speaker? Would it be to somehow repair the damage? How can the Prime Minister try to have people gobble that one up, Mr. Speaker? By dangling those 37 or 38 per cent unemployment figures in Port-Cartier. But all Hon. Members in this House know very well that is false, utterly false. The unemployment rate in Port-Cartier is around 15 per cent.

And please do not try to convince the people in Port-Cartier that this will be creating prison guards' jobs in that great prison which will be built in Port-Cartier. Let people in Port-Cartier come and tell me how many guards' jobs this will create in their constituency. Let them also come and tell me how many guards were transferred from another prison to go to Port-Cartier. Do not fool yourselves, people of Port-Cartier. Do not fool yourselves. That will be no job creation exercise. Do come and tell me the number of guards who will be hired from the constituency of Port-Cartier for service in that prison. I am telling you, it is my humble belief that guards will be transferred from other prisons in the Province of Quebec to Port-Cartier, rather than new jobs being created. Do not be fooled by the Prime Minister.

And before this goes on, I would like the Hon. Member for Drummond (Mr. Guilbault), the Member for Drummond who rises more often than not to speak about everything but real issues to rise and uphold his rights. Now is the time, Mr. Member for Drummond, to fight for your people in Drummondville. Now is the time, Mr. Member for Drummond, to bring spin-offs if any to your constituency. Now is the time to get a move on. Now is the time to speak to your Prime Minister. Now is the time to rise in this House.

This might be an entertaining scenario, Mr. Speaker, but when we remember these are the kind of people who are at the helm, it is enough to make you cry.

By its very nature, Mr. Speaker, the Speech from the Throne is an important document which should reflect the Government's social, political and economic policies, and indicate how they are going to be achieved. No, Sir, I think we have here a text of great literary value which does not spell anything out, which fails to advocate political solutions, all told a document totally devoid of meaning, vigour and realism. As we happen to know the authors, Mr. Speaker, we should not be surprised.

Yes, Mr. Speaker, I am a Liberal, I belong to the Official Opposition. I am the elected representative of the constituency of Bourassa and, as such, I urge the Prime Minister and his colleagues to change their attitute towards Canadians and not take them as the average Joes on which to try various policies for size, as the Government may see fit.

Mr. Speaker, Canadians are very serious and responsible people, and when they realize they are being led by an irresponsible Government they have every right to feel they have been let down and led astray, so they react.

Witness their reaction to the recent by-elections, and there will be more of the same next time around.

Finally, Mr. Speaker, talking about the next election, a moment ago I was listening to my colleague from Lachine (Mr. Layton) who was saying that, before the 1984 election, the people of Lachine wanted a change, and the sooner the better. All I can say to the Hon. Member is that he ought to travel around a bit, not only in his riding of Lachine but throughout the 282 constituencies of this beautiful country and he will see just how much Canadians want a change, a real change this time.

• (1750)

[*English*]

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, as I listened to many of the comments during the debate on the Address in Reply to the Speech from the Throne I was thinking of the public musings of the Minister of Energy, Mines and Resources (Mr. Masse) of not many days ago, that the problem with a Throne Speech is that by its nature it is given to general statements. Perhaps he was somewhat on the mark. The criticism I have been hearing of the Government's program, policy, and action to date, based upon the Throne Speech and the comments coming from the other side of the House, is that it is all too vague and too general.

For example, in her remarks this afternoon the Hon. Member for Broadview—Greenwood (Ms. McDonald) down played the Government's statement in the Throne Speech dealing with the drug crisis. Yet, several days after the Throne Speech, the Minister of National Health and Welfare (Mr. Epp) rose in the House and outlined in great detail very concrete steps which would be taken. Similarly, the Minister of Justice (Mr. Hnatyshyn) talked about ways in which the Government would enact legislation to see that the profits now being made in Canada through illicit drug trafficking, some $7 billion to $10 billion each year, would be recoverable by the Crown. These are very significant steps. They are part of a positive response to the issues.

It is folly to think that general statements contained in a Throne Speech to outline the general thrust of the Government are the be-all and end-all of the program. The criticism which has been coming at the Government based upon the Throne Speech is falling far short of the mark. It does not accurately and reasonably deal with the broad course upon which the Government has set itself.

When I talk about the broad course, perhaps I would be permitted a moment or two to say what I think it involves. In 1984, when Canadians decided to change the Government in Ottawa, those of us who came to form and support the new Government found that there were two really deep-seated problems in Ottawa. One of them was that financially the Government of Canada was running out of control. It was like a locomotive with a full head of steam that had somehow come off the rails. We have talked about the deficit. Every debate in the House has had a lot of content relating to deficit reduction, whether cuts or reductions which were being proposed were appropriate. Very often we heard Hon. Members opposite bemoaning cuts and efforts to get the deficit under control, even though there is no alternative.

However, dealing with the deficit was only one of two very basic problems. I submit that in fact there was another major problem, equally deep-seated, concerning the philosophy which had developed in Ottawa over the previous 10 years to 20 years. Let us call it the "Ottawa mind-set". What did the Ottawa mind-set or the Ottawa philosophy hold? This attitude permeated not only the Cabinet of the previous Government but right down through the Public Service.

I think we can perhaps see three elements in the Ottawa mind-set. First, it said that Ottawa knows best, that the banks of the Rideau River and of the Ottawa River are where the great wisdom of Canada is reposited. That is why, for example, it was never possible for resources offshore Newfoundland to be developed in a way that was important for Newfoundlanders—Ottawa knew best.

The second component of the mind-set was that the problems of the country could be solved by throwing money at them or by spending money. Of course that was a contributing factor to the large debt with which the country is still saddled.

The third component of the Ottawa mind-set was that if we could not solve a problem by throwing money at it, we could solve it by regulating it, by establishing a board or commission, by enacting further requlations, or by bringing about the kinds of things we saw in the National Energy Program, for example. Those were the three components—Ottawa knows best, solve the problems by throwing money at them or, if that failed to work, regulate it.

Those three ideas formed a philosophy, attitude, or approach which so permeated the operations of the federal Government that we have had a very serious problem over the past two years, since coming here as a new Government, to try to effect the change Canadians clearly want in overcoming that fundamental hurdle. It is far more difficult than the deficit because it is much harder to deal with the ideas which people carry in their minds. We are dealing with nothing less than a matter of changing attitudes.

I should like to note that in *The Gazette* of Montreal today, the editors provided two cheers for the Conservative Government. No editorial board would ever give three cheers for a Government, or there would be something totally wrong with them. It reads:

> Two cheers to the Mulroney Government for earning praise from Auditor General Kenneth Dye after his sharp-pencilled review of the first full year of the Government's operations.
>
> The Auditor General, an habitual scourge of government management, hailed the present Government for "bringing a sense of better management to the Public Service." Changing Ottawa's psychology of spending is a large Tory achievement.

Those were not the comments of a Member on the government side of the House. Those were the comments of the editorial board of *The Gazette*. They referred to "changing Ottawa's psychology of spending". It is evidence of what I am talking about when I say that the big battle before us is changing attitudes which are entrenched here.

I should like to refer to another problem. In dealing with many issues, Hon. Members opposite have been particularly interested in focusing on what I would call the small details or trivial matters. For example, the recent trip of the Prime Minister (Mr. Mulroney) to Asia saw major accomplishments—the admission of Canada to the Group of Seven, agricultural issues being placed on the agenda for the first time, and significant developments in trade with China and other Pacific Rim countries. What have we heard about from the Opposition on those matters? They asked the following questions. What did the butler do? Did the butler do it? They went from the sublime to the ridiculous. Some members of the Liberal caucus might want to write a book on, did the butler do it? The Leader of the Opposition (Mr. Turner) is no longer as much the Leader of Her Majesty's Loyal Opposition as he is chairman of the Book-of-the-Month Club. The Liberal caucus is spewing out books at an incredible rate. Some of them are fine reading. I am sure the next book to come out will be called "Opposition Members Handbook to the Game of Trivial Pursuit". There has been so much noisy and disputatious comment coming from across the way that Canadians

have had their attention diverted from some of the more serious matters affecting the Government.

In conclusion, there are four great areas in which the Government has set long-term action. There is the possibility of a new bilateral trade treaty with the United States. Reform of the tax system is now under way. The Government is dealing with regional development and disparities in a broad fashion and is generally dealing with the whole question of deficit reduction. Those four broad areas have set us on the right course.

I am happy to have had a chance to put my views on the record during this debate on the Address in Reply to the Speech from the Throne.

The Acting Speaker (Mr. Paproski): Before proceeding to the Adjournment Debate, I should like to advise the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) that he has 10 minutes remaining in his speech, plus 10 minutes for questions and comments, after Question Period tomorrow.

Mr. Boyer: Mr. Speaker, there are so many other Hon. Members who have important things to say that I will waive any further time I have so that they might be heard from.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

BANKS AND BANKING—TAKEOVER OF CONTINENTAL BANK. (B) REPAYMENT OF BANK OF CANADA ADVANCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, on October 9 and 16 I asked questions about the Government's approval of the takeover of the Continental Bank, which is a Canadian bank, by Lloyd's Bank, which is British owned. This takeover was unprecedented. As Members will know, it was not an outright takeover but an exchange of assets and liabilities in accordance with existing provisions of the Bank Act. My concern is not specifically with the details of this transaction. I am more concerned with the fact that yet again the Government has put itself in the position of having to make important, precedent-setting decisions involving financial institutions without the benefit of a policy framework.

For two years now, we have been hearing that the Government considers it a priority to update the legislation regulating banks, trust companies, insurance companies and the securities industry. There is no disagreement that new legislation is badly needed. Yet, after two years of Conservative Government, we are awash in studies and really no further ahead in terms of legislation in place than we were two years ago.

Concern has grown as over the past two years banks and trust companies have failed, a major non-financial corporation took control of Canada's largest trust company, a foreign-owned bank acquired ownership of a Canadian bank, and, in every instance, the Government was forced to act in an *ad hoc* way, flying by the seat of its pants because it did not have legislation in place to deal with the situation.

What is even more worrisome is that the longer the Government delays in bringing forward its proposals for legislation, the fewer options it will have. By delaying and allowing the industry and provincial Governments to take the lead, the Government is reducing its room to manoeuvre and is fast running out of policy options and time. All Canadians have an interest in how their financial institutions are regulated by government. Whether we speak of entrepreneurs and business people looking for capital investment, people looking to take out a mortgage or renew a mortgage, anyone shopping for a loan, or anyone with money in a savings account or RRSP, we all have an interest in knowing that the Government is acting to ensure that the rapid evolution in the financial services industry works for Canada and Canadians. Right now we do not have that assurance because we do not have legislation to give the Government any kind of a handle on the situation.

The question of ownership of financial institutions, for example, has come up with some regularity. Earlier this year the Government approved the industrial giant Imasco's takeover of Genstar Corporation, which owned Canada's largest trust company. At that time, the former Minister of State for Finance was quoted in *The Financial Times* as having said that:

—she had no difficulty with industrial groups controlling financial institutions.

That, Mr. Speaker, was April 5, 1986. Now there is a new Minister, and this Minister is quoted as having said:

I have great problems with the notion of non-financial institutions controlling financial institutions.

That is from *The Financial Post* of September 20, 1986. So there is really no telling where the Government stands on the issue of ownership. We just have to wait for the legislation which, as I am sure we are about to be told, will be introduced very shortly. That statement would carry a great more impact if we had not heard it so often in the last two years.

• (1805)

Tomorrow the Government will be tabling the report of the Estey Commission on bank failures and the regulation of the banking industry. I look forward to seeing that report and debating the legislation which I hope will follow before the Government is further overtaken either by events in the industry or the regulatory initiatives of other governments.

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Mr. Speaker, after several months of negotiations, the Continental Bank of Canada and the Lloyds Bank of London announced on October 2 that they had come to an

agreement under which the Lloyds Bank of Canada, the Canadian subsidiary of the London bank, would acquire the majority of the assets of the Continental Bank and take over the majority of its liabilities.

This agreement was the result of the efforts made by the Continental these last few months to find a major banking institution with which to merge. One year ago, following the closing of the two Western Canadian banks, the Continental Bank unfortunately had to face substantial fund withdrawals by commercial and institutional depositors even though it was financially healthy.

The bank had to rely to a great extent on the Bank of Canada and the mechanisms offered by the major banks to replace the lost deposits. While the Continental was making progress in re-establishing the confidence of depositors and reducing its need for advances from the Bank of Canada, as the Hon. Member probably knows, its management was aware that a complete recovery would take a lot of time. To ensure that the operations of the bank could be carried out in the future in the best interests of its customers, depositors and employees, the management decided that the best solution was to join forces with a major international bank such as Lloyds.

While the Government was kept informed of the progress made in the negotiations and while it supported the efforts made by the Continental to come to an agreement, the Government itself did not initiate the negotiations. The agreement is strictly an initiative of the private sector. I repeat to the Hon. Member that the agreement is strictly an initiative of the private sector.

The transaction complies fully with the banking legislation, and as far as possible, all available information has been provided to Parliament and the public. The Minister of State for Finance has already appeared before the Standing Committee on Finance, Trade and Economic Affairs to answer questions on the transaction.

As for the question about the advances, I would like to emphasize that, to ensure a harmonious transfer of the operations of the Continental Bank, the advances granted to the Continental by the Bank of Canada will be replaced by advances to Lloyds. Lloyds has agreed to reimburse the Bank of Canada within a reasonably short period, that is no longer than three months after completing its transaction with the Continental. This extension should help Lloyds find proper funding in an orderly fashion and lessen possible disturbances on monetary markets. Finally, I should like to take this opportunity to repeat the firm commitment made by the Government to amend the regulations applying to the financial sector. Our aim is to ensure consumer protection and enhance the integrity of the Canadian financial system which, as it should be noted, is one of the best in the world. The financial sector reform is a high priority for this Government and new legislation will be introduced as soon as possible.

• (1810)

[*English*]

INDIAN AFFAIRS—DEPARTMENTAL ADMINISTRATION—REQUEST FOR REFORM. (B) REQUEST FOR INDEPENDENT INQUIRY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I wish to address the House briefly on the subject of mismanagement and maladministration in the Department of Indian Affairs and Northern Development. Many shocking revelations have come to light recently with respect to the operations and functions of that Department within the region of Manitoba. So bad was the situation of the Department's activities in that region that the Government felt obliged to take action.

The former Minister called for an outside audit, which resulted in the Currie Report. The Currie Report confirmed the allegations of the southern chiefs that the Manitoba region was maladministered and that the bands were paying a very heavy price in terms of the quality of services they were able to deliver to their people. These responsibilities had been transferred to them, but they lacked the wherewithal to provide a level of service that would be regarded as acceptable.

Further allegations and charges from the Manitoba region led the present Minister to call for an investigation by the RCMP into the activities of the Manitoba region. This was serious business. Further allegations followed that and, in answer to questions that I raised in the House, the Deputy Prime Minister (Mr. Mazankowski) said that Treasury Board would undertake a financial review of the Manitoba region of the Department of Indian Affairs and Northern Development.

We have had some action but, meanwhile, a large number of bands—some 30 or more—are in debt and are unable to serve their people.

I have argued consistently that the problem within the Department of Indian Affairs and Northern Development is not merely a problem in the Manitoba region. If it were just an isolated problem, then everything that the previous Minister and the present Minister are doing would probably be acceptable, provided that those bands could somehow be helped out of their indebtedness. However, the problem is more widespread.

This problem exists throughout the country, in every region, in the Department of Indian Affairs and Northern Development. I suggest that right here in the headquarters in Ottawa there is also serious mismanagement and maladministration. Do you know, Mr. Speaker, that recently a former employee of that Department revealed that he worked in a division known as the Audit Division? There were 17 so-called auditors in that division and seven support staff. The total payroll of that little group was $900,000, or almost $1 million. The surprising fact is that they do not do any auditing.

What do they do? They seek auditors in the private sector auditors who will take on contracts to audit some particular

project under the administration of the Department of Indian Affairs and Northern Development. These 17 people, many of whom are not qualified to be auditors, occasionally break away from their crossword puzzles or articles from the library to phone the private contractor who has been hired to do a certain audit to ask how it is going, if progress is being made and whether they can expect to hear something soon. In one year, 1985 to the present time, more than $2 million worth of auditing business from that Audit Division has been given to the private sector. These 17 people are only responsible for letting these contracts. That is maladministration.

If these charges were simply made by former employees of the Department of Indian Affairs and Northern Development, or if these charges were simply made by this little band of Opposition Members who are valiantly fighting for good government, and that was as far as it went, perhaps the Government would be able to say that is what it expects to hear.

• (1815)

Recently we had confirmation of this charge of mismanagement and maladministration from no less a person than the most important servant of Parliament, the Auditor General. He has revealed in his recent report that the Department of Indian Affairs is a hopeless wasteland of confusion. It lacks clear policies and directions. The Department is torn between an antiquated and authoritarian statute of this House called the Indian Act on the one hand and on the other hand, there is the pull and attraction of leaders from the indigenous communities who are saying there has to be a better way. There has to be some way in which they can establish a new kind of working relationship with the Government of Canada. There has to be some way in which nearly half a million people can once and for all cease being depressed, colonized and dealt with as if they had no intelligence or capability to look after their own day-to-day affairs in their communities.

These people want to become partners in Confederation. They are sick unto death, Sir, of being pushed to the outer fringes of society and maltreated by Government after Government. This is not just a condemnation of the present Government because this has been going on for a very long period of time.

In response to what the Auditor General has revealed, the Minister has called for a major review of the Department's management of lands, revenues and trust functions. I have no argument with the Minister in what he is doing, but it does not go far enough. We have to go much further.

The answer to what we have to do lies in the meetings of the First Ministers in April of next year when we write into the Constitution of this country the right of Indian people and indigenous people to manage, govern and control their own affairs. Then we begin to negotiate bilaterally arrangements and agreements for carrying out the responsibilities, and these we will honour. We will keep our word and break the pattern of broken promises, broken treaties and failing the first citizens of the first nations of our country.

Mr. Gordon Towers (Parliamentary Secretary to Minister of Science and Technology): Mr. Speaker, I appreciate the honesty of the Hon. Member in saying this problem has been going on for a long, long time. In answer to the Hon. Member's question, let us recall the chronology of events in Manitoba which have led to the current allegations in the press of mismanagement and the response of the Minister of Indian Affairs and Northern Development (Mr. McKnight).

In March of 1986, the then Minister of Indian Affairs and Northern Development commissioned a special investigation because of allegations made by the Brotherhood of First Nations. The Ward Mallette report was submitted on June 9, 1986. A departmental response was released on August 20, 1986. It responded in detail to the findings contained in the Ward Mallette special investigation.

On October 8, 1986, the Director of Finance for the Manitoba region resigned and took with him documents which he alleges support the Indians' concerns regarding underfunding, mismanagement and misleading of Parliament. He also alleged that activities of a criminal nature were taking place.

On October 9, 1986, the Minister of Indian Affairs and Northern Development asked the RCMP to investigate the allegations of wrongdoing referred to by Mr. MacPhee. Further, on October 15, 1986, the Minister of Indian Affairs and Northern Development asked the President of the Treasury Board (Mr. de Cotret) to undertake a comprehensive review of the financial operations of the Department's regional office in Manitoba. Detailed departmental action plans have been developed and are being implemented to remedy those issues identified in the Manitoba special investigation.

• (1820)

In order to improve communications, the Minister has also agreed to meet with Chiefs on a periodic basis to discuss their concerns face-to-face in a business-like way. He recently signed a memorandum of understanding with 40 bands in northern Manitoba establishing such a process.

On August 27, 1986, in Winnipeg, the Minister made a commitment to the southern Chiefs of Manitoba that departmental officials were prepared to meet with bands on a case-by-case basis, if necessary, to discuss individual band indebtedness problems. As of this date, 39 of Manitoba's 60 bands have debts that require debt-recovery plans.

The Minister has asked that documents or evidence showing that contractual commitments have not been met should be presented to him. The Minister has also said unequivocally that where mistakes have been made, they will be corrected; where financial commitments have been entered into, they will be honoured.

With respect to the issue of under-funding, expenditures in the Manitoba region for Indian programs and services have increased substantially over the past 10 years—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Parliamentary Secretary but his time has more than expired.

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE—(A) REDUCTION OF FRANCOPHONE EMPLOYEES (B) POLICY RELATING TO OFFICIAL LANGUAGES—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to get back to the question I put to the President of the Treasury Board (Mr. de Cotret) on October 16 of this year, which concerned a publication called *Pony Express*, published by the Royal Canadian Mounted Police, where we read that the policy to reduce the number of Francophones within the RCMP is an official policy, and I wanted to know whether the Minister and his Government had approved or supported this position.

To situate the issue, Mr. Speaker, let me say that the need to protect language rights at the RCMP is nothing new. I certainly did not make it up since, in his 1985 report, the Commissioner of Official Languages remarked, and I quote:

"Where official languages are concerned, the Royal Canadian Mounted Police has a long way to go before its troubles are over. Its review of language policy threatens to slow the current pace of reform even further."

This was back in 1985, Mr. Speaker, so the Commissioner of Official Languages was predicting what might happen at the RCMP.

And that is exactly what we are seeing today, Mr. Speaker, if we are to believe the press and if we listen carefully to what the Minister says. In *The Globe and Mail* of October 16, we read that it is officially accepted policy that the percentage of Francophones within the RCMP will be reduced from 20.8 per cent to 14.1 per cent. And in the same article we read that Mr. William Spring, assigned to the Official Languages Program with the RCMP, wrote, and I quote:

[*English*]

The 14 per cent Francophone ratio is a more realistic policy.

[*Translation*]

Mr. Speaker, this statement was made by the officer responsible for official languages, following a series of discussions between Treasury Board and the RCMP. I imagine it has a measure of credibility, because there was an exchange of correspondence which we have here today and to which I have referred in the House, where we can read . . . and I want to quote the last paragraph of a letter signed by Mr. Aquilina, not just anybody, who was responsible for official languages at Treasury Board, and I quote *verbatim*:

[*English*]

Finally, I would like to suggest, given the importance of the proposed changes, that we proceed on the understanding that a re-assessment of the situation could be made after two years or so. Since it was agreed, at the January 10th meeting, that it would be to our mutual advantage to formalize the agreements reached—

[*Translation*]

Mr. Speaker, it looks like a firm agreement in principle was finalized.

The Commissioner of Official Languages said in his 1985 report, and I quote: " The high percentage of Anglophone officers can be explained by the fact that nearly 85% work in the West." However, he qualifies these remarks, Mr. Speaker, and I quote again: "However, the question of geographical distribution should not make the RCMP lose sight of the fact that it is a national agency which should reflect the linguistic duality of Canada."

Mr. Speaker, "to reflect the fact that the RCMP is a national agency", I think the target of 20.8 per cent Francophones within the corps, the regular constabulary of the RCMP, would seem an acceptable minimum. And that was in fact the target agreed upon between the parties at the time, that is, the Liberal Government, the RCMP and Treasury Board.

So what is the Conservative Government doing with this problem? He says that there have been discussions, that these were unsatisfactory and that no official decision has been made. Again today the Minister told me there is no formal agreement, that if things do change he and his Government will continue to promote both official languages in the public service, and that he will make sure no attempt is made at reducing staff.

• (1825)

But, Mr. Speaker, it seems this is what they want to do through the back door. I do not care much for this because the House is about to consider serious amendments to the Official Languages Act which was adopted by the House in 1969 and which has not been amended in a significant way in almost 18 years.

When we ask the Minister what is going on with respect to the official languages we are told to be patient. When we ask the Minister to provide explanations about such important news as that mentioned in the RCMP *Pony Express* we are told there are discussions among civil servants. My God! Mr. Speaker, what are civil servants doing other than implementing the policies of this Government? What do civil servants do? Do they get a kick exchanging letters and documents, when they should be busy following up on the policies of the Government and advising its officials on how to proceed? I am somewhat concerned to hear the Government say: No, no, no. We wash our hands off. Like Pontius Pilate. We have nothing to do with this. Then in turn the civil servants say: Yes! Negotiations are under way and serious recommendations have been made.

Mr. Speaker, this evening I direct my question to the Parliamentary Secretary, in the hope that the Government will clear up the air and tell us in no uncertain terms: No! There is

no policy aimed at cutting down the staff. No! We do not support this policy under which the RCMP francophone staff would be reduced from 20.8 to 14.1 per cent.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the President of the Treasury Board, the Hon. Robert de Cotret, has asked me to clear up the issue of Francophone and Anglophone membership in our great Royal Canadian Mounted Police.

I would first like to repeat what the President of the Treasury Board said last Thursday in this House, specifically that policy changes proposed by the RCMP have not yet been submitted to his Treasury Board colleagues nor to himself for future consideration. In that respect, he invited his colleague the Sollicitor General to submit to Treasury Board, at the earliest opportunity, the amendments to its official languages policies as planned by the RCMP.

In that respect, according to our information, the Francophone and Anglophone enrolment is not the only item of its internal policies the RCMP intends to amend. This seems to be timely, because active enrolment cannot be separated from the general context of official language use in that important federal agency. We therefore expect the RCMP representations will also include initiatives to improve the situation as regards working languages and language training.

I feel certain the Hon. Member for Ottawa—Vanier will recognize those are important matters that can be improved within the present framework of the Government's current policies. When Treasury Board reviews those documents, after they are submitted, it will be guided in matters of enrolment by Canadian Government policy, which remains equal access to Public Service Employment for all Canadian men and women of both official language groups. This means that opportunities for full enrolment must be exactly the same, both for French and English-speaking Canadians, whatever their ethnic origin or their basic mother tongue. That principle must apply both to hiring and promotions.

Of course, the Treasury Board cannot ignore that the RCMP has to deal with a complex mandate. It works across our vast land in every Canadian province, at the municipal and provincial levels, except in Quebec and Ontario.

In conclusion, I would like to thank the Hon. Member for Ottawa—Vanier for giving us this opportunity to clarify an important matter of concern to us all Canadians.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, October 24, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENITENTIARIES

KINGSTON PENITENTIARY—REPORTED REJECTION OF BOOK DONATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to bring to the attention of the House the recent ridiculous situation at the Kingston Penitentiary. Chuck Armstrong, Secretary of the Inmate Committee, dared to write a letter to *The Toronto Star* asking for donations of used books for the prison library. Not only did the prison warden refuse to accept the books, the inmate was thrown off the prisoners' committee for writing a letter to *The Toronto Star*, as the secretary of the committee, without having the expressed approval of the prison.

Illiteracy is a widespread problem, particularly among our prisoners. Where is there justification at Kingston Penitentiary in refusing books that libraries and citizens are more than willing to donate when there exists an amazingly high percentage of illiterates among the prison population, and when this is the Year of Literacy in Canada?

I call upon the Solicitor General of Canada (Mr. Kelleher) to have Mr. Armstrong reinstated and begin accepting books at the Kingston Penitentiary. What with the Prime Minister's (Mr. Mulroney) decision to build a prison in Port-Cartier at such expense, any donation to prisons should bring a sigh of relief to the Government.

* * *

[*Translation*]

PENSIONS

NEED TO IMPROVE SURVEILLANCE OF EMPLOYEES' PENSION FUNDS BY DEPARTMENT OF INSURANCE

Mr. Jean-Guy Guilbault (Drummond): In his latest report, Mr. Speaker, the Auditor General mentions that the Department of Insurance regulates about 560 insurance, trust and loan companies with over-all assets of over $200 billion, and 750 employer-sponsored pension plans valued at $28 billion.

His audit has revealed that the Department of Insurance surveillance of pension plans is a lot less strict than it is with respect to financial institutions. He points out that current surveillance methods do not allow him to have enough control over the solvency of pension plans, so much so that department officials could indeed improve considerably their monitoring of financial institutions.

They should also devote more time to forecasting future trends in this sector and singling out new sectors which may present some risks.

Therefore it is imperative to exercise stricter control over these institutions to prevent surpluses from being used for private investments and avoid speculation with the pension funds of employees, as was the case with respect to Argus Corporation President, who used those funds to buy a daily newspaper in England.

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member, but his time has expired.

* * *

• (1105)

[*English*]

FINANCE

NON-PAYMENT OF INCOME TAX BY COSEKA RESOURCES LIMITED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the recipient of our tenth great untaxed corporation award is Coseka Resources Limited. This company's ability to use generous Liberal and Conservative tax concessions has resulted in current tax credits in every year from 1978 to 1981 on millions of dollars of profits. From 1982 to 1985 the company was granted the right to pay no income taxes at all on $33 million in profits. Had the tax system been fair and equitable, and had this company been required to pay a tax rate of 25 per cent on its profits, Canadian taxpayers would have had their tax bill reduced by $8.2 million.

Canadians are looking for real action in the area of tax reform, not simply more consultation and vague promises about reform for another two years, as was indicated by the Minister of Finance (Mr. Wilson) yesterday.

S.O. 21

UNITED NATIONS

ANNIVERSARY OF ORGANIZATION'S FOUNDATION

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, today is United Nations day. We would do well to remember the purpose for which the United Nations was founded. Forty-one years ago, as the world was emerging from six years of war, it was set up to create a system for the maintenance of international peace and security. In meeting that basic objective, the international community has, on balance, succeeded, but much still remains to be done. So long as people go unfed, so long as men and women are imprisoned for their beliefs, and so long as the world is threatened by violence and war, no nation or individual can afford to cease working for a better society.

There could be no better way for Canadians to mark this anniversary than by recommitting ourselves to the principles of the United Nations Charter and to the strengthening and revitalization of the organization. Let our renewed commitment be an example to all member states.

* * *

[*Translation*]

STATUS OF WOMEN

SITUATION OF SINGLE, ELDERLY AND HEADS OF FAMILIES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in their report entitled *Progress Against Poverty* the National Council of Welfare point to a significant decline in Canada's poverty rate among men and the elderly. While the over-all situation is improving, however, single and elderly women and others who are heads of families are getting ever poorer. Indeed six out of 10 single-parent families headed by women live under the threshold of poverty. The poverty rate among single mothers did not decrease in 1985. In this category poverty has been gradually worsening over the past five years. A single mother is five times more likely than a married woman to end up swelling the ranks of the poor. Inequality among single-parent families is glaring. A single-parent family headed by a woman stands four times as many chances of being poor as a family headed by a man.

In the light of this depressing situation, Mr. Speaker, allow me to say that the comments made last October 21 by the Minister responsible for the Status of Women were particularly ill-chosen; she stated that surely the Conservative Government has done something to improve the status of women in Canada, considering that a few women have been able to sit on Government benches—

Mr. Speaker: I regret to interrupt the Hon. Member, but her time has expired.

[*English*]

THE DISABLED AND THE HANDICAPPED

GOVERNMENT MEASURES TO SUPPORT AND ENCOURAGE THE DISABLED

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, some 3.5 million Canadians are disabled. This represents some 14 per cent of our population, virtually one person in seven. In spite of inherited financial difficulties, this Government has taken a number of positive steps to support further and encourage the handicapped.

The funding for the disabled persons' program will increase fivefold. A new housing renovation program will raise the maximum subsidy from $1,500 to $5,000. The flat rate disability payment will rise from $87 per month to $224 per month effective January 1, 1987. A broader definition of "disability" will enable an additional 120,000 Canadians to secure an income tax deduction, a deduction which has been increased by $250 this year.

These initiatives, which improve the living conditions of the disabled, are an integral part of the ongoing thrust of the Government toward greater social justice for all Canadians.

* * *

THE DISABLED AND THE HANDICAPPED

ARRIVAL OF RICK HANSEN IN OTTAWA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I know all Members of Parliament would want to join me in welcoming Rick Hansen to the National Capital today. He is an exceptional Canadian who has now travelled through 34 countries, including the Soviet Union, China, and Australia, a distance of 40,000 kilometres, on his Man in Motion Tour.

Rick Hansen has simply set out to prove that people who are disabled can realize their dreams, that life does not stop because of disability. He has been seeking to change the perception of Canadians and people around the world about those who are disabled. The disabled are our peers. They are our equals.

• (1110)

I, personally, as the Hon. Member for Ottawa Centre, want to pay tribute to Rick Hansen for the courage and the perseverance he has shown following in the footsteps, if I may say, of his friend, Terry Fox. I wish him well on his very difficult journey for the rest of the Man in Motion Tour until he reaches Vancouver.

POLITICAL PARTIES

CAPE BRETON INVESTMENT TAX CREDIT—POSITION OF NEW DEMOCRATIC PARTY

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my constituents are wondering whether the NDP really do care about people and jobs.

The Cape Breton Investment Tax Credit is attracting investment to eastern Nova Scotia. A number of plants are under construction, and jobs during and after construction will result. Yet each day members of the NDP stand in the House and tell us they are against tax credits.

I can assure these ideological purists that the unemployed fully support these development incentives. To the NDP, the Cape Breton Investment Tax Credit may be a loophole to benefit big companies; to the ordinary Canadians I represent, the Cape Breton Investment Tax Credit is a valuable investment incentive for our region that is resulting in jobs for the needy.

Are the NDP for it or against it? Come clean with Cape Bretoners!

* * *

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

RESEARCH AND DEVELOPMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, during the last few days representatives from the Canadian Federation for the Humanities have visited a number of Members of Parliament. This organization represents over 8,000 academics across Canada and is extremely concerned with issues affecting university education.

This year the group brought to the attention of Members of Parliament the fact that there is an urgent need to include research in the humanities and social sciences within the fiscal definition of research and development. Such a move by the federal Government would enable the humanities and social sciences fields to attract donations from the private and corporate sectors.

Now that the federal Government has seen fit to include social sciences and humanities as one of the granting councils, it is imperative that this group be given equal status to medical research and natural sciences and engineering research. Without this benefit the Social Sciences and Humanities Research Council will be in serious difficulty within a short period of time. Therefore, I urge the Government of Canada to give favourable consideration to the recommendations brought forth—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

[*Translation*]

THE DISABLED AND THE HANDICAPPED

PRESENCE OF RICK HANSEN IN NATIONAL CAPITAL

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, all Canadians are following Rick Hansen's wheelchair tour across Canada with great interest and sympathy. In fact, Mr. Hansen will be in the National Capital area today. With his determination and great strength of character, Rick Hansen is an example to us all. He decided to make this tour for the benefit of others who are similarly handicapped, making the many sacrifices and overcoming the numerous problems involved in making such a trip.

Rick Hansen, on behalf of the Canadian people I wish you the best of luck in pursuing your goal, and I will most certainly continue to support your cause.

I was truly delighted to meet and welcome you when you stopped at Rivière-du-Loup on October 11, and we all hope your trip will be the success you want it to be.

* * *

[*English*]

THE PRIME MINISTER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, when will the Prime Minister's (Mr. Mulroney) pork-barrelling stop? It was scandal enough that the Prime Minister short-circuited the usual planning criteria of Correctional Service Canada to have an unnecessary and wildly expensive facility built in his riding in Port-Cartier, but now scandal piles upon scandal as we discover that the PM's interference continues in the construction of the facility at Port-Cartier. The Auditor General has stated that involvement of political officials in such a committee is abnormal. Everything about this project is abnormal.

Canadians will not accept pork-barrelling and political interference as normal aspects of political life. The Tories have learned the lessons of the Liberals well. Constructing prisons as job-creation projects is always unacceptable, and using the excuse that the Liberals did the same thing is an abdication of responsibility. The excesses of the Liberals live on, taken to new heights by the Prime Minister and his advisers. The Prime Minister had an option. He could have said no, but he said yes, to the shame of himself and all his Tory colleagues.

Oral Questions

GOVERNMENT EXPENDITURES

AUDITOR GENERAL'S COMMENT ON IMPROVED MANAGEMENT PRACTICES

Mr. Bob Horner (Mississauga North): Mr. Speaker, for the first time in a long time the Auditor General had something positive to say about government management and spending. The Auditor General said he felt this Government was more concerned and interested in sound management practices than the previous Liberal administration. I know that there is always room for improvement, but I must remind Hon. Members that my Government remains firmly committed to a policy of deficit-reduction and to spending controls.

• (1115)

This improvement in management practices and attitudes was certainly not reflected in the programs and policies of the previous Liberal administation. For example, the Auditor General noted that a Liberal employment program did not necessarily create employment. Furthermore, the NRC, which is presently criticizing my Government for cuts in its budget, wasted about $2.7 million storing furniture and equipment it bought more than two years ago and still has not used. The money thrown away on storage and interest could very easily have covered about 15 per cent of the NRC's budget cuts.

The outlook is positive and the Auditor General has confirmed that this Government is a better manager than the last Liberal—

Mr. Speaker: Order. The Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*English*]

TAX REFORM

END RESULT INQUIRY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Minister of State for Finance. Yesterday the Minister of Finance made a long and expected speech in the House about Tory tax reform. Unfortunately, we know nothing more now than we did before.

I read the Minister's speech carefully and I found it to be full of generalities. It contains no specifics at all. I suppose the columnist from *The Ottawa Citizen* was right when he called it a flim-flam.

Will the Government guarantee Canadians that Tory tax reform will not increase, either directly or indirectly through other forms of taxes, the total amount of money paid by the average Canadian?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the statement made yesterday by the Minister of Finance was an introduction to the guidelines which will begin his consultation on tax reform. We are beginning consultation on all of these issues. We encourage Canadians to read this document and we encourage the Hon. Member to read this document. This is the beginning of the consultation and the laying down of guidelines.

Mr. Garneau: Mr. Speaker, again we should note that the Government does not want to guarantee that taxes will not be increased.

[*Translation*]

GOVERNMENT'S INTENTIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in his speech yesterday, the Minister of Finance said he intended to abolish certain tax deductions now available to private citizens.

Since the Minister and the Government will be consulting Canadians on this matter, could the Minister of State for Finance inform the House what tax exemptions or deductions his Government intends to abolish? Is it the deduction for dependent children, the married deduction or the deductions currently allowed for unemployment insurance premiums or union dues? Could the Government, since it intends to consult with Canadians, be a little more specific about its intentions?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, there are two parts to that question. First, in terms of over-all marginal rates for personal income tax, the Government has said that the purpose of this reform is to lower those rates. Second, there are certain preferences and deductions at which the Government must look in terms of any comprehensive tax reform. We are finally doing it.

I would ask the Hon. Member if he is against what we are trying to do. We are trying to simplify the tax system. Is he against that? We are trying to promote fairness in the tax system. Is he against that? We are trying to improve the balance of federal taxes. Is he against that? We are trying to encourage economic growth. Is he against that? All of these guidelines are here. Please, as the Hon. Member for Beaches often says, come clean with us. What does the Hon. Member want—

Mr. Speaker: Order.

Mr. Garneau: Mr. Speaker, I would like to give judgment on the proposal but there is no proposal on the table. We do not know what the Government wants to do. There are so many generalities that it is like motherhood and cream pie.

REQUEST THAT GOVERNMENT TABLE PROPOSAL

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I submit that a real, meaningful consultation requires a clear and detailed proposal by the Government. Otherwise Canadians will not know on what they are consulted. Will the Government undertake to table such a detailed proposal and

hold public hearings before the Finance Committee of the House of Commons?

• (1120)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member was not a Member of the House some years ago when there was another attempt to reform taxes, but not comprehensively. The problem was that they did not consult. They acted unilaterally.

Mr. Garneau: I was part of it.

Mr. Hockin: We are not acting unilaterally. That is why we are consulting. For us to come up with detailed proposals before we even consult would be quite wrong.

Mr. Garneau: That is completely wrong and you know it.

SALES TAX—GOVERNMENT POLICY

Miss Aideen Nicholson (Trinity): Mr. Speaker, the previous proposals, the Carter Commission that the Minister has just referred to, pointed out very strongly that income tax which is geared to ability to pay is a much fairer way for Government to get revenue than a sales tax which bears more heavily on the poor. Will the Minister, therefore, explain to the House how he can claim that the emphasis is on fairness when in fact the Government appears to be moving much more in the direction of consumption tax and away from income tax?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, there are two obvious answers to that question. The first is to judge the future by the present. We have brought in a refundable child tax credit. We have brought in a refundable sales tax credit for low-income families. That is where we stand with respect to the poor. That particular commitment is there, and in many other aspects of what the Minister of Finance has done. As to the future, those ideas that the Hon. Member proposes can be brought before the standing committee, and can be brought before the consultative mechanism that is going to be set in place.

CONCEPT OF FAIRNESS

Miss Aideen Nicholson (Trinity): Mr. Speaker, a single parent earning $20,000 and caring for two children will lose nearly $500 this year because of the Conservative Government's tax increases. This family is not eligible for the sales tax rebate. Can the Minister explain to the House how we are to see a promise of fairness in this?

Hon. Tom Hockin (Minister of State (Finance)): The very first objective that the Minister of Finance is aiming for in this whole process of tax reform and consultation is the improvement of fairness. All ideas to improve the fairness are very welcome.

CORPORATE TAX REVENUE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also directed to the Minister of State for Finance. It arises out of the proposals made by the Minister yesterday on tax reform. Does the Minister of State recall that in the 1985 budget paper on corporation tax the Government gave a preview in which it indicated that it wanted to wipe out some corporate tax loopholes and, therefore, reduce the rates, but it then went on to say:

> The suggested approach is deliberately structured to raise the same amount of revenues as does the current system.

Is that still the goal of the Government, that is, not to get extra dollars from the share of corporation tax, or has the Government now come to the New Democratic Party's view which is that the share of corporate tax is inadequate and should be raised substantially?

An Hon. Member: Hear, hear!

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, comprehensive tax reform means looking at all aspects of taxation: corporate income tax, personal income tax, and sales tax. We are trying to broaden the base and to make it more fair. In terms of corporate income tax reform, it is very wise for us to look at various aspects of corporate income tax reform that should be improved, especially certain resource preferences, certain capital cost allowances. But I remind the Hon. Member that in this past year 13,000 companies in Canada are now paying tax that never paid tax before, so our commitment to getting corporations to pay tax is already bearing fruit.

Mr. Cassidy: I am glad to hear that from the Minister. That leaves only 67,000 companies in Canada which are profitable and are not paying taxes. It is about time they paid taxes as well.

CORPORATE AND PERSONAL TAX REVENUE PROJECTIONS

Mr. Mike Cassidy (Ottawa Centre): Is the Minister aware that the Government's own figures show that between 1984 and 1990 personal tax revenues are anticipated to increase by $28 billion, and corporate tax revenues by only $4.5 billion? The share from corporations is falling. Is that still the Government's intention, or will it be increasing the share that is paid into the federal treasury from corporations, so that we have real fairness in the tax system?

Hon. Tom Hockin (Minister of State (Finance)): I know that the Hon. Member will not expect me to accept the premise in terms of the numbers that he has given, because I will have to verify them. The purpose of this whole exercise is to consult. That is what this document is trying to begin. All ideas to improve the corporate tax framework are very welcome. But remember that we are trying to broaden the base, not just load up one pillar with excessive taxes. We have already given the understanding to everybody in this paper

that lower rates of tax on the personal income side are in the offing.

[*Translation*]

REQUEST FOR INTRODUCTION OF MINIMUM CORPORATE TAX

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this will be my final question for the Minister of State for Finance. The figures I just quoted were sent over by the Minister.

Since the U.S. Congress has just imposed a minimum tax on corporations to avoid a situation like the one that now exists in Canada, where thousands of profitable companies are not paying taxes at all, will the Government consider imposing a minimum tax on corporations to ensure they pay their fare share of the Canadian Government's revenue?

• (1125)

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as for the minimum tax in the United States, it is not working very well and it is very trivial in most instances. If that is the direction the Hon. Member wants us to take, then he should say so. We have a tax system in Canada which, compared with that of the United States, is entirely different for very good reasons. The Hon. Member knows why the two tax systems are different, and corporate tax rates are an example of the difference.

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PENITENTIARIES

PORT-CARTIER PRISON—PMO REPRESENTATION ON PLANNING COMMITTEE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Solicitor General of Canada. In a conversation which we had with him this morning, the Auditor General stated that the nomination of Mr. Simon Landry, a political adviser in the Prime Minister's Office, to sit on the planning committee of the construction of the Port-Cartier prison was in his view—and he repeated it today—abnormal. Could the Government tell the House today who appointed this individual? What specific qualifications did he have which made his nomination normal? Will the Minister not admit that this was a partisan political move to partake in patronage?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I can advise the House that, pursuant to Chapter 140 of the administrative policy manual, there is provision for the setting up of a planning committee. The people who become members are those who are interested, and that in fact was the procedure followed in this particular case.

AWARDING OF CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, that is not the case. They are representatives of interested Departments, Departments which have an interest in the project. Would the Minister tell the House how the Prime Minister's Office is an interested Department in this project? Is it not a fact that this gentleman sits on the board so that at least eight contracts can be awarded within the Prime Minister's riding, bypassing other guidelines of the Treasury Board, other than the ones which have been broken right now and we proved were broken yesterday?

Hon. Stewart McInnes (Minister of Public Works): I can obviously say no, Mr. Speaker. This particular committee was set up to allow the process of regional development to crystallize. At the request of the local Chamber of Commerce and the local construction association, meetings were called to allow local contractors to have the opportunity to bid on the Port-Cartier construction. This was done in that region, and this was applauded by the people of that area.

Mr. Speaker: The Hon. Member for Burnaby.

Mr. Robinson: Mr. Speaker, the only thing which is crystallizing is the stench of patronage over this particular Government.

ALLEGED PMO INVOLVEMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General who is not prepared to admit that there was no interference by the Prime Minister or his officials. What was the earliest date upon which there was involvement by any official of the Prime Minister's Office in the decision to construct this prison in Port-Cartier, Quebec? What was the earliest date the Prime Minister's Office became involved?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I believe the Hon. Member has been absent on other duties out in British Columbia.

An Hon. Member: Did it do any good?

Mr. Kelleher: Far be it from me to comment on the success of that venture. However, were he here, he would have known that I discussed it. I went back to my officials and I was advised by them that there was no record whatsoever of any involvement by the Prime Minister or any member of his staff in the location of the prison at Port-Cartier.

• (1130)

Mr. Robinson: Mr. Speaker, there may be no record, but the people of Canada know well exactly what has happened.

LOCATION OF PRISON

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a supplementary question for the Solicitor General. Does the

Solicitor General agree with his colleague from Quebec East who suggested yesterday before the Public Accounts Committee that because the prison is being built in Port-Cartier maybe people will think twice before committing crimes because the penitentiary will be so far away from families and professional services. Does that represent the opinion of the Solicitor General and the Government of Canada?

Some Hon. Members: Oh, oh!

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I was not present at the hearings yesterday. I can tell the Member that the prison is being located in Port-Cartier for good and valid reasons. First, there is a need for protective custody cells. Second, it is to assist an economically depressed region of the country. I am sure that the Member and his Party are not against policies of that nature; certainly the former Solicitor General was not.

PARTICIPATION OF SIMON LANDRY IN PLANNING COMMITTEE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Solicitor General. It is reported that records in the hands of the Government show that on April 15 of last year a special planning committee created to monitor the Port-Cartier prison project had as one of its members, Simon Landry, a PMO policy adviser. If that was the case, can the Solicitor General explain why months later, last September, the press secretary to the Prime Minister, Michel Gratton, answered written questions about the Port-Cartier project and said: "There was no interference by the Prime Minister". How can the Solicitor General explain this obvious contradiction?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the fact is easily explained. This particular implementation committee was set up three months after the decision had been taken to locate the penitentiary at Port-Cartier. Any information given to this planning committee was exactly the same as was given publicly to the local Chamber of Commerce and the citizens of that area.

TREASURY BOARD CONTRACT GUIDELINES

Hon. Herb Gray (Windsor West): Mr. Speaker, I have another question for the Minister of Supply and Services. In the Treasury Board contract guidelines—

[*Translation*]

It is stated that before a contract is awarded, the contracting party must put out a call for tenders, in accordance with article 9, except in cases of pressing emergency where any delay would be harmful to the public interest.

I want to ask the Minister: Can he explain to the House what kind of pressing emergency prompted the Government's decision to ignore this guideline?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, there was no particular emergency. I can say that all of the appointments made were made pursuant to Treasury Board guidelines. I can unequivocally advise, and with confidence say, that this procedure was followed in this particular case.

* * *

TAX REFORM

GOVERNMENT'S INITIATIVES—CAPITAL GAINS TAX EXEMPTION

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of State for Finance. Again it concerns the whole notion of tax reform as introduced by his Government. We heard the Minister of State for Finance today underline the fact that the importance of the initiative is based on fairness. As well, I remember the Minister stating in this House that all taxes will be looked at in a comprehensive way. Is the Minister of State for Finance prepared to state whether the half a million dollar capital gains tax exemption will also be on the table and will also be up for reconsideration?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, it is clear that any comprehensive tax reform examination will look at all aspects of tax reform. We are trying to bring about a better balance among the three major elements in the federal tax system. This reform will result in no increase in take-home pay for Canadians. That is the bottom line.

Some Hon. Members: Oh, oh!

Mr. Hockin: We are trying also to simplify the tax system. Does the Hon. Member support simplifying the tax system? Does he support us in making it simpler and making it more fair?

Mr. Speaker: Order. The Hon. Member for Regina East.

REQUEST THAT EXEMPTION BE RECONSIDERED

Mr. Simon de Jong (Regina East): Mr. Speaker, let me get back to the same question again. I did not quite hear an answer to it. I am asking for a specific yes or no. Is the Government prepared to put the capital gains tax exemption that is costing some $600 million a year in lost revenue and which is helping the rich Canadians, those who have half a million dollars in capital gains—

Mr. Mazankowski: The farmers?

Mr. de Jong: —on the table for reconsideration? Yes or no?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member is doing it again. He is taking one part of this whole package and singling it out.

Mr. de Jong: Is it going to be on the table? Answer the question.

Mr. Hockin: This is a comprehensive review. I encourage the Hon. Member to look at it.

Mr. de Jong: Is it going to be on the table? Answer the question.

* * *

[*Translation*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

PARTICIPATION IN WAR AGAINST POVERTY

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I have a question for the Minister of External Relations. Yesterday, you stated your intention to open up CIDA to Canadians. Will this mean that organizations or agencies with an interest in international development, and there are many in my constituency, will be given the means to take part in the fight against poverty throughout the world?

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I sincerely thank the Hon. Member for her question and for her interest in the development of Third World countries. As I said yesterday, I believe that governments alone cannot do everything and that we should open up CIDA to look for new partners and allow a greater number of Canadians to take part in our work to provide assistance to the Third World.

* * *

[*English*]

PENITENTIARIES

PORT-CARTIER PRISON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also for the Minister of Supply and Services. Given that he has admitted this morning that he and his Government violated the tendering guidelines for the contract of the Port-Cartier prison—

Mr. Clark (Yellowhead): Another misrepresentation.

Ms. Copps: —will he now agree to refer this whole mess to the Public Accounts Committee so that Members of Parliament can have some accountability instead of the kind of pork-barreling that we have seen by the Prime Minister and his cronies in the Prime Minister's Office?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, perhaps I should correct the record and advise the Hon. Member that I am the Minister for Public Works. Perhaps I could also indicate to the Hon. Member that at no time did I indicate today that there was any breach of appropriate procedure, and, more important, of Treasury Board guidelines.

REQUEST FOR COMMITTEE REFERRAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the administrative policy manual states quite clearly that, before any contract is entered into, the contracting authority shall invite tenders except in need of pressing emergency. The Minister this morning said there was no emergency. It is a clear violation of the guidelines. I ask the Minister once again whether this whole mess will be referred to the Public Accounts Committee so that every Member of Parliament can examine the kind of politics behind the Prime Minister's pork-barreling.

Mr. Clark (Yellowhead): Another misrepresentation.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Member might want to read on.

Mr. Clark (Yellowhead): She is an expert at partial quotation.

Mr. McInnes: There are a good number of provisions that direct how Public Works should proceed in the awarding of contracts. Any contract over $100,000 goes to public tender. For anything below, there is a committee of civil servants who make recommendations to the Minister. The Minister makes the choice. Any contract under $15,000 is chosen by the bureaucrats in the particular region. Those procedures were followed in every instance.

Ms. Copps: It is a $41 million plus boondoggle.

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AIR CANADA

OBSERVANCE OF SANCTIONS AGAINST SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. I would like to have a report on the response given to the Secretary of State for External Affairs concerning his meeting with Air Canada on Air Canada's action in circumventing the Canadian and American sanctions on travel to South Africa.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me thank the Hon. Member for his question, both today and two day's ago. After his original question I spoke to Mr. Pierre Jeanniot, President of Air Canada. Air Canada, in fact, did not act in any way that undermines the sanctions policy of the Government of Canada. However, in order to ensure the more extensive effectiveness of those guidelines, Air Canada gave notice yesterday that it is ending its general sales agency agreement with South African Airlines in Canada and with a private agency in South Africa.

Accordingly, Air Canada will no longer be involved in facilitating travel to and from South Africa.

Air Canada has agreed that when South African Airways closes its Canadian offices on November 1, Air Canada will not undertake to act as the South African Airlines official agent in Canada. I think those are very positive steps by the Crown corporation. I expressed my appreciation of them. I express my appreciation of the Hon. Member for raising the question.

* * *

APARTHEID

SOUTH AFRICA—REQUEST FOR LEGISLATION TO IMPLEMENT SANCTIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there are certain impediments to the effective implementation of our sanctions represented, for example, by the role of travel agents in this activity, and certain impediments represented in the Common Carriers Act and the National Aeronautics Act. Does the existence of these impediments in our own legislation and international regulations not clearly demonstrate the need for the Government to introduce legislation in this House as recommended by the Human Rights Committee, to give effective implementation to Canadian sanctions, instead of relying on voluntary attempts at accomplishing much less than could be done by that other vehicle?

• (1140)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is my view that for a variety of reasons it is preferable for us to proceed with voluntary measures which, by and large, have proved effective. Some questions with regard to international regulations are being looked at now. Air Canada legal authorities are studying IATA regulations to learn what their obligations are under IATA.

I would like to make two other observations on this matter. I will be writing to other Canadian airlines commending to them the action which Air Canada has announced it has taken. Finally, there was an assertion in the House the other day by the Member for Hamilton East that the President of Air Canada had written to union officials saying he was waiting for a directive from the Department of External Affairs. That statement by the Hon. Member was false.

Ms. Copps: I will produce the letter.

AGRICULTURE

GOVERNMENT ASSISTANCE FOR GRAIN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. In the Auditor General's Report he reveals that the Western Grain Stabilization Act has fallen from over $1 billion two years ago to over a $100 million deficit. Can the Minister confirm that the much ballyhooed $1 billion aid program for grain farmers will in fact be only the regular statutory payments due to farmers under the Western Grain Stabilization Act and the Agricultural Stabilization Act as a result of the low grain prices?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, obviously Question Period does not allow time for an adequate explanation of the shortfall suggested in the Auditor General's Report. However, I have an explanation. This is due to many fluctuating factors, but primarily to the fact that it is impossible to estimate the number of eligible producers.

Mr. Benjamin: The farmers fluctuated again.

Mr. Wise: You are right. With regard to the latter part of the Hon. Member's question, I refer him to our original statements that no existing agricultural program will be cut and no existing agricultural funding will be reduced.

GOVERNMENT'S OBLIGATION UNDER WEST GRAIN STABILIZATION ACT

Mr. Maurice Foster (Algoma): Mr. Speaker, is the Minister planning to make a special payment to grain farmers in order to reduce the payments which farmers would normally be eligible for under the Western Grain Stabilization Act? Is it the Government's plan to avoid its statutory obligation under the Western Grain Stabilization Act by making a special payment outside of that, thus reducing its obligation under the Act which has been estimated at over $1 billion?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the answer to that question is no, because that would be a violation of our stated commitments to Canadian farmers. When this Party makes commitments to Canadian farmers, it fulfils those commitments.

* * *

TRADE

UNITED STATES IMPORT TAX—PROVISIONS OF EMPLOYMENT SUPPORT ACT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of International Trade who has now had the opportunity to review the Employment Support Act. She knows it was designed to protect Canadian workers and their companies from unfair trade action by, in particular, the United States Government. Will the Minister now use this

tool, which the Parliament of Canada has provided her, to prevent lay-offs in the sawmill industry across Canada?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, this legislation is administered by the Minister of Regional Industrial Expansion who is not in the House today. I have looked into it and have found that, although this legislation is effectively on the books, the regulations under it have lapsed. It does not seem to be an effective vehicle at this time. In my view it is premature to make decisions about what kind of assistance measures we should take in this case until we have a better idea of the impact. Our efforts are now directed to getting a reversal of the decision.

PROTECTION OF LUMBER WORKERS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, two weeks after my colleague, the Member for Essex—Windsor, raised this matter this spring with the Secretary of State for External Affairs, those regulations disappeared from the books. The Minister knows full well that there will be lay-offs in the Canadian industry while she is trying to convince the American Government to drop the imposition of the tax on Canadian lumber going into the United States. Will the Minister use the principles within this Act, even if amendments are required, to protect the workers who will be laid off while she is negotiating with Washington?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, if the Hon. Member was already aware that this legislation was not appropriate, I wonder whether it was appropriate for him to raise the question. In response to the Member's suggestion, I can only repeat what I have already said. It is too early to assess the impact of the decision on the industry and we are directing our efforts to having it reversed.

Mr. Speaker: I will recognize the Hon. Member for Timiskaming for a question supplementary to the questions of the Hon. Member for Algoma.

* * *

AGRICULTURE

GOVERNMENT ASSISTANCE FOR GRAIN PRODUCERS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Agriculture. Can he inform the House whether grain producers other than those in western Canada will qualify under the $1 billion subsidy which he announced earlier?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the answer to that question is yes. This is a federal program which is national in scope.

NATIONAL RESEARCH COUNCIL

GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. We learned today of another hare-brained scheme of the Minister which would destroy the National Research Council and basic research done in government labs across the country. Thousands of researchers would be put out to Tory pasture. Will the Minister confirm that he will not pursue his plan to destroy world-renowned research activity across Canada?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I am totally unaware of the document to which the Hon. Member is referring. There are dozens of consultation papers in circulation in industry, universities, and among government agencies. None of these papers would provide substance for the fear-mongering question which the Hon. Member asks.

GOVERNMENT POLICY

Mr. David Berger (Laurier): Mr. Speaker, we have been waiting for two years for a full response of the Government to the report of the Wright Committee. Will the Minister confirm that no changes will be made and no policy will be implemented regarding government science without full public consultations with private sector clients of government labs, the National Research Council and other agencies, and the scientists themselves?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, if I made no statements and we brought in no policies, we would simply be following the 20 years of deliberate policies of neglect of the former Government. We will act.

* * *

TRADE

UNITED STATES TARIFF ON CANADIAN LUMBER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of International Trade and is supplementary to my colleague's question to which the Minister replied that it is too early to assess the impact of this lumber decision on workers. Is it too early to recognize that an economic disaster has hit British Columbia, northern Ontario and Quebec, and requires action from the Government? Why is the Minister not prepared to act?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member may be interested to know that we have a variety of assessments of what the impact of this particular tariff will be on the forest industry. In the case of British Columbia, the head of the IWA feels that there will be no impact. Other people suggest that there will be some

impact. We are assessing the situation before deciding what measures are required.

The answer to the problem is to seek to reverse the decision. That is what the industry, the union, the provinces, and the federal Government are seeking to do. I am surprised that I do not have the Hon. Member's support for that position.

• (1150)

REQUEST FOR ACTION IN CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, we have had evidence in front of the House already of about 20 per cent of the workers in northern Ontario being laid off and 1,500 shipyard workers across Ontario being affected. Clearly this is an economic disaster.

I ask the Minister yet again if she will not do anything but act within the American system, which is the system that she herself says is an attack on our sovereignty. Will she not instead take action here in Canada for some change that will make the United States pay attention and reverse its stand?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already told the House that we are seeking to negotiate a trade agreement with the United States which will deal with just these kinds of issues. That is the kind of protection that we need in this country. That is the kind of mutual benefit that we will have from a trade agreement.

May I point out to the Hon. Member that the Economic Council report states that freer trade with the United States will generate 376,000 extra net jobs by 1995, and if we stay on a protectionist course we will lose 500,000 jobs. That is why I wonder why the New Democratic Party does not support the position of the Government on this issue.

* * *

EXTERNAL AFFAIRS

UNITED KINGDOM—SEVERANCE OF DIPLOMATIC RELATIONS WITH SYRIA

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, I think the whole world has been watching with concern the court proceedings in the United Kingdom. Will the Secretary of State for External Affairs comment on Britain's breaking of relations with Syria today, and Canada's response to that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, earlier today the British Foreign Secretary, Sir Geoffrey Howe, announced in Westminster that Britain was breaking diplomatic relations with Syria as a result of evidence adduced in a court case relating to terrorism. The Government of Canada fully supports the action of Great Britain in this regard. I want to indicate to the House that today I have been in touch with our ambassador in Damascus, calling him home for consultations. I have arranged to speak to Sir Geoffrey Howe later in the day, and I will keep the House of Commons apprised of other actions we might consider.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CANADA POST CORPORATION

POSSIBLE INCREASE IN POSTAL RATES—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, in the absence of the Minister for Canada Post, I shall address my question to the Deputy Prime Minister.

On October 22, the Canadian Federation of Independent Business wrote a letter to the Minister for Canada Post to express its strong opposition to any increase in the postal rates.

Why is the Government congratulating small business for having created 70 per cent of new jobs on the one hand and planning to impose them higher costs by increasing postal rates on the other?

How can he explain this contradiction?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister responsible for the Post Office has said in the House and outside the House many times that it is the desire of the Government to improve service and reduce the deficit of the Post Office. To that extent a new corporate plan is being developed and should be tabled very soon.

GOVERNMENT'S OBJECTIVE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, does the Deputy Prime Minister not believe that it is wrong to bail out Canada Post from its current deficit problem by applying another stamp tax?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, improving service is one way of reducing the deficit as well as making the Post Office operation more effective and efficient. I am sure the Hon. Member would not disagree with that objective. I simply remind him that there is no Government that has done more to support small business than this Government, and we will continue to support small business.

Oral Questions

SCIENCE AND TECHNOLOGY

RESEARCH UNDERTAKEN IN GOVERNMENT DEPARTMENTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. In Wednesday's debate the Minister agreed with the Member for Winnipeg North that our research efforts should be concentrated in areas where we already have expertise, such as agriculture, forestry, fisheries and mining. Why is his Department preparing policy guidelines that will effectively gut research in these line Departments and cost up to 1,000 jobs in each of these Departments?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, we are doing no such thing. Instead, we are mobilizing the collective energies of all Canadians to prepare a place for Canada on the new frontier in the next century.

Mr. Manly: Mr. Speaker, this jargon about mobilizing collective energies will mean that thousands of research people will be laid off and any attempt at replacing them will be like trying to fit round pegs into square holes. It will not work.

MINISTER'S POSITION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, will the Minister make a commitment now that any guidelines will come before the Science and Technology Committee before they are implemented so that the committee can approve them and ask the proper questions?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I suggest that the Hon. Member take control of his lively imagination. There is no intention to break down those inherent strengths. Indeed, the Hon. Member for Winnipeg North did nothing more than to requote what I said in my speech 10 minutes earlier, which was to build on our national strengths and resource industries and to revitalize our regions with the tools of science and technology. That is what we are doing.

* * *

INSURANCE

SUPERVISION OF REGISTERED PENSION FUNDS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of State for Finance. Many of my retired constituents, and indeed many retired Canadians, want to be assured that supervision of pension funds is adequate to ensure the security of their incomes after retirement. In light of the Auditor General's remarks in his most recent report, what assurance can the Minister give the House and those Canadians that their post-retirement income is secure in pension funds?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I commend the Hon. Member for his close interest in this question. The Auditor General's Report was a reflection on what could be done in the future for federally registered pension plans. All of his suggestions are being examined and a number of them are already being worked on by the Department of Insurance. I assure him that the problem with federally registered pension plans up to now is that they are producing huge surpluses, not problems.

* * *

LABOUR CONDITIONS

ENERGY INDUSTRY—JOB LOSSES IN ALBERTA

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The former Minister of Energy, Mines and Resources, the Minister for International Trade, stated that over 100,000 new jobs would be created as a result of the energy policies that were implemented when she was Minister. We learned this week from a report submitted to the Alberta and federal Governments that over 50,000 jobs will be lost this year in Alberta and 6,000 additional jobs will be lost throughout Canada. Will the Minister contact his colleague, the Minister of Energy, Mines and Resources, and his provincial colleagues, to see what corrective action might be taken to deal with this serious employment situation?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, this is an excellent question. Everyone is aware of the employment situation in Alberta, which is the result of the problems in agriculture and the oil industry.

We are closely monitoring the employment trends in the province, and with the co-operation of all Cabinet members, especially the Minister of Industry, and taking into account the options open to me, as I have already said on a couple of occasions, we may be able to find special applications of our jobs strategy for this province.

[*English*]

JOB-CREATION FUNDING FOR ALBERTA

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, how does the Minister respond to the charge by Mr. Oman, a Minister in the Alberta Government, that Alberta is not getting its fair share of job-creation money—only 1 per cent of the job-creation money—when Alberta's unemployment average is higher than the national average? How does he deal with that allegation that the Alberta Minister levelled against the federal Government?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would not have expected the Hon. Member for Notre-Dame-de-Grâce—Lachine East to give me an opportunity to tell him that the programs mentioned by Mr. Orman were programs implemented by the previous Government in 1982, and I can give a series of examples of these programs. Some of them have already been mentioned in the newspapers this week. All are programs and projects authorized by your Government which we have replaced by the job-creation program.

Mr. Orman was therefore referring only to the job creation programs in effect from 1982 to 1985.

• (1200)

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

TABLING OF GOVERNMENT'S RESPONSE TO FOURTEENTH REPORT OF STANDING COMMITTEE

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 99(2), I have the honour to table, in both official languages, the Government's response to the fourteenth report of the Public Accounts Committee.

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CCB AND NORTHLAND BANK

TABLING OF REPORT OF ESTEY INQUIRY

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to table, in both official languages, the report of the inquiry into the collapse of the CCB and Northland Bank presented by Mr. Justice Estey.

* * *

PRIVILEGE

ALLEGED FALSE STATEMENT—TABLING OF LETTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I believe you received notice of my point. During Question Period the Secretary of State for External Affairs made a statement in the House in which he accused me of having made a false statement with respect to the position of Air Canada and its decision not to cut off links with the South African airlines and other South African connections.

For the purpose of the House, I would like to table a letter from the Chairman of Air Canada in response to a request from the union. I am sorry the Minister's correspondence is that far behind.

In a letter dated November 20, 1985, in response to the union call to sever connections with South African airways and any air links to South Africa, the Chairman stated:

> These activities are the subject of bilateral and multilateral agreements made on a country-to-country, designated carrier to designated carrier, or multilateral basis in which all airlines participate. Unilateral action by Air Canada is, therefore, inappropriate.

The Chairman further stated that he had been in touch with the Department of External Affairs in order to ascertain this. I would suggest, Mr. Speaker, that the statement made in the House today which was false was not my statement but the statement made by the Secretary of State for External Affairs. I would like to table the appropriate document.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would be delighted to have the document tabled. It will then let Members of this House read the document for themselves in light of the statement which was made by the Hon. Member for Hamilton East (Ms. Copps) in which she said that the President of Air Canada said he was waiting for a directive. That is a false representation of this letter. I am quite prepared to have it tabled and have it judged by every impartial observer.

I hope—let me put it this way—that the standard of integrity practised by myself and by the Hon. Member for Hamilton East might come closer together. I do not intend to move.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I would just like to say we have no objection whatsoever to this document being tabled.

Mr. Speaker: I have listened with some care to the comments of the Hon. Member for Hamilton East (Ms. Copps), the Minister and those of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). It is not the usual practice in this House for Private Members to table documents, unless I am compelled by an extraordinary show of unanimity in this House by all Parties that that is what they wish to do in this circumstance.

Some Hon. Members: Agreed.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Let the record show for itself.

Mr. Speaker: I take it there is unanimous consent in these circumstances to table the document?

Some Hon. Members: Agreed.

Mr. Speaker: I will abide by the wishes of the House, but point out that I am abiding by the wishes of the House, that

the House has quite clearly decided to move outside the usual practice.

I would now like to deal with the question of privilege. I must say to the Hon. Member for Hamilton East (Ms. Copps), having listened very carefully to her representations and the representations of the Minister, that in the view of the Chair the matter is not a point of privilege. It is an argument over facts. The facts may or may not be more elucidated by the tabling of the document. In that regard, I am, of course, as always, your servant and in your hands when there is unanimity.

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STRIKING

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the second report of the Striking Committee.

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BELL CANADA ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Communications) moved for leave to introduce Bill C-13, an Act respecting the reorganization of Bell Canada.

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

Some Hon. Members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe if you seek unanimous consent for the introduction of Ways and Means Motions Nos. 1 and 2, standing in the name of the Minister of State (Finance), you will find there will be a disposition to have those motions put.

Mr. Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT

Hon. Tom Hockin (Minister of State (Finance)) moved that a Ways and Means Motion to amend the Excise Tax Act, laid upon the table on Thursday, October 2, be concurred in.

Motion agreed to.

[*Translation*]

EXCISE ACT

Hon. Tom Hockin (Minister of State (Finance)) moved that a Ways and Means Motion to amend the Excise Act, laid upon the table on Thursday, October 2, be concurred in.

Motion agreed to.

* * *

[*English*]

POINT OF ORDER

POSSIBLE MISSTATEMENT—CORRECTION TO ANSWER

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I think I got entwined in a double negative in an answer to a question put during Question Period by the Hon. Member for Regina East (Mr. de Jong). I do not want to mislead him. I meant to say that there would be no decrease in the take-home pay of Canadians. I hope I did not say, although I might have, that there would be no increase. Therefore I want to make that clear. I do not know whether or not the record will be changed, but I wanted to make it clear.

* * *

• (1210)

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, October 23, consideration of the motion of Mrs. Collins for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I welcome this opportunity to contribute to the debate today. There are a number of issues which I consider to be of vital importance, not just in terms of my constituency but in terms of Canada, that I would like to raise today. However, since this is the first opportunity in debate that I have had to address Your Honour, I would like to say to you, Mr. Speaker, congratulations on your election to the position of First Commoner. It is a delight to see you in the Chair.

Some Hon. Members: Hear, hear!

Mr. Brisco: Mr. Speaker, today I would like to address the issues of social justice and issues related to women. In the context of the Speech from the Throne I would like to read into the record the remarks of the Prime Minister (Mr. Mulroney) who, with compassion and understanding, described the goals of the Government on matters of social justice. He said:

My government will continue to enlist the support of all in pursuit of the common goal: a modern, tolerant, and caring nation in which its citizens are secure and prosperous. Canadians would want their governments to give the highest priority in social policy to those who are in greatest need. As well, Canadians expect to enjoy the highest quality in health care and other social benefits that have become fundamental to our national quality of life.

When I reflect on those remarks I must say that we have come a long way since the Parliament of 1974 to 1979 when my colleagues and I, and in particular the distinguished Hon. Stanley Knowles, repeatedly espoused the cause of widows, spinsters and other women in like condition, that major element of society which lives below the poverty line. Their condition has been improved, but not by the Government of that time which remained entirely insensitive to the pleas, urgings and requests of Members of Parliament from our Party and from the NDP.

We can see them today still, those who are in this unfortunate condition. We see them in supermarkets—quiet, proud, dignified, and poor. We see them as they examine the contents of their change purses before they take their purchases to the check-out counter. They look at the figures on the till adding up and they look at the nature of the food that they can afford. We all know that while we are clearly better off than many nations there are still those in that an element of society who continue to have to ration themselves both in terms of quantity and quality of food.

When I think back to the proceedings of the Standing Committee on National Health and Welfare in the period 1974-79, I can only say that it was a dusty demonstration of concern ignored by an insensitive Government. Speaking of insensitivity, it should be noted for the record that at that time it was the Hon. Marc Lalonde, the former Minister of National Health and Welfare, who represented a profligate Government which was insensitive to this type of need.

Anomalies still exist within this group. Our Government has passed legislation that extends eligibility for the spouses' allowance to an additional 50,000 low-income widows. This has been most helpful in capturing a major portion of society that has been in difficulty. The question has been addressed on many occasions, how we will manage the balance. I think that the Minister of National Health and Welfare (Mr. Epp) has addressed that issue, both in the sense of his appreciation and understanding of the problem and in describing how he would seek to resolve it. On February 4, 1985, the Minister of Health said, as reported in *Hansard*, the following:

This Government is the first to acknowledge that there are other near-elderly persons in need who remain excluded from the important financial protection provided by the spouse's allowance program. However, as was recognized by the all party Task Force, the Government of Canada, in other words the Canadian people, cannot at this time go much beyond the proposals we have made.

What we can do and must do, given current economic circumstances, is to take this next logical step in extending the spouse's allowance program. The other most logical step after this legislation is seriously to take the pension reform proposals that have been made by both the task force and by other groups and give them life over the course of the mandate of this Government.

Nothing could be more heartening than to understand that there is a Minister of Health with an understanding of these conditions who indicates his intention, given the first opportunity, to address that particular circumstance. There are many benefits, the system of benefits of spouses' allowance, widows' pensions and CPP that escape this element of society. I say it is important that we address them, that they be included in the social safety net at the earliest possible opportunity.

There are other groups in society who need help. I would like to quote again the words of the Prime Minister as set out in the Speech from the Throne. He said, again in the area of social justice, the following:

Canadians are becoming increasingly aware of the suffering of battered women. This intolerable affront to human dignity and personal security compels my government's commitment to work with the provinces to implement on an urgent basis the most effective means and methods of action.

Clearly, the most effective means and method of action is to encourage the provinces to increase significantly their funding to transition homes for battered women. This increase, to be matched by the Government of Canada under the Canada Assistance Plan, is a part of the federal-provincial cost-sharing plan.

Further, the provision of a means test in this circumstance should be removed. Battered women come from all walks of life, from positions of poverty to positions of wealth, from women who are childless to women with children, either one or several. In many cases when a battered woman flees the threatening home environment she flees with no possessions, no suitcase filled with clothes, no purse with money. She leaves with only the clothes on her back and her children clutched in her arms. There is nothing there, nothing else for her. I could never be convinced that, given this type of circumstance those women who may come from a home that is comfortably well-off, or wealthy, should be subjected to a means test. Are we to say, "Yes, you can stay here, but after three or four days we expect you to start carrying your weight"? Let us hope that in a circumstance of that nature the family problems will be sorted out and resolved, and that those women who are in a position to afford the type of care that a transition home can provide will ultimately make a contribution.

• (1220)

The record shows that this problem crosses all elements of society, rich and poor alike. The Women In Need Society of Trail, British Columbia, makes an amazingly excellent contribution to the emotional and physical hurts of women in need in Trail and district. I say an amazing contribution because excellent care is provided with such limited resources. I have had the opportunity to visit that home on a couple of

occasions and I have been very impressed, not only with the facility itself but with what has been done with the limited resources available. Therefore, I would be the very first to endorse a program which provides in a meaningful way for federal and provincial assistance for these people.

I have spoken of women who are in need and who need care when they are being threatened or battered. I have spoken of that element of society composed of people who are 50 to 65 years of age and who do not have a social safety net. There is a third element of society of which I would like to speak. One might say that I am changing gears regarding the groups of which I am speaking.

I would like to speak now of the deaf, the profoundly deaf and the inadequacies of the appeal system as well as the failure to understand the true nature of the disorder of the deaf. I speak of the deaf in the context of applications or appearances before appeal boards when a decision has been rendered that an individual does not qualify for a Canada Pension Plan disability benefit.

Let me tell the House of but one example. About two or three years ago now, one of my constituents was discharged from his employment with the Canadian Pacific Railway because a foreman had spotted him wearing a hearing aid. When one works in the railway business and is around railway cars, hearing aids are not permitted. I can understand at least in part the need for such a regulation, and more particularly when a test will ultimately determine that the hearing aid itself is of little benefit to the victim.

After 17 years of service, my constituent was discharged. He had no other means of support. He was not skilled in other fields. When he made his first appeal, it was determined that because he hunted and used a rifle, like I do and like many other Members of the House and our constituents do, his habit of sighting his gun and doing occasional target practice was what had most materially contributed to his deafness. The fact that in his early life he worked on farms and with farm equipment that can clearly be demonstrated as affecting hearing was also raised. What was carefully ignored, in my view, was the level of decibels to which this man was subjected both in engines and cabooses of trains. That was not a consideration, yet clearly that was the source of the greatest volume of noise.

Regardless of those circumstances, I would like to tell the House what happened when this man appealed before an appeal board. An expert witness whom I had been able to retain described to the appeal board the nature of this man's disability and how he was affected by it. There was also a Crown witness who testified, a physician who had never examined this man but who had examined his records. When the Crown witness was asked as a physician what this man could do for a useful occupation, she said that he could be a commercial painter and could do sand blasting. She also pointed out that the man would have to wear ear-muffs while he was doing this to protect his hearing. The fact is that the minute he put on ear-muffs, he would have no hearing at all. He would be totally deaf. If he were to have some hearing so that he could hear the cry of someone else or a word of caution, he would have to remove the protective ear-muffs. The noise of spray painting and the machinery that operates it as well as the sand blasting would increase and aggravate the deafness.

Given the fact that he could not very well do painting and sand blasting, the physician suggested that he would make a good gunsmith. She suggested that because he hunted. I wonder how many hunters are familiar enough with their guns to properly disassemble them. Certainly this man had an awareness of his rifle but that clearly does not make him a gunsmith or an apprentice-gunsmith.

When my expert witness was asked what gainful employment this man could have, his response was, and I suppose it was ironic and perhaps a touch sarcastic given the previous testimony, "Well, Your Honour, he could probably address envelopes and seal them". That statement spoke volumes about the condition of this element of society. The deaf and the profoundly deaf are ignored by those of us who have that treasured gift of hearing.

The doctor who served as a witness on behalf of this individual said something to me which I found very profound and shocking. He said: "If I had a choice to make, and thank God I have never had to make it, between having a child who is deaf or a child who is blind, I would choose blindness over deafness because having the ability to hear provides the ability to communicate and opens the world whereas deafness is a lifetime of loneliness".

What is not understood in so many of these cases is that simply turning up the volume on a hearing aid does not solve the problem. Turning up the volume, although it increases the volume, also increases the distortion heard by a deaf person. A deaf person does not hear noise the way you and I would hear it, Mr. Speaker. It is totally distorted and is like moving the radio off the station.

What I seek to put to the Government, the House and my colleagues is that this is one area for which we need more advocacy to Parliament. I urge Hon. Members to consider that. I urge Hon. Members to talk to the organizations in their constituencies which deal with the deaf and profoundly deaf. I submit that under the disability provisions of the Canada Pension Plan, the deaf and profoundly deaf are dealt with unfairly, and I think we should resolve that problem.

• (1230)

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Tom Hockin (Minister of State (Finance)): Pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the table copies of a Ways and Means Motion to amend the Petroleum and Gas Revenue Tax Act, the Income Tax Act, and to repeal the Petroleum and Gas Revenue Tax Act, together with technical notes pertaining thereto, and pursuant to the provisions of Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

GOVERNMENT ORDERS

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mrs. Collins for an address to Her Excellency the Governor General in reply to her speech at the opening of the session.

Mr. Deputy Speaker: Questions and comments on the Speech from the Throne.

Mr. Tupper: Mr. Speaker, I want to compliment my colleague on his presentation to the Chamber this morning. I was particularly impressed by the fact that he chose social justice, particularly because of the importance of that role as it relates to battered women. It was a very reflective presentation that he made to the House.

I noted in passing that in his presentation he touched upon the role of volunteers in the community. We all should note that this was a highlight in the Speech from the Throne. In my own community volunteers are very important and vital persons. They operate our local libraries, and our local fire departments. They run most of our recreation programs in minor sports. They are deeply involved with local historical societies and local museums which are dramatically important in reminding us of our culture and our heritage. Volunteers are very important persons in my community.

I was delighted that the Prime Minister (Mr. Mulroney) and his Ministers saw fit in the Speech from the Throne to find ways of highlighting the role of volunteers. Will the Hon. Member comment further on the significance in his eyes of volunteerism in Canada, particularly in his constituency?

Mr. Brisco: Mr. Speaker, I welcome the opportunity to reply. Last weekend in my constituency, in Castlegar, I listened to an address by a woman who was very well informed on the subject of volunteerism. She was speaking to a large group of people principally interested in recreation, but who were involved in volunteerism in the community. Her speech was to provide the volunteers with an opportunity to attract others, and sell volunteerism. One of her remarks that I thought was both thoughtful and profound was that many years ago civilization started with the agricultural revolution. After the agricultural revolution we moved into an industrial revolution. From the industrial revolution we moved today into what is known as a period of energy revolution. She then went on to say something that really struck home: "By the year 2000, I submit to you that we will move into a new revolution, a revolution of humanitarianism." The volunteers in our communities must and will be a vital part of that. We have all heard the trite phrase that you only get out of something what you put into it. That may be trite, but it is certainly very appropriate in terms of volunteerism. I am delighted that our Government is taking every initiative open to it to encourage that particular philosophy, the philosophy and the principle of volunteerism.

Mr. McKenzie: I would like to congratulate my good friend and colleague, the Hon. Member for Kootenay West (Mr. Brisco), on the excellent points he made on the improved social programs that have been introduced since 1984. I would like to take this opportunity to put on the record the excellent work that this Government has done on behalf of Canada's veterans.

One of the most beneficial programs to veterans is the Aging Veterans Program which was introduced a number of years ago. We have improved on that. The name of this program is now called the VIP program, or the Veterans Independence Program. This program helps veterans stay in their own homes, therefore, they do not have to be placed in institutions. Since we took office, another 18,000 veterans over the age of 65 and in receipt of War Veterans Allowance became eligible for the program as of January 1, 1986. We will be expanding on that particular program.

There has been other legislation passed since we formed the Government. We have the improvements for compensation for former prisoners of war. We have improved the Children of War Dead (Education Assistance) Act. We have also improved the Canadian Pension Commission and the Pension Act. The Veterans' Land Act has also been improved. Veterans' widows are now eligible for VLA assistance. We have improved the War Veterans Allowance Act. This program provides financial assistance on an income-tested basis for veterans and their survivors. This is certainly a great improvement to the problems we had with the previous administration, where we had great difficulty getting pension applications processed. It was taking up to seven years to process pension applications. We have streamlined that dramatically and we are now processing veterans pension programs within months, not years. This has been well received. We also passed Bill C-28, an Act to amend the Pension Act, containing long overdue amendments. This will benefit veterans and their families.

These important changes came about within six months of our taking office.

The Prime Minister (Mr. Mulroney) spoke to me personally when he formed the Government and became Prime Minister. He told me one of his first acts would be to allot an additional $22 million toward veterans' pensions. He fulfilled that promise and that was the start. A great deal of additional money has been provided for veterans through improvements to their pensions. I have been involved in veterans' problems for the last 14 years, and I have received a lot of mail during that time. Very rarely today do I receive a letter from a veteran about a pension, because we have improved the conditions within the Department of Veterans Affairs. This should be on the record to show the excellent performance of the Government in helping out war veterans across Canada.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Resuming debate.

[*Translation*]

The Hon. Member for Outremont (Mrs. Pépin).

Mrs. Pépin: Mr. Speaker, I had a question.

Mr. Deputy Speaker: The Hon. Member for Windsor—Walkerville (Mr. McCurdy).

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): It is a pleasure to participate in the Throne Speech debate for the second time. I would like to talk from the perspective of the City of Windsor in that the southernmost part of our country. It is a city that is almost embedded within the territory of our neighbours to the south. The implications of this location are not often appreciated by the rest of Canada. Sometimes Windsor feels as isolated from central Canada, Toronto, Montreal, and Ottawa, as from parts of the west and parts of the east.

• (1240)

When Governments send out tour groups to significant Canadian industrial cities and forget Windsor, again our isolation, the apparent unconsciousness about our existence, and our peculiarities are emphasized. We can reflect upon the fact that Air Canada and VIA Rail often seem to regard us as easily dismissible. This often leads to significant errors. For example, the rather cavalier nature of the treatment of Windsor by Air Canada. Its treatment should have been based upon the abundant market in that area as represented by Windsor combined with Detroit. However, Air Canada flights were cut, leading to the development of a market in Detroit for Republic Airlines. Now the situation is that Air Canada lacks what could have been a very lucrative market, while Republic Airlines flies eight hours per day between Detroit and Toronto and often offers the public a much more convenient route between Ottawa and Windsor than the ones offered by Canadian carriers.

We sometimes feel isolated. We are sometimes puzzled by the reaction of others in Canada to our situation. We are often accused of having an American accent, as if being where we are and talking as we do somehow makes us less Canadian than other Canadians. If we compare, as we did yesterday within the context of our knowledge of the United States which is much more intimate than that of most Canadians, some of the things occurring in the United States with our own situation, we are accused of being too pro-American. On the other hand, if because of our familiarity with the United States we criticize it or express reservations about bilateral trade negotiations, we are accused of being anti-American. Of course it is an absurdity. Windsor, with all its isolation and with all the ignorance in the rest of Canada it must face about what we are like, what we do, and what goes on there, really has the same concerns as the rest of the country. Some of the decisions and some of the policies of the Government of Canada are brought to crystal clear focus there.

The Government has chosen as its mechanism for economic development to place a huge focus—indeed, we would suggest that it is an imbalanced focus—upon opening our borders with the United States to free trade. Often we hear, this town which has benefited so much by the Auto Pact, how the Auto Pact represents the model of what we are trying to achieve across the broad spectrum of trade. We are puzzled by this. On the one hand we are puzzled because the Auto Pact represents a trade arrangement with certain rules in respect of Canadian content and employment. On the other hand, we do not see this sort of thing being aimed for in the bilateral trade negotiations. We think that they are a mistake because we should be facilitating international trade, multilateral trade.

If we look around us we see that the Government is undermining the very model it would present to the world as the model of what can be achieved in the negotiations with the United States. We see offshore producers from Japan and Korea coming into the country, often with the financial inducement of Governments, to assemble automobiles under circumstances where parts are not being manufactured or acquired in Canada. This is in contrast to what happens in respect of domestic manufacturers regulated by the Auto Pact.

Although we in Windsor feel particularly concerned about the issue, we are not the only ones who are concerned. We see the unions involved. We see the chief domestic manufacturers, such as Ford, Chrysler, and GM, asserting that this represents a danger to the domestic automobile industry and to employment in an industry which provides jobs, not only by automobile assembly, but by parts and machine tool manufacturing. The same fact has been reiterated by those who represent parts manufacturers and machine tool manufacturers.

It is not as if we were crying foul only from Windsor and only among a minor sector of the community. It has been repeatedly called to the attention of the Government that in the economic context the present demand for automobiles will

not go on forever. There will certainly be over-production in the future, creating a situation in which we will be trading one job for possibly three jobs produced by domestic manufacturers.

We are concerned about this rather conflicting message which is communicated to us about the Auto Pact. On the one hand it is used as a model, and on the other hand actions are taken which would undermine it. We understand that in a completely free bilateral trade environment between Canada and the United States there is little likelihood, under the rationalization processes in which major American companies are engaged, they would allow for very long the continuation of manufacturing by their subsidiaries in Canada. When we think about that, we think about the hundreds, nay the thousands of jobs over the years which have been lost in Windsor by virtue of decisions made in the interest of rationalization by American management. These decisions will be repeated many times over in a future free trade environment with the United States.

The Government introduced and passed the Investment Canada legislation which increased the measure of American ownership of our plants and increased the power they had in respect of the jobs of our citizens. When we note that so far this year there has been a 50 per cent increase in the rate of acquisition of Canadian companies by American owners, we wonder if the Government has a notion of where the real potential for economic development resides.

The day before yesterday during the opposition day debate on science and technology policy, I said that, viewed from the perspective of the need for Canada to develop a science and technology based industrial future, free trade is perhaps the last thing we should be seeking. We should not be looking at Washington and New York for answers to our economic development problems. We should be looking at home, at the creativity of our own people, at what can be done with our own resources, at the enhancement of our creative ability, and at what knowledge can do as a tool within the confines of our own country, before looking elsewhere to create future employment and future economic growth.

• (1250)

Surely the argument can be made, Mr. Speaker, and it is an argument that I would advocate, that we should not even contemplate entering into a free trade arrangement with the United States until we are in a position to compete with the Americans scientifically and technologically, and until we are able to make our resources work for us by virtue of knowledge. We should not open ourselves up to what could be an abortion of our science and technological growth by the massive quantities of moneys available to the Americans through investment and defence research, constituting 77 per cent of American government investment in research. We cannot now compete against that and ensure the survival of those who are necessary for our future.

Although we have a number of concerns as well, we are representative of the rest of the country, though we are far from the consciousness of so many in government and elsewhere. We have, for example, serious concerns about the environment. We are conscious of the agreement between the President of the United States and our Prime Minister (Mr. Mulroney) on the issue of acid rain. This is an agreement that demonstrated, not so much how much progress we have made on trans-boundary pollution but how little we have in controls to ensure that what goes into the air from United States factories will not hurt citizens here.

We have been frustrated for weeks because the City of Detroit is about to construct a huge incinerator, an incinerator that lacks the essential controls to ensure that the citizens of Windsor will not be subject to poisoning from the atmosphere from the burning of garbage in Detroit. Yet we find that not only has the Environment Protection Agency in United States been ineffectual, there is little on the basis of which one can mount an effective fight. At least so far there have been no solutions forthcoming.

We need to have sound agreements on trans-boundary pollution that will protect not just those of us in Windsor but citizens of Canada generally. Quite fairly it has to be said that there is an interest on the part of the citizens in the United States that our air pollution will not descend upon them. One should look at already existing agreements with respect to the Great Lakes water quality. We should consider the scandal of pollution in the St. Clair River. Then we should look at the failure of the international water quality agreement to do its job effectively. In order to bring about an effective solution to the problems already identified, it will cost us about $8 billion by the mid-1990s. We should consider the basic ineffectiveness of our agreement so far to deal with the problems we have in the Niagara area, in the St. Clair basin area. This situation gives us pause with respect to what will be necessary to ensure that the battle of air pollution will be fought to a successful end.

It should be said about the area represented by my colleague, the Hon. Member for Essex—Windsor (Mr. Langdon) and myself that the area is extremely flat. You would not want to go there for downhill skiing, Mr. Speaker. You could only contemplate cross-country skiing. I should say this too, that the land is not only flat but it is low, and it could fall victim to serious flooding. Lake levels have risen to unprecedented levels. We have repeatedly in this House, as have others in our community, called attention to the need to take effective action in the face of, if not present danger, certain future danger, from serious Great Lake flooding. We have asked that the broad question of how to control the levels of the lakes be looked at to determine the degree to which they can be controlled. We have also asked that the federal Government engage with the provincial Government and the municipalities to ensure that not just those who live on the shores of the lakes but those who live in Essex county and nearby counties living considerable distances from the lake will not have their lands

flooded or towns destroyed because of a failure to deal adequately with this very serious problem which affects both sides of the border.

This is an international issue, a municipal issue and a provincial issue. Related to environmental questions in one part of our city, in the Turkey Creek watershed area, we have a serious problem of biological pollution derived from the fact that most homes in that area are using septic tanks. The only way this situation can be corrected is by considerable investment. Something in the order of $35 million will be needed to correct it. This is an environmental problem of serious concern to our particular municipality; but it signifies the kinds of problems that so many municipalities in this country have, of serious infrastructure deficiencies for which they have no funds to correct. They have looked to the federal Government as you know, Mr. Speaker, and have asked for the expenditure of some $10 to $12 billion dollars over the next five or ten years to address some of the infrastructure deficiencies that our cities have. I think this is a matter that the Government should look at seriously, not only on its own merits but from the point of view that there are serious unemployment problems, and a need for economic development, and an important contribution the Government could make would be to ensure that those needs are met. This should not be done simply by the unilateral provision of funds, but in co-operation with the municipalities that are willing to pay their share and the provinces that ought to pay their share.

Mr. Thacker: Mr. Speaker, I rise on a point of order. Would my friend opposite permit a short question before one o'clock?

Mr. Deputy Speaker: The Member for Windsor—Walkerville (Mr. McCurdy) has one minute left.

Mr. McCurdy: Mr. Speaker, I will see if I can wrap it up in 30 seconds, 15 seconds for the question and 15 seconds for the answer. The latter, of course, is impossible, Mr. Speaker.

Windsor, like any other community in this country, has its problems for which it looks to the federal Government for help. It is no different than any other community. There is a perception that there is a certain unconsciousness about Windsor's needs. There is also a more crystallized notion about many of the problems in Windsor, because of its location, that will affect all Canadians and on the basis of which we ought to be able to develop policies more in the interests of Canada.

Mr. Thacker: Mr. Speaker, my friend opposite from Windsor—Walkerville speaks strongly against free trade. I do not share his fears of economic or cultural domination by the United States. Can he kindly tell me how many Canadian jobs and workers are employed in the building of a Mazda automobile? What would he say to Canadians who buy those cars?

Mr. McCurdy: Mr. Speaker, I would say that any Canadian ought to be able to buy a Toyota, a Mazda or a Hyundai in Canada with the assurance that those cars have been built with the participation of Canadian labour here based on the conditions of the Auto Pact, namely, that there be 60 per cent Canadian content, a matter which the Government has refused to address.

Mr. Deputy Speaker: It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When we adjourned at one o'clock there were nine minutes remaining in the period for questions and comments on the speech of the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

Mr. Friesen: Mr. Speaker, the Member for Windsor—Walkerville (Mr. McCurdy) and I both have very large ports in our ridings. A lot of people residing in both of our communities work in the United States. In view of his attack on free trade, would he advocate that the border be closed and that people living in Canada not be allowed to work in the United States?

Mr. McCurdy: Mr. Speaker, I have had occasion previously to comment on the necessity for reasonableness in debate. The Member knows, of course, that the issue to which he refers is one of immigration. It should, however, be recognized that there are problems appearing at a number of border areas because both Canada and United States have imposed limits on the extent to which we will receive immigrants or temporary workers in our jurisdictions.

I would call to the attention of the Speaker the fact that workers are being imported from the United States to Windsor, through the misapplication of immigrant rules, to carry out skilled trade work which Canadians could well do. From time to time we have had occasion to call attention to that circumstance which we consider to be a serious problem in the construction field in particular. Time after time the construction trade unions have called attention to the far too facile provision of licences for such workers to work in Canada.

My constituency shares problems similar to those which the Hon. Member has cited, but I repeat that the issue of working in Detroit when one lives in Windsor and vice versa is quite distinct from the issue of free trade. We look forward to a serious debate on free trade rather than the irrelevant issues which might be raised with respect to that topic when it comes into question.

Mr. Caldwell: Mr. Speaker, I would like to make a couple of comments on some of the points raised by the Hon. Member for Windsor—Walkerville (Mr. McCurdy). During his debate he said several things about the Windsor-Essex County area. I am very proud to represent the area of Essex County along with Kent County. I would not like the House to be left with

the impression that the Windsor area is up to its neck in water, although that is partially true, that there is an incinerator in Detroit spewing pollution into the Windsor area and that we have a very bad air transportation system making it very difficult to get down to that forgotten land. The Hon. Member seems to want to portray Windsor as an area which has been forgotten by the Government.

I am sure it was an omission by the Hon. Member that he did not point out that in the past two years the Windsor area has been one of the greatest recipients of the prosperity brought forward by the Government. Unemployment in that area is down to approximately 5 per cent. When this Government came into office the unemployment rate was approximately 13 per cent. I am sure the Hon. Member knows that. That area has also been the recipient of several IRDP grants with the automotive industry expanding and new companies being brought in. I would not like the Hon. Member to speak lowly of the Windsor-Essex County area. We want to encourage people to go there and see the prosperity which the Government has brought to it.

Mr. McCurdy: Mr. Speaker, as is so often the case, my hon. colleague from Essex—Kent has missed the point. The intent of my speech was to demonstrate that Windsor does experience a certain isolation from the rest of Canada, largely in terms of the knowledge which this and previous Governments have about our neck of the woods. However, I would like to make it clear that not only is Windsor much warmer than most parts of Canada, the hearts as well of the people there are much warmer than in other parts of the country.

I believe my hon. colleague attempts to exaggerate the role of Government in that area. He indicated that Windsor, along with other communities of the country, has been the beneficiary of certain programs. It is true that Windsor has a relatively low rate of unemployment. However, the suggestion that Windsor is experiencing its present prosperity as a result of federal government initiative could only come from someone who fails to read the newspapers or fails utterly to understand the economic situation in which the country finds itself and, most importantly, fails to understand some of the initiatives which the Government has failed to take with respect to the Auto Pact, which failures could seriously affect our city in the future. Surely the most valid test of the validity of this interjection will come at the next election when we revert to our usual pattern in Essex County of not having one single Conservative Member.

• (1410)

Mr. Caldwell: Mr. Speaker, the Hon. Member does not seem to believe that unemployment has come down since the Government came to power, but I think he will have to admit that. Prior to the last election Windsor had the distinction of having three Liberal Cabinet Ministers located in that area. Were things better under those three Ministers than they are now?

Mr. McCurdy: Mr. Speaker, I am often astounded by the claims made by the Government about events that have occurred since its entry into power. I suppose the next thing for which the Government will claim credit is the fact that we have had more rain this year than last year.

I am certainly not standing here before you, Mr. Speaker, to defend the record of three Liberal Cabinet Ministers who we had in Windsor. I would ask the Government to undertake a serious policy study so it may come to the conclusion, as so many have, about what is appropriate for Windsor's future. I have said it is true that the unemployment rate of Windsor is presently at a relatively low level. However, it is not inevitable that the low unemployment rate will remain unchanged. It is clear that there will be changes with respect to the automotive industry. The generation of over-capacity in particular will severely change the automobile industry in Windsor and other parts of this country. Therefore we must have an industrial strategy that is not based on central decision-making in Ottawa, or free trade, or any of the other simple answers of the past. There must be more emphasis on providing local communities the wherewithal to engage in future economic planning so they may use their resources to develop a new economic future that will enable them to replace the jobs that will inevitably disappear in the automobile industry, particularly if the Government continues its present policies.

[*Translation*]

Mr. Deputy Speaker: Order. Resuming debate. The Minister of State for Small Businesses and Tourism (Mr. Valcourt).

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am pleased with this opportunity today to take part in the debate on the Speech from the Throne, in my capacity as Minister of State for Small Businesses and Tourism.

I may point out that this Speech from the Throne reiterates our Government's strong and continuing commitment to two important sectors of our economy: small business and tourism.

Mr. Speaker, the Speech from the Throne revolves in part around the theme of entrepreneurship and the entrepreneurial spirit which this Government sees as the principal tool for the development of small businesses and tourism in this country. In its quest for economic renewal, the Government's focus has been and remains the promotion of entrepreneurship.

Mr. Speaker, where the previous Government did nothing but talk to assuage the concerns of small entrepreneurs and developers of tourism facilities, we have taken action. We have recognized the rich potential among our vast community of small entrepreneurs, and we have also adopted rigorous marketing methods for making Canada internationally attractive to tourists.

Mr. Speaker, as my fellow Francophones outside Quebec and my fellow Acadians pointed out upon my appointment to Cabinet, I am the only Francophone outside Quebec sitting in

the Cabinet. Having grown up as part of a minority group in New Brunswick, I feel I am particularly well-equipped to deal with a difficult task, namely to be responsible for the Native Peoples Economic Development Program.

Mr. Speaker, as you know, our Government is committed to economic autonomy for native peoples, and that forms the basis for my commitment to this program.

The Throne Speech also promises the Government will introduce changes to the Official Languages Act. My goal as a francophone outside Quebec is that the Government, in addition to recognizing language rights in the Act, go one step further to ensure that these rights become a reality in the lives of francophone minorities across this country.

Mr. Speaker, whether we are talking about native peoples economic development programs or the tourist industry or expanding small businesses in this country, our main focus is to promote entrepreneurial values.

[*English*]

The Progressive Conservative Party of Canada has long been the vehicle chosen by independent business entrepreneurs to address their concerns, their needs and their aspirations. For much too long federal policies were implemented without regard to their impact on small business. This Party and this Government have changed that unacceptable situation.

The first Budget of the Government, introduced in the spring of 1985, is widely known as the budget for small business because of the many measures it contained to encourage investment in small business. The 1986 Budget continued along this vein by reducing further the tax burden on small businesses, and by announcing a major incentive to encourage research and development by small business.

We added $1 billion to the amount available for loan guarantees under the Small Businesses Loans Act and we have extended the small business bond program to the end of 1987.

More important, however, the Government has moved to create a better economic climate for the growth of small business. Interest rates, which are of such concern to small businesses, are at their lowest level in years. The climate of confidence has led to increased investment in Canada, has benefited, and will continue to benefit small business operators across the country. In addition, the Government is increasing the amount of government purchasing of goods and services directed to small businesses.

[*Translation*]

Mr. Speaker, the Speech from the Throne delivered by the Governor General on October 1 attests to our lasting commitment with respect to small business.

Reflecting the achievements of our Government since the election, the Speech from the Throne proposes a fairer and simpler tax system more finely atuned to our economic environment. Our Government is considering new initiatives to strengthen the competitiveness of our businesses; it wants to remove obstacles to economic growth by reducing the burden of paperwork and regulation; it will press for the removal of barriers to interprovincial trade; and it will introduce programs to promote small business and entrepreneurial values. To this end, it will take measures to improve procurement procedures, to strengthen unsolicited proposals, and make it easier for small business to have access to the technology of Government laboratories.

Mr. Speaker, intent as we are on promoting the entrepreneurial spirit, we must be careful not to smother it. We must keep in mind that our entrepreneurs do take risks, they work long hours, they are at once owners, executive directors, marketing experts and accountants, and because of these many responsibilities they always have hard decisions to make.

I am sure Hon. Members will agree that it is difficult enough for an entrepreneur to launch a new business and make it prosper without having to cope with interference from governments at various levels.

Mr. Speaker, this is why, having recognized these facts, our Government identified the need to reduce red tape and to ensure that Government regulations become a tool to help businesses rather than to hinder their growth.

My predecessor, the Hon. André Bissonnette, initiated a federal-provincial survey of the bureaucratic problems which hinder the small business sector. Over 1,100 small businessmen throughout the country were also asked for their views on this question: Who in their opinion impeded their efforts to expand their business?

Mr. Speaker, I shall be meeting with my provincial colleagues next week to assess the results of this survey, and I can assure the House that our Government will develop an action plan to attack squarely the obstacle to entrepreneurship posed by red tape.

We shall improve further our procurement methods which I have already mentioned by formulating a policy for the efficient promotion of subcontracting to small businesses in both the public and private sectors. The Small Business Secretariat is sponsoring a debate on subcontracting in the private sector at the Small Businesses Show which I inaugurated this morning in Montreal. The forum provided by our Department at the show will allow small and large businessmen to exchange ideas on how subcontracting can promote and enhance small businesses while benefiting larger companies.

We are also on the point of completing a major study to determine to what extent small and large businesses can cooperate in the development and transfer of new technologies through business associations. This is something which we intend to pursue because we are convinced that it could provide a means to improve the competitiveness of small businesses.

As a Member from New Brunswick and more especially the Madawaska—Victoria constituency, Mr. Speaker, I cannot

outline my action plan as Minister for Small Businesses and Tourism without first commenting briefly on a vital issue for Atlantic Canada and New Brunswick, as well as for many other regions throughout the country. Mr. Speaker, I am referring to regional development.

The Throne Speech clearly shows this Government's commitment to meeting the challenge of reducing regional inequalities, and in a novel way. This Government's approach, which the Prime Minister (Mr. Mulroney) referred to in his speech in this debate, is aimed at recognizing entrepreneurship as the way to salvation.

Development policies of the past have failed miserably. We believe the development policies that work are based on the potential of local entrepreneurs. Also, the time has come to recognize the need to coordinate Government efforts and harmonize them with the initiatives of entrepreneurs on the regional level.

Mr. Speaker, that process reflects this Government's new approach and Prime Minister Mulroney's commitment to regional development and to the citizens of Atlantic Canada.

Our objective for reducing disparities in Atlantic Canada and elsewhere, for instance for diversifying the Western economy, necessarily entails the development of small businesses. The latter are a key component of this objective and we must spare no effort to reach that objective.

I would now like to comment in a somewhat more detailed way on the means I propose to recommend to the Government, first to help promote Canada's small businesses. Second to fully exploit the tourist potential of our great country, and finally to support native self-sufficiency.

Mr. Speaker, only since this Government was elected has the potential of our tourist industry been recognized in the Canadian economy. Only since this Government was elected has support been forthcoming for the efforts made by our resort operators who are attempting to put this country on the international map by promoting Canada as a tourist destination area. Mr. Speaker, 1986 will have been an excellent year for tourism in Canada, and by far. More than two million tourists visited our country during the first eight months of 1986. This means our tourist trade deficit has decreased 92 per cent, with gains of more than $200 million for the Canadian economy. That remarkable recovery was obtained because of the ability and leadership of my predecessors in this function. They turned Tourism Canada towards foreign markets and established a new relationship with the tourist industry, the Provinces and the Territories. Such a success is also due to Expo '86, which we have supported financially, and also to the organizers of Expo '86, the British Columbia Government and, of course, the City of Vancouver.

Thanks to them, this year, that world exposition brought a great many visitors to Canada. I must also recognize, however, that another factor explains the record number of tourists who came to Canada this year. I refer to the marketing effort directed at the United States by our department on the theme *Canada, the World Next Door*. An assessment, of this new marketing approach, Mr. Speaker, has revealed that this campaign has made Americans much more aware and informed concerning Canada as a tourist destination and that, thanks to this awareness, they were much more eager to come here. The importance of the tourist industry in Canada demands an aggressive approach focussed on our successes. A great many people do not seem to realize that the tourist industry in Canada contributes $20 billion to the Canadian economy and accounts for over 600,000 jobs for Canadian men and women. Well, we have to build on this resource.

• (1420)

[*English*]

To achieve this, I intend to continue working closely with our partners in industry and our provincial colleagues to ensure that our joint tourism efforts remain co-ordinated, stable and representative of the needs of the industry. I will also continue our focused marketing effort on the international front, particularly in the United States where our biggest market lies within a day's drive from our border. Next year, with Expo 86 over and the Calgary Olympics a year away, we must be even more aggressive in promoting Canada in our key foreign markets.

While 1986 was a great year for tourism in Canada, the benefits of this year were not felt evenly across the country. I will, therefore, be examining ways to spread these benefits more broadly in all regions of the country. I believe now is the time to have more regionally-sensitive marketing campaigns which will show off all regions of the country through specific products grouping. This will, of course, come under our major umbrella marketing campaign.

We will continue to explore new ways to market Canada abroad through our partners in industry under joint cost-shared efforts. We will continue to manage the tourism subagreements with the provinces in the fields of product development, marketing and planning, thereby ensuring top-notch tourism facilities across the country. Tourism can be a strong regional development tool. It seeks to promote the best Canada has to offer in terms of culture, hospitality, leisure activities and scenery.

[*Translation*]

Mr. Speaker, I should like now to advise you and other Hon. Members of what we intend to do concerning small businesses. My first and foremost priority will be of course to assume fully all my responsibilities as defender of, promoter of, and spokesman for small businessmen in this country. I shall assume these responsibilities by working in close co-operation with my Cabinet colleagues who will strive to implement the various measures announced in the Throne Speech. All Hon. Members will agree, Mr. Speaker, that the forthcoming debate on the tax reform announced by the Minister of Finance (Mr. Wilson) will affect directly all small businesses in Canada. The Minister of Finance with whom I have discussed this issue is very well aware already of the needs and concerns of small businessmen in this area of utmost importance. I intend to consult with him frequently and, as the reform process is progressing, to submit to him the options most likely to benefit small Canadian businessmen.

As I have already indicated, we will table soon a detailed action plan to solve the problem which heavy paperwork is creating for small businesses. The plan will deal more specifically with the needless duplication of forms.

[*English*]

We must also take steps to improve delivery of financial assistance programs to small businesses. This means simpler application forms, reduced bureaucratic red tape, particularly for lower levels of assistance, and faster turnaround of each application. We will continue to find ways to meet the financial needs of small businesses across Canada. Existing financial mechanisms will be assessed for their ability to provide adequate debt equity and venture financing to small businesses. In particular, we must look at the financial needs of our smallest small businesses and find new ways to anchor equity investment in their start-up and future expansion.

[*Translation*]

One of the most important contributions of the small business community is related to industrial innovation. Entrepreneurs are by definition innovators. It rests with the Government to see that its policies promote that role.

With respect to another program for which I am responsible, the economic development of native people, we will have to carry on along the same lines despite the fact that some people will claim the results are not very sensitive.

• (1430)

[*English*]

I agree that much work remains to be done in the efforts to promote economic self-reliance among our native populations. By necessity, that work must begin with existing native economic development programs. Therefore, I am considering measures to improve the delivery of the Native Economic Development Program, to expand the eligibility criteria associated with the program and to ensure a greater regional balance in its efforts by encouraging more projects from the North and from the Atlantic region. Each of these improvements has resulted, and will continue to result, from close consultation with native leaders and with the Native Economic Development Board itself.

Why do we attach so much importance to small business? Because small business is responsible for 70 per cent of the new jobs that are created. It is largely in small business that the spirit of Canadian entrepreneurship manifests itself. Indeed, the dynamism of our entrepreneurs has now become the main source of employment and economic growth in Canada.

Another important aspect is that women entrepreneurs, who are playing increasingly important roles in our economy now, own one out of three small businesses, up from 18 per cent a decade ago. Studies also show that the success of female-owned small business is almost double that of their male-owned counterparts. The Government will do everything possible to create an environment in which these businesswomen can create jobs.

[*Translation*]

Similar efforts will also be made to encourage our young people to contribute to the prosperity of our country by instilling into them that spirit of entrepreneurship and by providing them with that institutional framework which without restricting their independence and their creativity will still allow them to see their dreams come true.

[*English*]

Mr. Thacker: Mr. Speaker, I seek the Minister's comments with respect to the Canada-Alberta tourism subagreement. I speak for southern Alberta when I make this comment. As the Minister knows, although in a sense it was before his time in public life, relations between the federal Government and the provincial Governments were at an all-time low. I suspect that one of the major reasons he became involved in politics was because of this. However, as a result of the Progressive Conservative Government coming into office with the feeling that federal-provincial relations were at an all-time low we have now signed, I believe, over 50 economic regional development agreements in the Province of Alberta. One such agreement was a tourism subagreement. I want to tell the Minister just how well that agreement is working.

As the Hon. Member for Lethbridge—Foothills it is an absolute delight to attend meetings at which there are tourism officials from the City of Lethbridge, a city of about 60,000 people, and officials from the surrounding towns and villages, including Waterton Lakes National Park. It is a pleasure to watch these people finally come together under the auspices of this tourism subagreement. They now look at southern Alberta as a whole as opposed to the City of Lethbridge competing with the Town of Cardston or Crowsnest for these tourists. They are now coming together to develop plans by which people can make a circle tour and spend a day or two in all parts of southern Alberta. This is an absolute delight to watch, and it would not have occurred without the tourism subagreement.

The tourism subagreement has permitted people with all sorts of good ideas and energy to come forward with innovative projects and make applications for up to 35 per cent capital contribution from the tourism subagreement. As a result some very innovative projects have been approved in my riding. I know that this is happening in other parts of Alberta as well. On behalf of the people who come to me involved in this tourism subagreement, whether they be tourist officers, motel owners or small business people, I wish to thank the Minister. I wish to express to the Minister their appreciation for this approach.

I would now like to ask a question of the Minister. Can the Minister tell us how many other provinces have these tourism subagreements? If the other provinces do not have such agreements, then I would strongly urge the Minister to press them for this type of agreement since it works quite well.

Mr. Valcourt: Mr. Speaker, I am glad the Hon. Member raises this important point since it must be fitted into the general framework of what the Government has been trying to do. Our detractors laughed when we talked about national reconciliation. If we cannot work with the provinces, our partners in this federation, how will things work? We have signed tourism subagreements with every province in Canada and with the Territories. They are working very well.

Some Hon. Members: Hear, hear!

Mr. Valcourt: It is one thing to serve people well with words and another to serve them well with deeds. I have toured the whole country. I have met many of my provincial counterparts. All the agreements that we have signed with the provinces are working very well. We are being told that for the first time they have a sense that the federal Government realizes the importance that tourism plays in the economics of Canada. We are talking about an industry which involves 600,000 workers. In terms of input, it is a $20 billion industry. We are keeping in close contact with our provincial counterparts. I am sure this is for the better interests of the people of Lethbridge, Alberta and everywhere else in the country.

[*Translation*]

Mr. Deputy Speaker: Order. The Hon. Member for Outremont (Mrs. Pépin) for a question or a comment.

Mrs. Pépin: Mr. Speaker, I would like to direct a question to the Minister of State for Small Businesses and Tourism (Mr. Valcourt).

I was delighted when I heard the Minister emphasize the number of businesswomen and underline the fact that there are more businesswomen than businessmen. Yet, I should like the Minister to tell us what his Government has done to help these people, because I do not think it is thanks to this Conservative Government that the proportion of businesswomen is so high.

I should like him also to tell us what his Government is prepared to do to maintain this proportion.

Mr. Valcourt: Mr. Speaker, my hon. friend opposite is probably asking the most important question. What has this Government done for Canadian businesswomen? Well, we have taken budget and tax measures, put Government expenditures in order, embarked on a deficit reduction program that has created something which neither the Liberal Party nor the New Democratic Party could measure: confidence in the Canadian economy. The interest rates currently are at their lowest level in eight years. That is exactly what the hundred or so businesswomen whom I met last week in Winnipeg told me they needed. Those are the steps we are taking.

Everywhere in this country, when we consider—

Mrs. Pépin: It is not because of this Conservative Government—

Mr. Valcourt: The Hon. Member is saying that it is not because of this Conservative Government. What is significant is the number of business ventures; but what is still more significant is the number of these new business ventures which fail. That is the criterion for judging the effectiveness of a Government. If my hon. colleague cares to check the facts, she will realize that with interest rates at their lowest, there are fewer business ventures operated by women which are going bankrupt.

• (1440)

As to the steps we are planning to take in the future, I can say that we will maintain the same direction and promote the same healthy economic climate. For instance, we now have pilot projects which are opened to young business people throughout this country, both men and women. Before long, I hope to introduce a policy which will, I am sure, benefit all business people who will have access, we hope, to such business centres throughout Canada.

Mr. St. Julien: Mr. Speaker, I was very pleased to hear the remarks of the Minister of State for Small Businesses and Tourism. I have two questions for him, the first one concerning native people.

Reference has been made to the James Bay Cree/Naskapi agreement, and we know that yesterday Great Chiefs Ted Moses and Billy Diamond made a few comments about the economic situation. My question has to do with James Bay and the Native Economic Development Program. So far the Government has done a lot for the James Bay Cree. Does the Minister intend to make changes to the native people economic development program, or may we expect assistance for the northern Abitibi region?

My second question relates to the Canada Tourism agreement with Quebec. Abitibi is a huge riding, the largest in all ten Canadian provinces. Some changes should be made to this agreement, so does the Minister expect to review the agreement with the Quebec Government? Under this $100 million five-year agreement with Quebec, the only sectors concerning Abitibi are hunting and fishing, and we would like to have some changes made to the agreement. Will the Minister be meeting with the Quebec Government in the near future?

Mr. Valcourt: Mr. Speaker, in response to my colleague's first question concerning the Native Economic Development Program. I can tell him that since I took over this portfolio we have launched a thorough review of the program, in close cooperation with the native people themselves of course. As you probably know the program is administered in part by a council made up mostly of native people, and they have made representations to me concerning the program delivery, which could stand improvement, and its eligibility criteria.

Consultations with native people and other departments involved are taking place now, and I should be in a position to make an announcement about this in the not too distant future.

As for the Quebec tourism agreement, it is so successful that, after only a few years, the funds are being quickly exhausted. Hon. Members should know that there remains one aspect of our tourism agreement with Quebec to be settled, that of hunting and fishing outfitters.

The Hon. Member is asking us to consider the Abitibi region, a large region in Quebec with admittedly a lot of tourism potential. His representations will certainly be discussed when I meet with my provincial counterpart, Mr. Picotte, whom I have already met once and should be seeing again in coming weeks. At that time, I shall certainly consider it my duty to discuss the issue raised by the Hon. Member with Minister Picotte.

Mr. Deputy Speaker: We shall pursue the debate with the Hon. Member for Outremont (Mrs. Pépin).

Mrs. Lucie Pépin (Outremont): Mr. Speaker, it is with great pleasure that I rise in the House today to give you my comments on the Speech from the Throne.

Mr. Speaker, my first comment concerns the order in which the various issues were approached by the Government in the Throne Speech.

The Conservative Government started with national reconciliation, followed by economic renewal, constructive internationalism and, finally, social justice.

Mr. Speaker, with respect, I doubt that Canadian men and women are more concerned about Canada's international role than they are about social justice. In fact, many polls have clearly indicated that the main concerns of the Canadian people are unemployment and social needs. I am afraid, however, that the rank given social justice in the Throne Speech is an accurate reflection of its place on the Conservative Government's priority list, despite the Government's flowing rhetoric on the subject.

Where the status of women is concerned, the Conservative Government has announced some intentions that are indeed of interest. In the past, however, statements by this Government have seldom been translated into concrete action. It would seem this time will be no exception.

I am delighted that the Government has at last recognized the need for adjusting to structural changes in the family unit. Indeed, only about 15 per cent of our families consist of a husband who works while the wife stays home. If we look at the structure of our families today, we must not forget that a number of years ago, women did not work outside the home and had an average of four children—I am talking about 25 years ago—and if we look at today's birthrate and the profile of the traditional family, we realize that the picture has changed quite a bit. We must remember that the traditional family, where children are living with their biological parents and the father is the sole breadwinner, accounts for only 10 per cent.

Single-parent families constitute 29 per cent of Canadian households. And according to Statistics Canada's figures as of November 1985, 57.5 per cent of women with preschool children are on the labour market; 67 per cent of women who have paid employment are working full time although they have young children, and the majority of women in their optimum childbearing years are on the labour market. In 1984, 69 per cent of women between the ages of 25 and 34 were on the labour market.

Considering the various roles played by women in our society, I think we should introduce a series of measures aimed at helping couples to cope satisfactorily with the needs of their families. Among these measures, daycare is a priority. Perhaps I may add that the need for daycare centres is recognized in the Speech from the Throne, but instead of announcing specific measures, the Government has simply decided to undertake some vague discussions with the provincial governments, the unions and the private sector. In brief, a lot of rhetoric but little action. Canadian men and women expected much more on child care from this Government, because we are now facing a real crisis. Indeed, there is only room for 9 per cent of our children who need those services in the child care system. People who work there are paid less than zoo attendants.

Mr. Speaker, that situation is totally unacceptable. Thousands of people have testified before the Special Committee on Child Care. Men and women from all across Canada have explained to us their dismay at the difficulties they experience, the enormous problems they are facing to have their children cared for when they have to go to work or attend classes. What the Canadian people need and are now looking for is action, not empty words.

When you see what this Government is doing for pension funds, you ought to look closer into having homemakers covered by pension plans in Canada. That was one of the many promises made by the Conservative Government during the election campaign, and made again last year by the Minister of National Health and Welfare (Mr. Epp). The shifting phraseology I noticed in the Throne Speech is worthy of ancient Greek philosophy. In fact, they are now talking about admitting spouses of existing contributors into pension plans rather than all those who look after the household, those who are without a spouse.

This, Mr. Speaker, discriminates against the heads of single-parent families, 72 per cent of whom are women. The most insidious aspect is that once again women are discriminated against, based on whether or not they have a spouse. It seems to me that in 1986, the Government should be ready to change all that.

• (1450)

If we take a closer look at the National Council of Welfare report we can see that the poverty rate for the elderly and for men has declined, but unfortunately poverty is getting worse with respect to the condition of women who are single, elderly and heads of families.

I should like to remind the House that, unlike most other groups of Canadians, six out of 10 single-parent families headed by women live under the threshold of poverty. The rate of poverty among single mothers did not go down in 1985, quite the contrary, they have been getting ever poorer over the past five years. Compared with a married woman, a single mother is five times more likely to end up among the poor. Women account for nearly 60 per cent of underprivileged women between ages 16 and 64. Although they make up 51 per cent of the population, seven poor and elderly persons out of 10 are women. These women represent 83 per cent of low income, single and elderly people. Such disparity is even more obvious among single-parent families. A family headed by a woman is four times more likely to be poor than another one headed by a man.

I think this is an altogether discouraging situation and I am somewhat upset to hear the Minister responsible for the Status of Women say that the Conservative Government has done a lot for women. It may be that she has done a lot for women who are fairly well-off or who belong to the middle class, and it would seem that the Government is taking a rather socialistic and elitist approach, because I suggest that Government action with respect to the poor and low-income families has been minimal at best. Not a word in the Speech from the Throne relates to homemakers.

There is also a reference to the number of women appointed recently to the highest levels of the Public Service and to federal boards and commissions. I admit this came as a great surprise to me, because I monitor these appointments very closely, and I would like to know which statistics the Conservative Government was using to be able to make those claims. Personally, I take a different view of the situation, since hardly 20 per cent of the appointees are women.

Another promise made by the Conservative Government concerned part-time work. The Prime Minister spoke very firmly on the subject and said several times that one of his priorities in helping women would be to establish a definition of part-time work and to require employers to provide fringe benefits in proportion to the number of hours worked. Unfortunately, two years later, still not a word, not a single reference to part-time work. Not even in the Throne Speech. We all know that today, many families need that second salary, and in 42 per cent of families with two parents and two children, most women have to work because one salary is not enough to keep them above the poverty line. The Conservative Government had promised to take action in this regard, but there is not a single mention of it in the Speech from the Throne.

If we look more closely, we find that there might be legislation to eliminate violent forms of pornography. I trust that this legislation will not suffer the same fate as Bill C-114, which died on the order paper.

Finally, how can we talk about assistance to battered women when the Conservative Government is willing to subsidize only halfway houses and shelters which operate under pilot programs? I was rather surprised to note that the Conservative Government is now saying that it will provide some assistance to shelters for battered women because the excessive cutbacks to this program in the last two years have resulted in the closing of many such shelters.

Last June, a meeting of the national women's groups was held in Ottawa, and the then Secretary of State, Mr. Bouchard, met with their representatives who told him how harmful the cutbacks had been. Naturally, the Minister replied that the Government would take care of everything and that there would be no recurrence of the problem. Recently, we heard about all the women who had to be refused admission to the shelters. In Edmonton, 250 women who had been the victim of family violence had to be turned away because of a lack of space. The same happened in Calgary and it is happening now in the Yukon and in Winnipeg. The Government is now saying: We shall deal with it. I think that it would be more honest for the Government to say that the problem it has created will be corrected because the situation of shelters for battered women is quite disastrous.

The Government also states that the family is the foundation of our society. That is all very well, but I hope that the Government will act on it because, after its two Budgets, we found that a family with two children and an income between $18,000 and $25,000 was paying substantially more taxes than before, which was certainly not the case for families which much higher incomes.

When I look at what the Throne Speech says about women, I have the feeling that it is mostly paying lip service to this issue. We are told that the Government has taken action, that it has done something useful in introducing the Employment Equity Act. Yet, all the groups that appeared before the committee said without exception that the Bill would be totally ineffective because it has no teeth. I only hope that the Government will stop talking and finally take some action to help women. We want to promote women and give them their rightful place in society, but the most important element to consider is the economic position of women. Without good day-care, without part-time work, without work-sharing and without an affirmative action program, it will be extremely hard to give women the place they deserve in our society. I hope that the Government will stop being content with promises, consultations and discussions and that it will take concrete action.

Mrs. Bourgault: Mr. Speaker, the Hon. Member for Outremont (Mrs. Pépin) is concerned with women's issues and I would like to congratulate her for that commitment. Although no parallel is perfect, Mr. Speaker, as is often said, I would like to draw one just the same. This parallel I would like to draw between the serious problems faced by women, especially single-parent women and the disintegration of our forests in Quebec. You will understand why. Twenty years ago the then Government should have done something; it should have foreseen what was going to happen to our forests. There should have been some legislation put in place twenty years ago, specific projects to help restore our forests in Quebec, and especially a reforestation effort.

Mr. Speaker, the previous Liberal Government ten years ago should have had projections made on the quality of life of today's women. Tomorrow's problem was not solved yesterday, especially by a government. A government must have long-term projections, what with all the scientists and researchers around. The problem has been there for a long time. Now it is hitting us straight on.

I too, Mr. Speaker, am the first to be sorry, I feel like crying when I see those single-parent women, when I see those errant women in Montreal who do not even have a place to live. I am shocked that fellow women, girls just like me—some my age, 35 or 36—have no homes. We did not foresee that the breakdown of families would lead to that today.

Now this Conservative Government is being blamed for that. Well, I am sorry. I am sorry, but it is not this Conservative Government's fault. It is the previous Government's fault.

I would like to ask my colleague for Outremont (Mrs. Pépin) a question: What about her Government, at the time, exactly five years ago, not two but five years ago, what did they do to anticipate what is happening today? Today, if there had been an accurate projection, Mr. Speaker, perhaps we would not have to face the problem. But then here it is and we must do something about it.

Indeed and I am the first one, and the Minister responsible for the Status of Women, (Mrs. McDougall), is the first one to work on that. The Prime Minister said so on a number of occasions, Mr. Speaker. This is a serious problem, a societal problem, a problem that involves each and every one. We must address it.

I would like to ask the Hon. Member the following question: What did her Government do five years ago to anticipate those things?

Mrs. Pépin: Mrs. Speaker, I think comparing the problems of single-parent families with the problems besetting our forests is tantamount to dismissing them as an ecological problem.

I would like to point out to the Hon. Member that the Liberal Government did more for Canadian women than her Government has done so far.

Today, Canada is recognized as one of the countries with the most progressive legislation for women, and this did not come about under the Conservative Government.

The Hon. Member wants to know what my Government did. I am going to ask her what her Government did with the housing program. You made major cuts, especially in this program which affects single-parent families. Today, it has become a major problem.

How about Bill C-62 and employment equity? I was on that committee, and I saw some of my Conservative colleagues, whom we had not seen throughout the committee's proceedings, come and vote against our amendments. Not a single Conservative woman on that committee supported the 30 amendments which were specifically proposed to help women. Not a single one.

What the Prime Minister (Mr. Mulroney) says and what he does are two entirely different things. And there, as you say, you have a problem. We had done some important preliminary work which you have totally destroyed. You say that today you feel sorry for all those poor and battered women, but there was a program, and you made cuts, and you did so ruthlessly. You made all these cuts in subsidizing shelters for women. Now, you say, we are going to take care of them. Obviously, now you have to pick up the pieces.

If we look at this Government's good intentions, there are plenty, because that is all we have been hearing about for two years. But if you look at what the Government has actually done, it does not amount to much, if you don't mind my saying so.

Mrs. Bourgault: Mr. Speaker, I am sorry but I must remind the Hon. Member that what I said when I made my comparison was, that 20 years ago they should have foreseen these developments and acted accordingly. They should have passed legislation to keep our forests in Quebec from deteriorating as they are today. That is what my comparison was based on.

The Hon. Member for Outremont (Mrs. Pépin) referred to the housing program. I may remind her that for the very first time, the federal Government has concluded agreements with the provinces. After all, wouldn't a provincial government be better able to identify housing needs? The federal Government couldn't do it at the time, because of the endless quarrelling which kept the parties from sitting down and negotiating important agreements. Unfortunately, people today tend to forget this.

Quite possibly the women of Quebec mentioned by the Hon. Member for Outremont, those battered women, are the victims of these quarrels. Five, six or ten years ago we should have been able to sit down with the provinces in an attempt to come up with adequate and constructive programs to help these people rather than look for problems elsewhere in the Third World. I can appreciate that Third World countries have problems, but then we too have serious problems right here.

For the first time, Mr. Speaker, we sat down with the provinces. We put an end to the bickering, we took a look at the situation, and we made a concerted effort to set up a federal-provincial housing program. One thing I can say for sure is that I discussed this matter with Quebec MNAs and they are pleased, just as I am and just as we on the Government side are pleased about this new housing agreement. Preference will be given to co-operatives and housing for single-parent families. A great number of housing units have been built in the past, but we must continue to build because our population is getting older and there is an urgent need of housing for senior citizens. However, there is also a great need of housing for single-parent families. It is in this area that we must focus our energies.

Once more, my colleague is very concerned by women's issues. She is very knowledgeable in this field as she was President of the Canadian Advisory Council on the Status of Women. She is more familiar with these issues than anyone else in this House. However, to avoid any partisanship, the Hon. Member should recognize that this problem is not new. It may have come to the forefront recently, but it has been around for a long time. Because we sit on different sides of the House is no reason to blame each other for this problem. We should sit down together and try to find the means to help women and to channel our energies as women parliamentarians. We should sit down together more often. I regret that partisanship sometimes seems to be stronger than anything else. The Hon. Member and myself, as well as the Hon. Member for Mount Royal (Mrs. Finestone), who is also very concerned by this issue, should put aside any partisanship and say: When shall we meet to discuss what could be done? This is what we should do to solve the problem of our sisters in trouble, Mr. Speaker.

Mrs. Pépin: Mr. Speaker, I greatly appreciate my hon. colleague's comment. May I add that when I called a meeting last year of women Members of the three Parties, very few came. Perhaps if I did call one again this year, more would come.

My hon. colleague has stated that provinces used to quarrel and that there appears to be a difference since this new Government came to power. May I remind her that all provincial Governments are quite irritated by the Government's attitude concerning equalization payments. As evidence of this, I should like to point out that in Quebec, Mr. Lévesque, the Minister of Finance, has indicated that the cuts imposed to them by the federal Government were unacceptable. There is also the Minister of Energy and the Prime Minister of Alberta. The provincial Governments are not any more in agreement with this federal Government than they used to be with previous ones. At any rate, when we are working and putting forward resolutions or moving amendments in committee to try and help women, I should like all women, and also all men in all three Parties, but more particularly women in the Progressive Conservative Party to attend and support our amendments. Unfortunately, it is always the opposite that happens.

We saw what happened with Bill C-92, the Bill on prostitution and pornography: all the women voted against it. Therefore, we could start helping ourselves by supporting these goals when dealing with Bills.

• (1500)

[*English*]

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, first let me congratulate the Speaker and the members of his staff on the positions which they hold and the work which they are doing. There has been a will of the House to change the attitude of behaviour which was the practice of the last very few years. I think that that change of attitude imposed by the Speaker and his staff will result in better decorum and a better picture of the structure of the entire Government of Canada. Mr. Speaker, I congratulate you both on your office and the type of work you are achieving.

I should also like to congratulate the mover and the seconder of the Address in Reply to the Speech from the Throne, as well as the Hon. Member for York—Sunbury (Mr. Howie) who in his usual way and with his usual ability has represented the needs of his constituency and his province, while staying in harmony with the needs of the nation. That, of course, has been a characteristic of his since first being elected to this House. The Hon. Member for Madawaska—Victoria (Mr. Valcourt), my colleague from New Brunswick, the Minister of State for Small Business and Tourism, has made his first speech in this House as Minister. Again, he has taken a look at the national as well as the local requirement of the tourist industry and of small business. I think he is dedicated to his position in Cabinet and the results of his work will be positive in a better and stronger small business and tourist economy in Canada.

• (1510)

Let me address the speech itself for a moment, Mr. Speaker. This Throne Speech is an unusual one, unusual because it is a list of commitments for the Government. It shows the imagination and planning of Government in what it thinks are the ojectives which the Government should have for the well-being of our country.

One should not criticize the Throne Speech because it does not say how these objectives are going to be achieved. No Party in this House at any time has delivered a Throne Speech and bored the nation with all the details of how its objectives will be accomplished. Many Governments have given Throne Speeches which were a litany of bragging regarding the accomplishments of the past without any constructive planning for the future. That is why this Throne Speech is a pledge to the nation of Canada that things have been done but, what is more important and longer in list are the things which need to done, together with the dedication and the commitment to do them. Therefore, I think you have before you, Sir, and the

nation has before it, for consideration one of the most constructive, positive Throne Speeches which it has been my privilege to debate in the years in which I have been elected to office.

There is another group I would like to draw to the attention of this House, namely, the Atlantic Provinces Economic Council. It is a council, voluntary in nature, made up of a group of people dedicating their own time to the development of policies and objectives for Atlantic Canada. This group of able people has in turn engaged very able people to formulate and express the objectives and needs of Atlantic Canada. These people have established for themselves a credit in the eyes of the people of Atlantic Canada, which is extremely important to that area and should be recognized.

I think perhaps a constituent of mine expressed himself about as well as anybody that I have heard express himself as to what Canada needs and what our local area of Atlantic Canada needs. How it would be achieved was given in a speech that he delivered to the founding meeting of the Chamber of Commerce in the town of Woodstock. His name is Mr. W.C. Bull, Senior Vice-President of Corporate Planning of the Royal Bank. He was at one time a constituent of mine. He is now in higher office and has moved to another office in which he can exercise his new duties. The following is what he said to that Chamber of Commerce. I think it is a proper piece of advice and direction for Government and Canada as a whole. It reads as follows:

> Shared commitment and mutual interest in the welfare of your community and region should bring you together. Coming together is a beginning but sticking together is the challenge.

That is the challenge and the objective of this Government, to get the people of Canada as a community to come together and to stick together. That is the challenge, and it is not being recognized or appreciated by the opposition Parties which are doing what they can as a group to divide and conquer the voters of Canada for their own particular end, without consideration for the needs of Canadians. The opposition Parties have instead followed a selfish political course which is not in the best interests of this nation. I plead with them to allow us to go forward to develop and create a better Canada not a divided Canada.

Some Hon. Members: Hear, hear!

Mr. McCain: Let us not divide the voters of this nation. Let us not put culture against culture, region against region, man against woman, women against everybody and man against all concerned for political purposes and for the gain of votes. That is not being good Canadians, let alone good parliamentarians.

Let me carry on a little bit with what Mr. Bull said. He said:

> First of all, dedicated people have to want to work together. This requires a high degree of teamwork.

That is what we should look for in this House of Commons, a high degree of team work and constructive input from the Opposition, not a critical and destructive input on a constant basis. To resume the quote, he said:

> —the good of the community takes precedence over more narrow interests.

That is what this House and all its Parties must begin to address, the broader and major interest of the nation as a whole. Let us go forward with that.

We are undertaking as a Government negotiations to obtain a better trading situation with the United States and with the world at large. Of all industries that have suffered from bad trade negotiations in the past, agriculture is really at the top of the heap. It and its products have been the bargaining ploy that we have put on the table of international negotiation to obtain ends for other interests. In 1954 the imports of horticultural products amounted to $125 million. In 1985, 31 years later, we are now importing $1.1 billion worth of fruits and vegetables as a result of very favourable access for international suppliers in the Canadian market. This is something which must be brought to a halt. We must ask for fair play. We can no longer receive on the Canadian market bottles of wine from foreign countries, particularly from the EEC, at less than the cost of bottling in this country. I use this item because wine only arrives here with a subsidy, and it is the most extreme example that I can give.

However, let us come to the apple industry. We find that in the past we have received apple juice in the Canadian market—a product produced in Canada—at less than the cost of packaging and transportation. It is dumped into this market to the detriment of the Canadian industry.

It is then imperative that Canada seek fair trading opportunity in the world. Whether it applies to agriculture, fish or in whatever product we may trade, our markets in the world must be fair. We are a trading nation. We must seek to achieve world competence, world quality, world productivity and world competitive costs. That must become an objective of Government in leadership and an objective of unions, management, capital and financiers throughout this land. These are our objectives and on this basis we can compete in an international society. We must compete if we are to survive. This must be the tenet upon which all facets of our economy and our Government must base its future negotiations and retain a competitive position within our own market and a competitive capability in those items in which we can be world productive and competent. That has to be our objective. Then and only then can we be a prosperous nation as we should and wish to be.

In the horticultural industry, there are certain seasonal tariffs which are not negotiable as far as that industry is concerned. We have come into production in most of our horticultural crops at that season of the year when the United States of America is just about at the end of its production and is dumping any balance it may have on any market which it can find, and Canada is the handiest market. Therefore, producers of certain fruits and vegetables in Canada cannot hope to compete with the surplus stocks which are disposed of by the U.S. producers at the tag end of their crop. That is at the beginning of our crop when our prices should be at their

best. We must then retain an element of protection to retain some strength in that horticultural industry.

We must also take a look at what is the pesticide requirement within Canada and what is the pesticide requirement of products imported into Canada. Pesticides which are denied to farmers in Canada are permissible for imported horticultural produce. This is not right. International markets are using every barrier to trade that they can including pesticides used on horticultural products and medicines used in the feeding of animals. We should protect our producers to the same degree as foreign markets protect their producers. We are very weak in our protection of the trading structure of Canada.

• (1520)

It is impossible for us in this land to compete in many industries. Our apple industry was healthy. Although we always imported apples, our export of apples was major. We are now importing apples from the EEC and other sources and landing them in our stores at less than our cost of production. The market is therefore no longer available for the apple industry. Mushrooms are being imported from Taiwan and China. Apple juice will probably be imported from China in the near future. If we are to compete in horticulture and other aspects of agriculture we must extend to the agriculture industry an element of fair protection for their markets at home or economic assistance on a scale much larger than that which we have provided for the last several years.

What a pity one does not have time to cover all the subject matters which are so pertinent. However, I will speak of the fisheries for a moment. I want to issue a challenge to Government, unions and management involved with the Star-Kist plant in the Bayside, New Brunswick. It is time they sat down around the table with a dedication to put a good product back on the market. As far as consumers are concerned, the quality of that product is above question. Of the last 500,000 cans which were marketed prior to the CBC program, not a single can was returned by virtue of bad quality nor has a single can of product been found to be detrimental to the health of any consumer. This plant can continue to satisfy the consumer. It can once again produce 52 per cent of Canadian consumption with a minimum of complaint. Over the 20 years of its operation there have been a few cans returned with bitter complaint, but no sample has been returned to the company. The company has not seen a sample of rejected product.

I appeal to unions, management and Government to sit down around the table and resolve the problem which is keeping 600 people out of work in an area with about 40 per cent unemployment. This is a vicious and unfair struggle which is taking place at the expense of approximately 600 innocent, low-paid workers who, before Christmas, find themselves without unemployment insurance, dependent on welfare and living in a community which is collapsing due to lack of cash flow. It is time that a meaningful interest was taken in these people in my constituency.

Of the fishery as well, I wish to say that there is a seal problem. It is important that Canada understand how great this problem is. There is a chart which indicates that the birth of seals has risen approximately 25 per cent in a five-year period. As the population of seals has risen the quota allowed to fishermen has decreased in almost direct proportion. The total seal population of the North Atlantic is such that it is now consuming 2.5 million tonnes of fish per year. I will not tell you how much fish is caught in the North Atlantic by the combined fishing fleets. However, if anyone has an honest interest they will look it up and learn that we are not catching 2.5 million tonnes of fish for human consumption. As the total allowable catch decreases and the seal population increases, poverty is becoming more and more embedded in the fishing communities of Atlantic Canada, the quality of fish available to world consumers is going down and our economy is suffering in a major way.

It must be recognized in this nation and internationally that the seal population of the North Atlantic Ocean must be controlled, regulated and reduced. Canada is not the only country interested in this subject because international quotas to fish within the 200-mile limit will either disappear completely or be so substantially reduced by Canada that there will be no international fishing within that 200-mile limit. We are not alone in our demand for an economic reconsideration of the devastation by the seal in the North Atlantic. Whatever means is acceptable to society must be found and that acceptable means must be used.

One could continue to speak of the fisheries for a long while because there is a great deal of requirement. We must consider the devastation to equipment of the fishing industry as well as the decline in fish stocks. A single fisherman in my community lost $100,000 as a result of seal damage to his equipment. That is a lot of money for one man to lose and it would not have been lost 15 years ago when Canada was addressing the seal population and keeping it under proper control. I certainly do not advocate extinction, but control of that population is vital.

The Post Office of Canada has probably regressed more as we became more electronically competent than one could ever have foreseen or imagined. The Post Office of Canada should be operating on the same basis as any other public utility. It should have to appeal to Government for permission to reduce services. It should not have the right, within its own management, to cut service without notice. The Post Office is a disgrace which the Government inherited and the Opposition must assume some responsibility for it.

In the 1920s I had an aunt who lived in Ottawa and wrote to my mother on a weekly basis. She mailed the letter on her way to work every Monday morning. Every Tuesday afternoon, almost without fail, it was in our rural mailbox. It got there via an old steam engine. It was picked up by a horse and wagon at the train station. It was delivered to the Florenceville post office for sorting and was then delivered by horse and wagon and arrived at our home at approximately three o'clock. What

became of this system which was so very competent with a steam engine and a horse and wagon?

I challenge labour, management and Government to put that system back in place. The *modus operandi* today is that every post office must be a profit centre. There is not a public utility in Canada governed by federal or provincial regulation which can lay claim to profit from every community it serves. The Post Office as well as the Customs offices are trying to make every centre a profit centre without regard for the services which the people of Canada require. That is a crass and brutal treatment.

In the Glassville area of my constituency six offices have already been closed and the seventh one is going down. Perhaps I could take another two minutes to add to those remarks, if I may. Not only is that office being closed, the service is being changed in such a way that there is another 48-hour delay in delivery of a letter in the parish of Aberdeen in the County of Carleton. During the 1920s a letter could be delivered from Ottawa to rural New Brunswick in 30 hours. Now one cannot respond to a letter for another 48 hours because of a reduction in service of Canada Post. That is not good enough for rural Canadians. I hope I did not impose upon the time of the House and I thank you for the extension.

• (1530)

Mr. Brisco: Mr. Speaker, rarely have I heard such practical solutions and comments with regard to Canada Post as those given by the Hon. Member for Carleton—Charlotte (Mr. McCain). The system is a disaster. It is not only a question of our attitude toward the Post Office, but the attitude within the Post Office and the frustration of the public. I cannot think of a single issue, including taxes, social problems and others, that is more important intrinsically to Canadians than reliable mail service.

I can remember carrying mail at Christmas time as a young man. While I will not mention his name out of respect, our postman was a super person who gave good mail service, and everyone in the neighbourhood loved him. I can remember carrying the mail at Christmas as a young man because I was not quite big enough to carry the postman after he was given a small libation by the neighbours after providing a year of dedicated service. I also used to finish the routes the odd time when he decided to pause for a rest.

I want to point out an incident that was brought to my attention and about which I had to write a letter recently. It concerns a mailman who refused to deliver mail to a particular household because of their dog. I know the household and can say that the dog was nearly blind. When the excuse for non-delivery was dropped off at the Post Office, saying that the dog was threatening, during that two-week period in which it was supposed to be threatening, the dog was dead and buried. The excuse was as dead as the dog. After the dog expired, another excuse followed which stated: "White cat obstructing sidewalk".

While I agree that such an attitude is shown by a limited few who serve the Post Office, how can we expect such attitudes to contribute to a resolution to the problem?

I want to change the subject for a moment and support the speech given by the Minister of State for Small Bussinesses and Tourism (Mr. Valcourt). There is a small business in my constituency that required the particular attention of the Minister and his Department in order for the business to proceed. While some Governments become hidebound in legislation and regulations, opportunities exist to take a second look and choose alternatives which may not be carved in stone. That is precisely what happened in my constituency, so that there is every assurance that there soon may be 40 jobs in a new industry. I want to thank the Minister and the people in his Department, both in Vancouver and Ottawa, who made that possible.

Mr. McCain: Mr. Speaker, I want to thank the Hon. Member for his support of my remarks. I would only add that Canada cannot prosper if we do not have a co-operative interest in the well-being of our society. All of us must have a basic interest and understanding of the needs of places like Montreal, Toronto, Saint John, as well as rural Canada. These concerns must be rolled into a package and become the common interest of Government, management and labour so that our postal service may work with the same historical degree of efficiency, effectiveness and satisfaction to the public.

I ask all facets of the postal system to consider these service requirements. If we must bend a little to accommodate the public, that is our duty, whether it is management, the Minister or the letter carriers. All of us serve the public and we should do so with courtesy and effectiveness.

The Post Office has become the greatest promoter of electronic and courier services in Canada, at a massive expense to those who would still use the postal service exclusively if their letters could be delivered in 30 hours, as they once were. I do not know why management, Government and labour are no longer interested in making that kind of service available so that the Post Office could prosper.

Mr. Johnson: Mr. Speaker, I want to congratulate the Hon. Member on his speech. He made reference to the population explosion among seals in the northwest Atlantic. What do the fishermen in his area believe should be done to eliminate the problems in the fishing industry that are caused by seals?

Mr. McCain: Mr. Speaker, I thank the Member for his question. Historically, the population of seals in the presence of a national fishing industry has been taken into very careful consideration by the Government. When these policies of population control were removed by the Government, I believe the seal population in the North Atlantic, particularly among harp seals, almost doubled in approximately seven and a half years. This means that the number of fish consumed has

virtually doubled and will double again in the next five to seven years.

If this happens we will be in a situation which people on shore refer to as the rabbit and the fox. We can have seals or we can have fish, but we cannot have both. Seals consume a major source of excellent food that is needed in this country, in Europe, in the United States and in the Third World. The Government must find a way to address the population control of those seals which swim in the North Atlantic or that source of food will not be there.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have this opportunity to talk about an aspect of the Throne Speech which I believe has received too little attention. I am referring to a brief paragraph which states: "My Government recognizes that security is the surest safeguard of liberty". It goes on to talk about increasing our NATO contingent in western Europe.

I am one who, against the general weight of feeling within the Christian tradition, was persuaded in World War II to join the Army in order to kill people for the opposition of facism. I have since then wondered very deeply why our country and our allies become engaged in war. I very much regret the one-sided emphasis in those words. I very much regret the exaggerated reliance which that paragraph places on terror, the suggestion that we will have liberty and, for that matter, peace through terror. There was once the Roman Empire. Those of us who studied Caesar will know the motto of the Romans was: "If you want peace, prepare for war". That was good in Julius Caesar's time when he had a growing and expanding empire. But that is long gone. Its power to terrorize its neighbours disappeared when it made its neighbours its slaves and no longer had the power to terrorize them.

• (1540)

I deeply distrust the continuation of the philosophy that we must terrorize whoever it is we think disagrees with us. The previous Prime Minister entertained a similar philosophy when he said: "What we have to do is scare hell out of the Russians". It did not work. The means used to scare hell out of the Russians are scaring hell out of us. I would rather place my reliance not only in the Christian and Jewish tradition, but I believe with the majority of the people of the world, in words such as these: The work of justice shall be peace and the effect of justice, quietness and confidence forever, keep judgment and do justice for my salvation as near to come and my justice to be revealed. In other words, while we struggle with our conflicting actual fears, the hope should be placed not in creating more fear. The hope for peace and liberty has to be placed on the creation of a more just world, not on the creation of more terror.

For that reason, I regret further that there is no warning in the Speech from the Throne against the dangers of militarization. We think of this as a country of peaceful people. Yet our economy and our Government are becoming militarized. By "militarization" I mean mainly the promoting of war-related enterprises only for profit or income and without serious examination of the danger they pose to life, peace, the economy and even to the environment.

In the five years I have been in Parliament, there has never been a serious debate on defence. Neither this Government nor the previous Government has ever put forward a rationale for how our money is spent on defence to be debated in Parliament. There is very little public opportunity to examine the facts. There is very little listening to the millions of people in Canada who, in one way or another, have gone on record, and will go on record again this weekend, and who have been going on record daily during this week in Toronto, asking for peace, for an end to the arms race. These are people who hoped that there would be some result at the summit conference in Reykavik two weeks ago. They were disappointed when the President of the United States, our ally, stonewalled all the substantial offers made by the other side by insisting on his absolute right to conduct the crazy scheme of star wars. But it is not only our ally. This Government, under the excuse of restraint, starves unemployment insurance allowances, public day care, health and education expenditures, social housing and even the farming industry, giving too little too late to recognize disasters. The sake of maintaining our industry against subsidized imports, as one of the previous speakers mentioned, this Government starves the manufacturing industry. Perhaps it would like to see it disappear from Canada as has the clothing industry. Only one industry is actively supported by the Government. When the Government brings the shopping team up from the Pentagon and continues subsidizing the export of arms, that is where its heart is, in the high profits, not in defence. It gives critical backing to the terrorist policies of the United States Government in Nicaragua. It gives back-door support to star wars. It allows more and more nuclear-capable ships and submarines to enter our harbours such as Vancouver, Halifax and even Toronto.

The Government is planning more and more military bases and installations and even may bring the first NATO base to the western shore of the Atlantic Ocean at Goose Bay. The result is that the whole defence and armaments enterprise is being judged primarily by its profitability and not by any careful examination of how it contributes to peace. Of course, those who dare to criticize that enterprise are often accused of having doubtful loyalty to Canada without any basis for the accusation.

A principal example which has come to my attention in the last few months is the Canadian Forces Base at Goose Bay, with the training in low-level flying under contract for NATO Governments, to the great distress and harm to the life of the native people in that area. For some years there has been a program of training pilots to fly low over the hills of Labrador. This is not for sport, of course, although they tend to make it a sport. They seem to like to scare the caribou herds, which can be fatal to caribou cows when they are calfing. They seem to like to scare the Indian and Inuit families when they are hunting, as they have done for thousands of years before we

interrupted them. They seem to like to pollute the air and lake waters with the exhaust of their low flying aircraft. The excuse is, of course, to train pilots to fly low over the hills of Eastern Europe and into the Soviet Union under its radar. In other words, this is to provide for a policy which the Americans sometimes call "deep strike" but which in fact amounts to "first strike".

The native people of this area for years have struggled with the Government over their land claims, that they should be able to exercise their right over the land as they did for a long time. Nevertheless, the Government has stonewalled them, and even when a vast iron ore deposit was opened up, little was done to ensure that it was a means of livelihood for the people who had lived there for so long. In fact, the company which was operating the iron ore mining in one part of Labrador decided to close it down shortly before the Canadian President of that American subsidiary decided to go into politics to become the Prime Minister of Canada. Now that those people have been deprived of that livelihood, they are being pressured into becoming hewers of wood and drawers of waters, or perhaps becoming servants in the cafeteria on a NATO base which the Government is willing to attract to Labrador by spending perhaps $100 million of taxpayers' money.

• (1550)

Our Government, and the people of Canada, have an obligation to respect all the cultures of our country, not only the French and the English, the Italian, the Chinese, the Ukrainian and others who have come here, but also that of the peoples who were here for thousands of years before our ancestors arrived. A year ago the Government heard briefs at a short committee hearing in Yellowknife from representatives of the Dene Nation and the Métis association in which they called for a defence policy and foreign policy of non-alignment. These people have, for many generations and centuries, tried to live in such a way as not to threaten their neighbours and not to pollute and destroy the land on which they live. They do not eagerly tie themselves to a boom and bust economy of competition and war. We should be listening to their wisdom and considering the question they ask. Is it really necessary for Canada to follow one of these two armed giants in the world?

Another committee of Parliament listened to a similar representation from a group which spoke on the matter of Goose Bay. The Standing Committee on Environment and Forestry in its report tabled in Parliament at the end of June addressed a motion to the Minister of National Defence (Mr. Beatty) which stated that he should immediately halt all north shore and Labrador low-level military air flights and assess the effects of such flights on the environment in these regions as soon as possible. The committee, made up of course by a large majority of government Members, studied the protests of the native peoples against the pollution and the disruption of their lives caused by the low-flying planes. This was the direction the committee gave to the Minister of National Defence.

I think that the 120 days which he has to respond to the committee have just about expired. I hope he will soon tell us whether he respects the advice of the committee and the plea of the people in that area. By this motion the committee is defending Canadians, defending Canada's land, by asking the Minister to halt the flights now and to investigate.

The Government of Quebec is taking a similar stand. The Government of Quebec will not leave it to the slow-moving investigation to be undertaken finally by Cabinet. It will add its own investigation, too, since it is not only Labrador that is threatened by this low-flying program but also certain parts of Quebec. Church leaders in the Goose Bay area, and other areas, have publicly questioned who it is that will benefit from the half a billion dollars or more that would be spent on the NATO base and whether, in a starving world, it is right to waste so much money on armaments.

Of course, the argument of the Minister of National Defence and the military is that they believe they are defending Canada. But that is exactly the claim that many Canadians are calling into question. In the case of the base at Goose Bay, the pilots who will be trained to fly over the hills of eastern Europe and into the Soviet Union give the Soviet Union good reason to fear a first strike. It is common knowledge that if one believes in the effectiveness of the fear of first strike, then the response to that fear is to strike first. In other words, if we believe that the Soviet Union is willing to attack our country, then the danger of bringing that attack much sooner than we expect is increased by the provocative and threatening plan called deep strike, and by the training of our pilots for carrying out such a plan. This is of a piece with the Pershing and Cruise missiles in Europe which are 10 or 12 minutes' flight away from Moscow, or whatever it is, depending on where they are based.

We have no such threat against us in North America. It is not easy to imagine what it is like to live in a country that has already within living memory been twice invaded by the armies of the West, once by what we called the Allies and once by a country we called the enemy but which was partly armed for that purpose by corporations, especially American ones. It is now threatened with the destruction of its major cities in a matter of minutes. There is no sign that the citizens of that country are being intimidated into surrendering their country. They have made an extraordinary move of unilateral nuclear disarmament. That is the only name that can be put on the moratorium on testing, since the United States claims that to stop testing would weaken it militarily, to quote the words of President Reagan. The Soviet Union has been willing to accept a one-year cessation of its nuclear testing in order to invite the United States and its allies, such as Canada, to reach an agreement to end the testing altogether. There is no mention of this in the Speech from the Throne, which I think is unfortunate.

This is a debate which is being carried on in city after city in Canada, not only by people in their living rooms, by people in churches and other public places, but by members of city and

municipal councils. It is a debate that will be entertained by the Ontario Legislature within the next few weeks. It will entertain a motion to make Ontario a nuclear weapons free zone. Granted, a motion such as that was passed a few years ago in Toronto City Council, and in many other cities, which does not by itself bring about the goal that it states. However, it registers a strong, wide consensus of the people who believe that we do not get peace or liberty by terrorizing people on the other side of the world or on the other side of the border. If we find a threat which we agree among ourselves must be met, then let us use the means to meet it, as we did in World War II. But let us not continue piling up armaments endlessly in the foolish belief that somehow or other we will terrify the whole world into doing every little thing that President Reagan would like it to do. The belief that every country should turn its Government inside out to suit the President of the United States is an insane belief. It is worrisome that such a person should be the President of the largest country in the world. Canada must disconnect itself from that craziness. We can begin to do that by saying that there will be no NATO base at Goose Bay and no more low-level flying training at Goose Bay.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Kootenay West (Mr. Brisco).

Mr. Brisco: Mr. Speaker, I listened to part of the Hon. Member's speech. I wonder where he gets the idea that low-flying aircraft pollute the inland waters of the Labrador Coast. Could the Hon. Member perhaps cite some specific examples or give us some reference to verify his comment? Could he also tell us how well informed he is with respect to the migration of the caribou on the Labrador Coast or whether he knows anything about caribou migration at all?

• (1600)

Mr. Heap: Mr. Speaker, I read the statements of people resident in that area and of representatives of the United and Anglican Churches who served in that area. I read the statements of social scientists who have gone there to study the situation I have described. There are many reports and eye-witness accounts of the very things I was describing. If the Hon. Member really wants them, I would be glad to send him copies.

The authority that I first heard speak about the migration of the caribou was the President of the Inuit Taparasat who spoke to the Standing Committee on External Affairs and National Defence a year ago at Yellowknife. It was he who warned that the caribou herds can be destroyed by careless application of low-level flying. I myself have not yet been up to the northland but I would be quite willing to send the name and address of the President of the Inuit organization to the Hon. Member if he really wants to go there to find out if that man is telling the truth about the part of the country he represents.

Mr. Friesen: Mr. Speaker, the other night, the CBC *Journal* broadcast an account of this particular Labrador issue. That program indicated that because of the size of the territory and the population, the odds are that there would be an over-flight of a populated area about once a month on average. Could the Hon. Member tell me how an over-flight occurring once a month could possibly hurt the ecology or the population?

Mr. Heap: Mr. Speaker, I think the Hon. Member has said that the ecology has not yet been destroyed. That is true. It is being urged that we stop before we inflict increasing damage. It is being urged that the flights stop until there has been an adequate environmental study. That is the principal request of the people who live there, of our own parliamentary committee and, I believe, of the Quebec Government.

Even if there are only over-flights once a month in certain areas at present, the fact is that people cannot live the life they have preferred to live for centuries without knowing when they will be buzzed by these pilots. This considerably disrupts their attempts to earn their living in a normal way. There has already been an indication that there is a decrease in the wildlife available in the area of the over-flights.

Mr. Langdon: Mr. Speaker, I would like to congratulate my colleague for his really quite fine speech. I would hope that other Hon. Members would recognize the sincerity of it and the research that went into the comments he made.

If I could, I would like to ask the Hon. Member a question about the issue of militarization of which he spoke. If, as a country, we are to fight back against the militarization of the world, which frightens so many people not only in Canada but throughout North America and the entire world, what kind of steps and gestures would be useful? What kind of public demonstrations has the Hon. Member, a person who is deeply interested in these issues, seen in Canada in the past year? What would he recommend that Members of the House and people across Canada who are concerned with this militarization involve themselves in?

Mr. Heap: Mr. Speaker, I thank my colleague for the question although I will not be able to do justice to it in four minutes. I would mention three actions without trying to deal with all of them.

On Saturday, from Vancouver to St. John's, many of us will engage in a public walk calling for an end to the nuclear arms race. This is an old subject. Many of us were doing the same thing 40 years ago. We have not met our objective yet but there are a great many more people with widely differing political points of view who agree that we have to put an end to the arms race.

Second, I believe we should look to ways to build up our economy and to restore the growth of industries which manufacture goods for peaceful use. I am not ashamed to mention the clothing industry as being one which is important to the riding of Spadina. We must do this so that we do not become dependent on the export of arms for a significant part of our national revenue and so that we do not participate in the export of arms to countries which will see, directly or indirectly, that they are used for the suppression of human rights in

places like Latin America, Africa and the western Pacific islands.

Third, I believe we should address our own fears by meeting with the people we fear like the people of the Soviet Union. We should all sit down, not only the two top men, to speak with each other. We should make much more use of the opportunity that exists in the Circumpolar Conference, a conference of the countries around the world that border the Arctic. Those three actions are the kinds of actions I would like to see Parliament discuss as ways of creating peace through justice and through the discussion of a just settlement between us and those we fear.

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, it is a pleasure for me to be able to participate in the debate on the latest Speech from the Throne. Certainly Canada is in such a state now that economic revival and renewal is something we all eagerly anticipate. I was extremely encouraged by several of the remarks that were made in the Speech from the Throne and would anticipate that indeed the serious issues of the day will be addressed.

The Speech from the Throne outlined the Government's three-part strategy designed to promote economic renewal through fiscal responsibility, the removal of obstacles to growth and the encouragement of new investment. We know that the initiative has been taken over the past two years since the election of the Progressive Conservative Government and we know that that initiative has been successful to a certain degree. Indeed, we have seen growth.

Approximately 24,478 new jobs have been created each month since the election of the Progressive Conservative Government. We have seen the Bank of Canada rate fall. We have heard the Conference Board of Canada state that consumer confidence is at its highest level in some 21 years and is at its second highest level on record. The inflation rate has remained pretty well stable at the 4 per cent range for the past two years and we are in the most stable price environment since 1971.

Coming from Atlantic Canada and the constituency of Fundy—Royal, I am no stranger to economic and regional disparity. It was of some concern to us before the Speech from the Throne that this Government perhaps had not moved in distinct enough fashions and ways to address those regional disparities. All of us from the Atlantic region were very pleased to see that the problems of regional disparity were clearly acknowledged in the Speech from the Throne. I believe it is high time that this Government, and most people, acknowledge that inequity is not acceptable to Atlantic Canadians, who generally come from a root stock of proud and self-reliant people determined to play a full and active role in Canada's national life and in this Confederation. Atlantic Canadians are not in the business of looking for more handouts. The fact of the matter is that we want to work our way out of the situation where we have such a significant and substantial dependence on others in this nation to assist us. We must recognize that Atlantic Canada accepts from the federal Government something in excess of $9 billion more annually than it pays out. That sort of inequity is not justifiable.

• (1610)

There have been several initiatives taken by the Government to facilitate enduring economic development in the region, such as the Atlantic Enterprise Program which will provide $1 billion in loan guarantees; the Atlantic Canada Opportunities Program to promote and encourage government procurement by local firms; Enterprise Cape Breton; and economic and regional development agreements that have been in place now and have demonstrated some sense of success. The agency set up by Atlantic Canada Opportunities will co-ordinate all federal development initiatives in the area. It will have its roots in Atlantic Canada. It will tap the resources and ideas of Atlantic Canadians who will have a direct hand in the operation, policy, and program of development.

We have seen in recent days, and heard in recent hours, of other initiatives and programs that have been put into place. We heard today the Minister of State for Small Businesses and Tourism (Mr. Valcourt) talking about the virtues of small business and how they must be encouraged to establish in Atlantic Canada. In recent weeks, we have heard the Minister of State for Forestry and Mines (Mr. Merrithew) from Saint John declare that the Port of Saint John has been given local port status. This will be a tremendous boon to the Port of Saint John and to New Brunswick as a whole.

More must be done. There is no question that the right steps have been initiated and the right steps have been taken. Atlantic Canada must realize more from this Government than we have ever realized from any of the previous Governments or administrations. Atlantic Canada is in a state of economic decline. It has been in this state of economic decline ever since the national policy was announced in 1879 when there was a determination by the then Government of the day to redirect the normal trade routes from north to south and concentrate in an east to west direction. This was harmful to Atlantic Canada. It was harmful to the maritime provinces, as they were known at that time. Atlantic Canadians and maritimers had been traditionally north-south traders. That hurt us economically, and we have never come back to that time when we did enjoy economic prosperity in concert and equally with the rest of our neighbours to the west.

I believe it is high time that we recognized that there has to be a special relationship between Canada and Atlantic Canada, and recognize the special status that Atlantic Canada has played in the past in the development and creation of this nation.

Mr. Speaker, I am suggesting to you that at this time in our negotiations with the United States when probably the future of the nation, let alone of Atlantic Canada, has never come more into prominence than it has today, that Atlantic Canadians be accorded that special status and recognition which I am calling for.

The New England states represent a market with which the maritime provinces are associated and, geographically speaking, we are a natural part of the New England states. It has a population of something in excess of 48 million people. It has a market potential that is twice the size of the entire nation of Canada. Maritimers have had a long historic relationship with the Boston states. We refer to the Boston states with almost a kindred spirit. We look to them as a friendly neighbour and a part of our Atlantic Canadian heritage. It is natural that it should be an area of special consideration, and economic ties between the two should be considered. This is nothing that is new. Back in the 1880s a maritime partner sister of Nova Scotia considered leaving Confederation when it perceived that the union of the provinces and Ottawa had failed to deliver on the promised economic benefits of union and the establishment of Canada.

The coastal states represent the largest market for Atlantic goods. It is a market that has been steadily growing. Our net exports in Atlantic Canada are more than we import. Atlantic Canadians have historically supported a freer trade relationship with New England. I perceive, now that we are involved in these talks, that there is a renewed interest in the Atlantic region and in the concept of a federal regional economic development. We have now seen two decades of policies and programs that have been directed towards developing Atlantic Canada which have not been very effective, to say the least. It is time now that we looked at new avenues of restoring economic confidence in Atlantic Canada.

Many are wondering if stronger economic ties to New England might offer a different type of development and opportunity which may work. As a maritimer and an Atlantic Canadian, I am convinced that more open access to the New England market would bring benefits to our region. Our major exports of fish and forest products could be expected to increase both in output and in level of processing.

We have been hurt by the recent imposition of tariffs and taxes on lumber products. That is just an indication of why it is more important at this stage in our development that indeed we do secure our future by realizing an enhanced trade agreement with the United States. It is particularly important to Atlantic Canadians. If we are successful, that will reduce the uncertainty and difficulties in the present countervailing American duty legislation. Companies in Atlantic Canada have been subjected to commerce investigations to determine if they have been hurt by U.S. companies. This is a very expensive process indeed. We want to be finished with that so we can secure our markets and ensure a future for our people.

• (1620)

If the huge northeastern United States market was opened up to Canadian producers and manufacturers, some of them might be induced to locate in the maritime provinces to manufacture their products for export into the U.S. I call upon the Canadian Government to recognize in its negotiations with the United States the special situation and status of Atlantic Canada and to bear that in mind when it is concluding its negotiations with our American neighbours.

I should like to deal with the shipbuilding industry, an extremely important matter to those of us living in Atlantic Canada. I draw the attention of the House to a statement which was made by the Progressive Conservative Party on August 2, 1984. In part it indicated that we must work to meet a greater share of our domestic requirements for vessels used in defence, coastal trade, search and rescue patrol, and the offshore fishery. Also it indicated that a top priority of a Conservative Government would be to create a more viable and prosperous shipbuilding industry and that proposals would be submitted during the consultative process. At that time there were some seven or eight recommendations which we would implement if and when we became the Government of Canada.

The shipbuilding industry in the nation, let alone in Atlantic Canada, is in extremely serious economic difficulty. Unfortunately I have not seen much in the way of movement on the part of the Government to implement any of the policies about which we talked prior to the 1984 election. I would suggest that we move to implement some of the programs about which we talked.

Also I draw to the attention of the House a statement by the Canadian Shipbuilding and Ship Repair Association which directed its thoughts toward four of the policies which we noted at that time—to impose a moratorium on ship imports for domestic use, to introduce concessionary financing for Canadian domestic ships, to apply a 25 per cent tariff on fishing vessels over 100 feet, and to accelerate the naval programs and the Polar 8 ice-breaker program. I support and endorse those recommendations of the Canadian shipbuilding industry. I call upon the Government which I support to implement those policies which we said we would implement prior to the 1984 election. It is high time that we recognized the contribution which the shipbuilding industry has made and can make to the nation. We recognize that that industry is in a state of decline and that merchant fleets are overwhelmed with excess tonnage.

The Saint John Shipbuilding Company is comprised of a group of people with tremendous vision and foresight. It has now put together a team of experts in the field of naval construction and has determined that it will specialize in this direction. I applaud the initiative and foresight of that company. If it is to succeed, as I am sure it will, it must direct its attention to more specialized fields. With the type of infrastructure currently in place, there can be no doubt that a significant amount of naval contracts, whether they be for frigates or submarines, should go to shipyards in Atlantic Canada, particularly that shipyard in New Brunswick which has focused its attention on that particular sector.

I note as well that the Saint John yard is one of the three yards being considered by a consortium looking at the construction of the Polar 8 ice-breaker as being the logical place for it. I call upon the Government to give high priority to

the yard located in the City of Saint John when the contract for the Polar 8 super ice-breaker is let.

My final point concerns the policies announced by the Minister responsible for Parks Canada. I am delighted that we will look at a new parks policy. Fundy National Park is in my constituency. In the opinion of many people—and it is mine as well—it is one of the most beautiful parks in the Dominion of Canada. I ask that serious attention be paid to that park. There are several areas which we could improve. There are also several things to which the Minister can respond. They have been brought to his attention by the people of Alma and other nearby villages. Some of the suggestions were to reinstate the interpretative walks, to hire a recreational director and staff, to construct a visitors' centre with a marine display and a tidal viewing stand, to extend the golf course by 18 holes, to update the Highlands Inn to resource status, to restore the Alma mill site, and to construct the maple sugar grove. Fundy National Park is the nearest national park in the entire nation to the American border. It is only realistic that it should be developed with special attention and with special care.

I applaud the Minister for his visit to the region last spring. The people were delighted that for the first time since the park was inaugurated in the 1950s a Minister responsible for Parks Canada had the interest to visit Fundy National Park, our little region of the country, to talk with them, to hear their concerns firsthand, and to witness the beauty of the region.

The process for economic development has been started by the Government. I look forward to serving with it over the next two years in a very positive and constructive way. I wish us the best in developing the political will to implement the policies we have started.

Mr. Langdon: Mr. Speaker, I spent part of my summer vacation in the Fundy National Park of which the Hon. Member for Fundy Royal (Mr. Corbett) spoke so highly. Indeed it is a very fine part of the country. I have two questions for the Hon. Member.

Has it not been a source of disappointment to him to have had so little definition and direction given to the much heralded Atlantic Canada Opportunities Agency announced in the Throne Speech? This is the end of the Throne Speech debate. I hoped that by now there would be at least some sense of what exactly the agency is to do. Does the Hon. Member share my sense of disappointment that the agency is still some kind of pie in the sky solution to Atlantic Canadian problems without being defined in any sense?

Based upon some discussions with those involved in the free trade negotiations with the United States, does it seem likely that it is necessary for us to give up in order to attain certain objectives for which the Conservative Government is looking in its free trade talks? Does it seem necessary to give up the regional support packages which were so much a part of the country's commitment to Atlantic Canada and to other parts of the country? If we seem likely to have to sacrifice that, as is my view of what is likely, will this change the Member's view of what is so advantageous with respect to the potential of free trade arrangements between Canada and the United States?

• (1630)

Mr. Corbett: Mr. Speaker, I want to congratulate the Hon. Member for Essex—Windsor (Mr. Langdon) on his good judgment in choosing Fundy National Park for part of his summer vacation. I am saddened that he had not contacted me while in the area because I could have introduced him to a number of interesting aspects of the park, to some local people, to the local heritage and the history of the area in which I am sure he would have taken a great deal of interest. Perhaps he will think about coming back to Fundy National Park in the future. With the Minister's new proposals and his interest in parks across the nation, Fundy as well as other parks will be the beneficiary of those programs.

As far as the Atlantic Enterprise Program and the Atlantic Canada Opportunities Program are concerned, it must be recognized that these are mammoth undertakings upon which the Government has embarked. Let me draw to the Hon. Member's attention that just last year the IRD Program alone committed something like $88 million to small business promotion in New Brunswick. I am not sure what the total figure is for Atlantic Canada, but that is a significant amount of money for the Province of New Brunswick alone. The billion dollars to which the Atlantic Enterprise Program has committed itself in guaranteeing loans to small businesses is probably one of the most substantial moves that I have witnessed. If the Hon. Member knows of any other program by previous administrations, I invite him to draw it to our attention. I do not think that that can be the case. Nevertheless, the Atlantic Enterprise Program is one of the most exciting programs and one of vision, that I have witnessed in my experience as a Member of Parliament. These programs, just by nature of their size and complexity, are naturally taking some time to implement. The Prime Minister (Mr. Mulroney) in Moncton a few days ago has lowered the ceiling for eligibility to apply for that program from $200,000 to $100,000. We were very pleased about that. Despite the fact that there have been some hitches, some natural problems that you would expect in dealing with a program of this size, the fact is that the program is in place. It is moving ahead and people will and are taking advantage of it. I am certainly very enthusiastic about its prospects.

The freer trade issue to which the Hon. Member refers cannot help but benefit Atlantic Canadians. I believe that along the way there will be casualties, but there will be more winners than losers and the winners will be winning big. The casualties will probably be casualties at any rate. These casualties will be the people located in Atlantic Canada who are finding it very, very difficult to compete in industry and in manufacturing in Canada just because of their distance from markets and difficulties in establishing their industries at arm's length from where they have an opportunity to sell their products.

Being an Atlantic Canadian I know that with our historic ties, the opportunities we have had in the past, our natural heritage and the fact that so many people go back and forth to the New England States—the Boston States as we refer to them—the impact will be substantial. If there is to be criticism about our trade negotiations it cannot be criticism for trying. I should think that the only criticism that one should get would be for not trying. We should not be criticized for trying. If we are the winners, I suggest to the Hon. Member that Atlantic Canada will be as big a winner if not the biggest winner in the entire nation.

Mr. Deputy Speaker: We have about one minute left for both the question and the answer. The Hon. Member for Carleton—Charlotte (Mr. McCain).

Mr. McCain: Mr. Speaker, mine will be a short comment and I will try to stay within the minute. Atlantic Canada is an area which deals in agricultural, fishing and forest products in the main plus an element, an important element, that of manufacture. It is an area which can only prosper more by an extended market in a fair trade opportunity. I am certainly a supporter of the concept of approaching free trade as closely as we can get to it but of achieving fair trade.

One of the objectives of the Atlantic Enterprise Program is to reduce the red tape, to expedite the application from date of receipt until reality. A major factor in the process is to inject new expertise and to reduce the red tape. Once these steps are accomplished, that program will go forward in a smooth and productive fashion, which will be of major benefit to Atlantic Canada.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Mount Royal (Mrs. Finestone).

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, a Throne Speech is an interesting reflection of the social and political philosophies of a Government. We learn a great deal about its political program and agenda and what it does or does not stand for. This past year in its Throne Speech the Government returned to the 19th century, the social Darwinism theories of survival of the fittest. That is where the Government seems content to remain. The Government takes away from the poor and the powerless and gives to the rich and strong. We agree that the deficit must be addressed, a deficit that grew because of its great safety net which supported our citizens during the severe recession of the early 1980s. We also agree that action must be taken, but not on the backs of the elderly, the sick, the one-parent families or the middle-aged unemployed, those who are least able to bear the burden.

This Government seems unable to act in a consistent fashion. We are told by the Prime Minister (Mr. Mulroney) that the country is almost bankrupt, that government spending must be reduced, that transfer payments to the provinces must be cut because the federal deficit must decline. But at the same time, the Prime Minister finds $1 billion to save the uninsured depositors of the Western Bank disaster. He found another $600 million to assist in the purchase of Gulf Canada, and yet another $56 million to change the colour of our soldiers' uniforms. He just recently decided to spend $41 million on a maximum security prison in his riding, the wrong type in the wrong place. This is a first-class boondoggle.

The media has said that the Throne Speech contains something for everyone, that it tries to be all things to all people. Well, I disagree. All that is demonstrated is the Government's lack of political will to close the widening gap between the rich and the poor. It contains an unfair, uneven approach to responsible Government. The Government continues to practise the favouring of the well-to-do by increasing capital gains allowances and RRSPs to levels that the majority of Canadians cannot even dream of while it continues to deindex family allowance and the income tax table a sneaky hidden 3 per cent per year.

Not only am I concerned about the social and economic well being of the people in this country, I am interested as well in the country's growth as an independent, sovereign political entity with all its indigenous richness of heritage and culture.

Under Liberal leadership in the 1970s, the arts in Canada enjoyed a growth rate of which there were few equals in the economy. At the start of the decade there were five professional dance companies in Canada. By 1980 there were 23. The number of professional theatres increased sixfold to 121 and half of their productions were Canadian. The number of professional visual artists more than doubled to 28,755, while the number of publishing houses had more than doubled to 89, almost three-quarters of them now Canadian-owned.

• (1640)

I could tell you about what happened in theatre, dance, symphony orchestras. However, the point that I would like to make is that Pierre Berton, appearing before the Senate Committee on Mass Media in 1970, said that we must sing our own songs and dream our own dreams. It was with this in mind that Canadian artists began to repatriate themselves to Canada and they won major victories.

Canadian content requirements for TV and radio, in the latter instance creating a foundation for a Canadian pop music industry, the withdrawal of tax privileges from foreign magazines, the disallowance for tax purposes of commercials placed by Canadian companies on U.S. border TV stations and, by far the most important of all, the increase in spending on culture by all Governments, which reached more than $2 billion by the early 1980s, was very important. The Liberal Government was a Government of vision promoting pride in our Canadian heritage.

I wish to comment upon the specific language used by the Government in the second to last page of the Throne Speech. I cannot refer you to the particular page number because the Government has omitted to place any page numbers on the copies of the Throne Speech which it distributed.

In the first paragraph of the second to last page of the Throne Speech it is stated:

—we must ensure that all Canadians can pursue their own dreams and expand their own opportunities through greater use of information and knowledge about one another and the world beyond.

I wonder how Canadians are able to "pursue their own dreams" when they do not see images of themselves reflected on their own broadcast media.

For instance, the Caplan-Sauvageau Report on broadcasting concluded quite correctly that there is too little drama programming available on our TV sets. Only 2 per cent of the drama programs seen on English-language TV in this country is Canadian in origin. Furthermore, only 28 per cent of all programming hours available in this country in the English language is Canadian in content. English Canadians, in other words, are virtual strangers in television's land of the imagination. When the Throne Speech refers to expanding information and knowledge about the world beyond, I say that we would like to learn of the world including areas beyond the United States.

On French-language TV 57 per cent of the programs available are Canadian, but the actual viewing of Canadian shows exceeds the proportion of available French-language programming. According to the Caplan-Sauvageau Report this demonstrates that Canadians do watch Canadian content programs. In fact, according to that report the amount of Canadian programs which are watched by our viewers is directly proportional to the amount available. In other words, the more Canadian programs are available in the English and French languages, the more Canadians are likely to watch.

We do not need the Caplan-Sauvageau Report to tell us that there is a chronic shortage of quality Canadian TV programs for our children. The report does tell us, however, that the production of children's French-language and English-language TV programs at CBC Radio Canada is declining because of budget cut-backs imposed by the Government on the CBC. This leaves our children to watch American cartoons which exhibit a tendency for strident, often violent, action. How can the Government continue to play politics with the minds of our children? This issue is too important to be left to partisan politics. Therefore, I had hoped there would be some indication in the Throne Speech that the Government would work with both opposition Parties to increase Canadian content programming for our children as well as Canadian programming in general. Unfortunately, no such statements are to be found in the Throne Speech.

In a speech delivered by the Minister of Communications (Miss MacDonald) to the Financial Post Conference on Broadcasting on September 29, 1986, she outlined a process which would lead toward the eventual implementation of the Caplan-Sauvageau Report. The Minister stated in her address: "I will be doing everything in my power to ensure that the initiatives emerging from this process will be carried out before the end of this Government's first term of office". One would have expected that the Minister's commitment to implement some of the Caplan-Sauvageau Report would have found expression in the Throne Speech. Unfortunately, that is not so. It was totally ignored.

The second paragraph on the second to last page of that speech states as follows:

To begin debate on this fundamental challenge, my government will define its objectives and ways to achieve them.

I have two comments about this statement. First, the Government has held power for more than two years. It is about time the Government defined its objectives. Second, I do not understand why the Throne Speech uses the phrase "To begin debate". Surely we have already had considerable debate. Since taking power in 1984 the Government has commissioned nine separate reports to advise it on what it should do in matters of broadcasting and culture. This is most unexpected from a Government which professed, when elected, to have a direct plan of action which it was eager to implement.

I understand that I have run out of time. I would like to conclude by saying that there have been enough studies done by the Government. It is really time for action.

Mr. Deputy Speaker: Order, please. It being 4.45 o'clock it is my duty, pursuant to Standing Order 62(5), to interrupt the proceedings and put forthwith every question necessary to dispose of the main motion. The question is on the main motion. Mrs. Collins, seconded by Mr. Girard, moved:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council) moved:

That the Address be engrossed and presented to Her Excellency the Governor General by Mr. Speaker.

Motion agreed to.

Mr. Deputy Speaker: May I call it five o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 4.47 p.m.

HOUSE OF COMMONS

Monday, October 27, 1986

The House met at 11 a.m.

[*English*]

POINT OF ORDER

APOLOGY FOR STATEMENT

Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines)): Mr. Speaker, I would like to apologize to the House for any offence that remarks attributed to me in the press last week may have caused. I regret that what I said may have left the impression that I and some of my colleagues do not support the role of Canadian women in today's society. Such is not the case.

I made a personal apology to the Secretary of State for External Affairs (Mr. Clark) and the Minister of Communications (Miss MacDonald), whose work on behalf of the women of Canada is well known. I fully support their efforts and those of the Minister responsible for the status of women. They are all working diligently to establish true equality for women in our society. As one who has a daughter deeply involved in her own professional career, I can assure the House that I fully support the goal of improving opportunities for women in Canada.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL

TABLING OF APPOINTMENTS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to table in both official languages, further Orders in Council reappointments.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF CANADIAN DELEGATION AT 76TH INTERPARLIAMENTARY CONFERENCE

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present the report of the Official Parliamentary Delegation which represented Canada at the 76th Interparliamentary Conference in Buenos Aires October 6 to October 11, 1986, in both official languages.

* * *

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

Hon. Pierre H. Cadieux (Minister of Labour) moved for leave to introduce Bill C-14, an Act to amend the Excise Tax Act and the Excise Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 1 will be answered today.

[*Text*]

VIA RAIL PUBLICATION "DIRECTIONS"

Question No. 1—**Mr. Nunziata:**

1. What was the total cost of producing the Via Rail publication "Directions", Volume 1, No. 1, Summer 1986, including typesetting, printing, distributing and any other cost?

2. How many copies were printed?

3. What was the purpose of the publication?

Hon. John C. Crosbie (Minister of Transport): The management of VIA Rail Canada Inc. advises as follows:

1. The total cost was $83,138.50.

2. One hundred and fifty thousand copies were printed.

3. The main objective of the magazine is to promote tourism in Canada and to encourage Canadians to travel by train.

Point of Order—Mr. Gauthier

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

PARLIAMENTARY PUBLICATION *STATUS OF BILLS*

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I notice among our publications today we have one entitled "Status of Bills" which is a new document, to which, I suppose, Hon. Members will have access. Will this be available every day or once a week?

Mr. Speaker: I thank the Hon. Member for his intervention. I understand it will be available each day at Hon. Members' desks. For clarification, it is published weekly but will be available each day.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TRADE POLICY

Mr. Steven W. Langdon (Essex—Windsor) moved:

That this House condemns the Government for confusion, lack of direction, and secrecy in its trade policy, and specifically, condemns:

1. the misguided efforts of the Minister for International Trade to present a unilateral proposal to the United States which undercut the Canadian position before the Commerce Department's lumber countervail decision;

2. the weak and contradictory response of the same Minister to that lumber decision, by which she has neglected firm Canadian action and possibilities and used mere rhetoric and legal appeals within the very U.S. system of countervail she criticizes;

3. the failure of the Canadian Government to eliminate the damaging trade effects of the U.S. Farm Bill which hurts so many Canadian farmers;

4. the weakness of the Canadian Government in its response to the customs surtax and the differential U.S. tax on imported as opposed to domestic oil;

5. the way in which this Government's free trade talks with the U.S. have made Canada a target of U.S. countervail and congressional action rather than helping this country escape such actions;

6. the lower priority given by this Government to GATT negotiations rather than to comprehensive bilateral talks with the U.S.; and

7. the failure of this Government realistically to assess the massive constitutional roadblocks in the way of a truly fair bilateral agreement between Canada and the U.S.

He said: Mr. Speaker, I must confess that this is not the first speech on the subject I have made in the last year. In fact, there have been a number of attempts to put a case against freer trade across the country, from Vancouver to Quebec, from Hamilton to Lethbridge, from Sault Ste Marie to Winnipeg and on and on. However, never have I felt more angry and ashamed of the Government than I have in the last few months as the Government has contradicted itself, surrendered before the fact, fumed with empty rhetoric, exhibited complete weakness and inaction, and has stepped up its campaign to confuse the Canadian people completely with respect to this issue.

In my speech I wish to deal with the great trade initiative and then to talk about the alternatives that we could have pursued. Finally, I will focus on the present record of incoherent incompetence that the Government has shown. In doing so I wish to assure the House and, indeed, the country, that it is not an anti-American speech that I wish to make.

Some Hon. Members: No, no.

Mr. Langdon: Indeed, it is not that at all. It is an anti-Conservative speech that I wish to make.

Some Hon. Members: Hear, hear!

Mr. Langdon: I say that because that is the target which deserves attack, especially at this stage.

In her speeches the Minister for International Trade (Miss Carney) has claimed that those of us who oppose free trade are not interested in economic arguments. As usual, she is wrong. She has not been listening. In fact, there is a strong and powerful economic logic against the course on which the Government is taking us.

Let us follow that logic. To begin with I would like to deal with the question of economic policy. At the heart of economic policy, in a country with unemployment rates at the levels that we have, it is crucial that the potential job implications of free trade be looked at most carefully. The Government has launched studies to do just that. For instance, it launched a study, undertaken by the University at Maryland, which was finally released for public consumption last year, which suggested that an immediate, comprehensive free trade pact with the United States would cost us 131,000 jobs. This is directly contrary to the claims of the Economic Council of Canada in its recent report.

I attended a recent committee meeting to try to get the Economic Council experts in this area to explain this difference. Frankly, they could not, except to say that they have left out various important considerations since that is part of the nature of economic modelling. If it were just a question of contradiction between two different sets of econometric studies, then one could raise one's eyebrows and say: "So what?" But what we have here is not just that. What we have here are studies that have come from the Province of Quebec, the Province of Ontario and, indeed, from the Province of

Manitoba. All of them have been made available to the public, unlike the federal Government's studies. All of them have raised severe doubts about the job impacts of this great project which is before us.

Besides looking at the job question it is important to look at the basic argument which the Government made just a few months ago when it tried to sell this project to the people of Canada. It said—and members of the special joint committee looking into international relations heard it so often—that we would escape U.S. protectionism simply by entering into negotiation with the United States on free trade. It has become clear that rather than finding an escape-hatch we have become a target of U.S. action by entering into these negotiations. In case after case of countervail, in action after action in the U.S. Congress, we have seen Canada attacked. It was attacked recently through a whole host of points that are noted in our motion, including a 15 per cent duty imposed on lumber, including a differential tax on oil imports and a customs surtax.

If we talk about the economic logic of this great project, we have to see a basic economic divide which exists here in Canada. It is the difference which exists for those who say that some kind of free market continentalism is preferable to government leadership which, in countries like Japan, Sweden and Austria, has led to much better economic performance than that which we have experienced in the two years of Conservative Government. The Minister herself has admitted that the first and foremost goal of the U.S. in the negotiations is to reduce our capacity to act directly through economic activity by the Government and to provide assistance, whether it be for farmers, regions or people, which the United States interprets as being subsidized by what is taking place.

• (1120)

Fourth, we have to stand back and look at what is actually happening within North America. We have to see that the drift in this continent is very much to the southern part of the United States and the West Coast. It is a drift which is moving in that direction because of lower wages, better weather and economic advantages caused by union legislation which is freer in terms of employer rights than that which exists in Canada.

Just as has happened with the United Kingdom when it entered the European Economic Community, what is bound to happen if we enter into a free trade arrangement with the United States is that we too will become an exploited margin within this continentalist drift. That will leave us in a position just like that of the north of England, of Scotland and of Wales. We will be a part of the world which is very much in decline rather than able to move ahead with drive, dynamism and excitement.

Fifth, we have to look at the economics of bargaining itself and we have to ask about the *quid pro quo*. Assuming we did get a free trade arrangement with the United States, what would we have to give up in order to get that arrangement? Anyone who has looked carefully at the economics of bargaining with the United States and who has followed these trade negotiations knows that the potential sacrifices are immense. There are potential sacrifices in our entire regional development program package, in our agricultural policies, in the safeguards in the Auto Pact and indeed in our social programs and in many of the safeguards which protect a certain cultural integrity in Canada. Those are the things we stand to lose in the economics of the bargaining that is now occurring.

The economic logic which stands against a free trade thrust is powerful, clear, and to many people in Canada, compelling. Perhaps it is not compelling to the Minister and the Government but I think to many in Canada it is ultimately far more persuasive than the economic logic which the Government is attempting to pursue.

We have to face the fact, however, that if we are not to follow the free trade course, there must be an alternative. The alternative is one that we have often tried to outline. It is an alternative which demands first that we withdraw from comprehensive talks, talks which themselves have ignored the various disputes which are so crippling to our economy. For instance, the lumber dispute has not even reached the table despite its seriousness to our economy. It has not been discussed as a point at issue at the free trade talks despite its importance.

If we had pulled out of these grand talks and instead concentrated on the bilateral disputes that divide us, we would have made so much more progress and we would now not be facing the threats that face us from every direction, threats facing steel, lumber and fish, commodities that affect every part of Canada. If we had taken the route which those of us on the joint committee from our Party recommended, which is to talk about the disputes themselves and to try to work those disputes through, we would be so much further ahead.

We could as well benefit from an advisory dispute settlement mechanism. This would help us at least to keep statistics on which we are all agreed. Perhaps it would help us through conciliation to come up with solutions to some of the disputes we face with the United States.

In addition to that, there are sectors like the automobile sector for which arrangements with the United States could be developed, arrangements that give us safeguards, that protect employment and that protect the chances for small business. I am thinking, for instance, of chemicals, computer and mining machinery for which potential sectoral arrangements could have been explored. However, that chance too has been lost by this comprehensive reach for the sky of which the Minister has been a part.

We believe that we must take seriously and implement Canadian-content legislation. This legislation has shown in the case of the Auto Pact to be powerful in getting jobs, safeguards and opportunities for our workers and producers. For instance, the potential is very much there for Canadian content legislation in the aircraft industry and agricultural machinery

sectors, if that had been the goal instead of this great, misguided dream. By this point, we should have implemented the recommendations of the special joint committee with respect to providing assistance to small and medium sized businesses to try to improve their export performance. As well, we need to give restructuring help to enterprises and workers to assist in the transition process which changes in trade policy inevitably bring about. Finally, we would have taken the GATT round which started in this past month as the heart of our approach. That would have permitted us to deal with the United States, not as a country one-tenth the size of the United States, but instead as a country forming partnerships with others in an attempt to have the United States back off on its aggressive use of countervail legislation, and its attempt to take the notion of subsidy and expand it so far that it threatens completely the sovereignty of this country.

• (1130)

There is very much another direction. At the heart of that new direction there has to be a competence and a coherence which Government policy to this stage has missed completely. To use the Prime Minister's (Mr. Mulroney) jargon, the Minister has: "Indeed picked up the ball and scored a touchdown for the opposition team".

An Hon. Member: Hear, hear!

An Hon. Member: You don't even know the field yet.

Mr. Langdon: Look at the record. She has first undercut our own position with respect to the lumber countervail before that decision was even announced, by running the white flag of surrender up and saying that we would be prepared to recognize that our stumpage fees were indeed too high.

Mr. Speaker: I rise to remind the Hon. Member that his time has nearly expired and perhaps he could judge the remainder of his remarks accordingly.

Mr. Langdon: Yes, Mr. Speaker. We have to talk about the weakness which has persisted in the responses to that decision itself. We have to focus on the continuing incapacity of this Government to put its act together and shape out a direction for the future and give this country a sense of hope. Instead, we have a Government that has said that the only hope is abdication and joining with the United States in a free trade pact. We say the opposite: It is time to take a different direction. I appeal to the Minister and to the Government, and ultimately I appeal to the Canadian people, to change the direction which has been taken so far and give us a sense of hope which this country so badly needs.

Some Hon. Members: Hear, hear!

Mr. Brisco: I am disturbed by what I have just heard in the context of—

An Hon. Member: Or didn't hear.

Mr. Brisco: Or didn't hear, that is right—in the context of a number of areas, and I would like to touch on a couple of those. First, I would like to reflect back to the last time the countervail issue seized the House of Commons. That was in the period 1982 to 1983. While it may not be engraved in stone or found in the records, in terms of the unanimity of the House to fight that issue, pull together, and see this problem resolved to Canada's satisfaction, that circumstance clearly has not prevailed this time around.

Mr. Riis: Thanks to Mr. Vander Zalm.

Mr. Brisco: Members of the NDP have broken ranks repeatedly right at the outset. All they have to do is to read the record of the Hon. Member for Skeena (Mr. Fulton) and they will see the evidence clearly there in *Hansard* of attempts to undermine the efforts of the Government and of the industry of Canada.

Mr. Murphy: You guys threw in the towel.

Mr. Brisco: Then we have the Liberal initiative when we were debating the tariff on shakes and shingles. That was an amusing debate triggered by the Opposition. We found that the Leader of the Official Opposition (Mr. Turner) refused to answer what his position was on the export of cedar logs to the United States. He said that it was a debate for another time. Then we had another member of the Official Opposition who said that of course they do not support the export of logs. They would not condone that kind of action: Ship jobs to the United States? The debate concluded, in terms of speakers from the Opposition, with an Hon. Member saying that he fully supported and endorsed the shipment of cedar logs to the Unites States in spite of all the efforts of the Hon. Member for Mission—Port Moody (Mr. St. Germain) to dissuade him from taking that political route, that statement of farce, but he made it and stuck by it.

What is most germane to this issue today is, what are the alternatives? We have heard a litany that I would not want to repeat anywhere else for fear of embarrassment—an embarrassment of riches in my case and an embarrassment of desperation in theirs—and yet they have not put forward one valid proposal in terms of an alternative. Why do they not lay out their position on this entire issue? Tell us what they would have done. Tell us what Jack Munro would have done.

Mr. Riis: We are trying to figure out what you would do.

Mr. Brisco: Clearly, they do not know. I think it is time they got down to the business of the House and offered credible alternatives, instead of sitting back there and whining and complaining, which is the tradition of their Party in any event.

An Hon. Member: Hear, hear!

Mr. Belsher: I have listened to the debate of the Hon. Member for Essex—Windsor (Mr. Langdon) this morning and talk about confusion—

Mr. Speaker: Order, please. I should have permitted the Hon. Member for Essex—Windsor to reply to the last intervention. I do so now. I know that the Hon. Member for Fraser Valley East (Mr. Belsher) will agree with that ruling.

Mr. Langdon: I want to suggest first that the Hon. Member has clearly not listened this morning. At least a third of my speech was an attempt to set out whole sets of alternative policy directions. Many of them were recommended by the special joint committee which took testimony across the country in the summer of 1985. If they had been taken, that would have put us in a position far superior to the vulnerable and very difficult position in which we find ourselves at the moment.

Mr. Kempling: You are a dreamer.

Mr. Langdon: Somebody says I am a dreamer. I think that is only possible to say when you recognize the nightmare into which this Government's policy has taken us.

An Hon. Member: Hear, hear!

Mr. Langdon: The clear point that I want to respond to is the suggestion that there should be some clear unanimity with respect to countervail. There was complete unanimity of support throughout the House with regard to the countervail action until the day the Minister for International Trade stood and waved the white flag of surrender. At that time she said that we would not defend any longer the principle we had defended through three cases, that our stumpage fees were our business, that they were not too high, and that they were the business of the provinces to set as they wished. When she took that position, she, not us, destroyed the sense of unanimity or the sense of complete co-operation which existed throughout the House in respect of the countervail fight. That is certainly true as far as the Hon. Member for Skeena (Mr. Fulton) is concerned. I will not speak for members of the Official Opposition. They can speak for themselves; I am sure they will. I do not want to suggest that they are absent from confusion. My first point is that there is an alternative, and my second point is that there was complete unanimity until the Minister destroyed it.

• (1140)

Mr. Belsher: Mr. Speaker, in listening to the Hon. Member for Essex—Windsor (Mr. Langdon) it has been clearly demonstrated that members of the NDP do not know what they are talking about. Talk about confusion! Along with their counterparts in the Official Opposition, they talk about free trade when we talk about an enhanced trade agreement. Let us talk about what we are trying to do instead of confusing the people of Canada.

The Hon. Member and his Party represent labour unions and talk about how they want everything out in the open. Does he really think that we can negotiate in the newspapers and on the streets in the open? Is that the way he thinks collective agreements should be arranged in the future? Is this what he is advocating?

We have seen opposition Members take different sides. In fact, they have taken both sides. One day they say that we should keep up the trade talks and not let up. The next time they say that they should be stopped. When it comes to the lumber issue in British Columbia and in other parts of the country, the Government is showing leadership. It is speaking on behalf of each province and on behalf of the industry. The provinces and the industry are welcoming the leadership which the Minister has shown to the people of Canada.

Why do they not stop their rhetoric and get on with offering help and support for the clear direction of the Minister?

Mr. Langdon: Mr. Speaker, if a clear direction could be discerned in the salamander-like wanderings which have characterized the Minister up to now in respect of her policy directions on these issues, it might be possible either to say yes or no. In fact the position has veered from left to right, from empty rhetoric fuming at the United States, to positions which have defended the course wherein she says that the only way to deal with the lumber issue is in fact to deal with it in United States courts and in the United States system. It has been a contradictory, confusing, and quite frankly bewildering performance on the part of the Minister. That is absolutely the case.

Regarding the specific questions raised by the Hon. Member, there is no suggestion that collective agreements or bargaining should take place out in the open. In the United States, as the Hon. Member should know very well, it has been possible to talk publicly with the negotiator who is carrying forward with the negotiations. It is also possible to get into the open what is the mandate of that negotiator. That has not taken place here. Instead, the public has been kept in complete darkness about the whole strategy or approach which the Government attempts to have Simon Reisman follow. That secrecy is damaging, not just to the country but to the Government's own attempts at achieving some kind of solution. In respect of the Hon. Member's last point about our demonstrating confusion over the trade talks, we have said consistently from the start that we should not be part of those talks—

Mr. Speaker: Order, please. I must advise the Hon. Member that the allotted time has expired. There are other Hon. Members seeking the floor. If it were the unanimous wish of the Chamber to allow one more question, I would do so.

Some Hon. Members: Agreed.

Mr. Blenkarn: Mr. Speaker, could the Hon. Member who is a spokesman for the New Democratic Party clearly set out that Party's view? We must bear in mind that the Tokyo Round of tariff negotiations will be completed next year with a reduction of our tariffs to the lowest level ever and indeed the reduction of the tariffs of the rest of the world to the lowest

levels ever. Also we must recognize that non-tariff barriers are now the principal problem between states in terms of trading.

Does the Hon. Member believe that we should abandon all negotiations with our largest trading partner now if those negotiations involve tariff and non-tariff barriers? Does he believe that we should let things stay without negotiation or that we should negotiate a reduction of non-tariff barriers, a removal of those barriers, and a reduction of tariffs at the same time?

Mr. Langdon: Mr. Speaker, I will be very brief. My speech dealt with the broad alternatives we would have followed. In respect of the specific point raised by the Hon. Member, of course non-tariff barriers have to be dealt with. However, there are two choices in how one deals with them. One can deal with them on a bilateral basis from a position of weakness, in which one may be badly outbargained simply by the power and weight of the partner with which one is dealing. I think that is the course the Government has taken. The other alternative would be for one to deal with them through the next round of trade talks, which has already started, involving countries throughout the world. Those talks—and I speak from having seen their start in Uruguay last month—seem to have the likelihood of bringing to our country a fairer, clearer, and better bargain with the United States than we would be likely to get through bilateral negotiations.

• (1150)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am happy to have the opportunity once again to outline our trade policy in the House, since this is a great issue that affects many Canadians. Having listened to the Hon. Member for Essex—Windsor (Mr. Langdon), I think I can sum up his speech in three words: negative, negative, and negative.

He has shown once again that the New Democratic Party is out of touch and out of date. There is nothing constructive in his speech. There is nothing that shows that trade employs one out of every three Canadians. There is nothing that shows that our trade policy must be aimed at securing and enhancing jobs for Canadians. There is nothing that recognizes that Canadians must compete, they do compete, and they want to compete. Confusion is the game plan of the NDP.

I have stated in the House our Government's record in international trade initiatives. It is the opposition Members who must defend the positions they have taken. I need only repeat our clear policy directions and our clear accomplishments.

Let me begin by explaining the background of this Government's approach to trade policy. Our approach realizes the global changes that are taking place in the world today, such as changes in technologies, the changing players in the world economy, and the unsatisfactory state of rules that govern international trade today.

The program outlined today shows that the Opposition is still living in the stone age. The Opposition is not in the 1980s, nor is it aware that changes are taking place in the world. These are changes that challenge Canadians. The New Democratic Party wants to scare Canadians, but Canadians are confident of their ability to live and work in the world of change in which we find ourselves.

We on the government side of the House understand that trade, investment and technology have created an interdependent world. Countries rely on each other as never before as lenders, as borrowers, as buyers and sellers. However, nations and businesses situated within them also compete as never before. Since global competition is increasing, Canadian business must respond to the challenge and Canada's trade policy must foster our ability to meet that challenge. This is particularly true because we have a small domestic market and Canada needs foreign markets to sell our goods. Our trade policy must always reflect that fact. This is something the New Democratic Party never recognizes.

The Hon. Member talks about the GATT. He failed to recognize that we have initiated a two-track trade policy strategy. On one track we have our bilateral negotiations with the United States, by far our most important customer, which takes more than 70 per cent of our exports. The other track that is equally important in our policy is the Uruguay Round of trade negotiations under the auspices of the General Agreement on Tariffs and Trade.

Let me discuss the Uruguay Round first. The result of Punta del Este was a ministerial declaration concluded in the early hours of the final day of the conference. It is an impressive declaration. It is far more ambitious and comprehensive than anyone would have expected, in view of the pressures that surrounded its drafting. The Uruguay Round will be one of the most far-reaching set of negotiations ever held under GATT's auspices. Key matters of importance to Canada were placed on the agenda by Canada. What did we obtain?

First, the Ministers committed their countries to a standstill and a rollback of protectionist measures and provided for better surveillance measures to strengthen the GATT. That is important today because the GATT system has been weakened.

Second, agriculture was given a high priority. Here, Canada's participation in the Cairns Group of fair agricultural traders helped to get wide-ranging language in the agriculture negotiations on the agenda because we want to bring an end to the subsidy wars. We do not cause the wars, we are victims of those subsidy wars. We cannot play "break the bank" like the United States and the European community. We are striving to put an end to that.

Third, Canada's need for more secure market access was highlighted. In this area, Canada formed a coalition with a number of other resource-producing countries and succeeded in getting the special problems of trade and natural resources and resource-based products on the agenda.

Fourth, we agreed to deal with the new issues of services, trade related investment measures, and intellectual property. These issues have not been addressed in the GATT, and services in particular are a very important part of the Canadian economy.

This is not an exhaustive list of accomplishments but they underline our strong continuing commitment to the GATT.

The Punta del Este negotiations were a great success both internationally and domestically. Internationally, they will help to stem the forces of protectionism, and to the extent that the upcoming negotiations strengthen the international trading system, they will improve Canada's trading prospects.

The negotiations were a domestic success as well. For the first time since Canada started participating in multilateral trade negotiations, about 40 years, ago a contingent of provincial ministers as well as opposition MPs was present to see the proceedings. The Canadian delegation was also accompanied by private sector representatives. This is a good illustration of the kind of consultation and collaboration that the Government is fostering.

I think all Members will agree that the multilateral approach of our two-track negotiating policy is firmly in place. I have described it before in the House.

Let me turn now to the other track, the trade negotiations with the United States. This initiative arose from the realization in many quarters of Canadian society that Canadian exports were increasingly going to one foreign market, the United States market, and that protectionist pressures were growing all over the world. What do we want to achieve in these negotiations? We want to redefine the rules that presently govern trade between our two countries. We want to secure and enhance our access to the U.S. market, and we want to lock those rules and that security of access into the form of a long-term, binding treaty.

The Hon. Member for Essex—Windsor keeps saying that this is a secret deal and that we never tell anyone what we are achieving. I have said over and over again that we are achieving security of access, enhancement of our growth and a long-term binding treaty.

We want to end the kind of harassment we have faced in the United States. We want to shield important sectors, such as our forestry industry, from the forces of protectionism.

We want more certainty in our trading relationship, and a more confident environment for investors and producers in Canada. Those are our objectives and it is in our national interest to achieve them.

There are many trade actions taken by the United States with which we are unhappy. However, we on this side believe that it is wrong to walk away from the protectionist threat. Rather, we must address it in negotiations in the hope that we can provide a better framework for trade between us.

A graphic illustration of what Canadians view as trade harassment is the series of actions that led to the recent imposition of a provisional duty of 15 per cent on Canadian softwood lumber exports to offset alleged Canadian subsidies. This decision has concerned us and should concern all of the United States trading partners, because we view it as an unacceptable attempt to impose U.S. views on how other Governments should manage their natural resources. Furthermore, we feel that this preliminary ruling by the U.S. Commerce Department has no basis in U.S. law, is badly flawed, and is inconsistent with the U.S. obligations under the GATT. That is why, following the meeting I convened last week in Toronto with my provincial counterparts, industry and labour leaders, we unanimously agreed to fight this case to reverse this decision. I am pleased that our coalition has remained strong and united.

The Hon. Member keeps suggesting that we waved the white flag in seeking to make an out of court settlement. Again, I tell the House that because of the gravity of this kind of decision and its importance in U.S.-Canada relations, and because of the precedence that it sets for other industries in Canada, it was the unanimous view of the provinces who owned the resources, the industry who manages them, the workers who work in them, and the federal Government to try to seek an out of court settlement so that we could avoid the kind of legal situation we are in now.

While there have been other recent actions in the United States which concern us, and we will have to deal with these unfortunate developments, let us not forget our successes where, through diligent efforts, measures that would have had an adverse impact on Canada were successfully opposed. These successes are rarely reported and never given credit in the House by the Opposition.

Let me list just a few. We have fought off restrictions on uranium inports from Canada; restrictions on potash imports from Canada; amendments to the Department of Defence procurement policy; the Miscellaneous Tariff Bill which would have changed various tariff provisions to our disadvantage; the sugar quota reallocation amendment; and the steel import quota legislation. We have fought off the buy America and domestic content elements of the Surface Transportation Assistance Act; the buy America provisions of oil regulations; and the buy America preference on NASA procurement. We have fought off those harassments and changes to our situation and we will continue to do so, with or without the support of the Opposition.

• (1200)

Let me return to the trade negotiations with the U.S. Despite the tremendous growth in trade between Canada and the U.S., and profound changes in our commercial relationship, there are those today who oppose an attempt to improve our relationship. The echo of "no truck nor trade" with the Yankees is still heard and the same old arguments are being made. Our opponents are asking us to believe that freer trade with our largest partner is against our best interests. They oppose us for a variety of reasons, some because of fear of

change, some because of fear of the unknown, some because of narrow self-interest, and some because they think, wrongly I believe, that they can score political points.

It is time for the Opposition to defend the inconsistent and frequently contradictory positions they have taken. We read them every day and hear them in the House every day. We have heard them once again from the NDP today. The Right Hon. Leader of the Opposition (Mr. Turner) said last June that there is nothing wrong with trying to obtain freer trade with the United States as long as Canada also works to achieve freer trade with everybody else. I have already explained that this Government is not putting all its eggs in one basket, as our role in ensuring a clean launch at Punta del Este shows. Later on, the Right Hon. Member said that the Canada-U.S. negotiations might be "contributing to the breakdown of the international trading system by encouraging a regional trading bloc in North America". Just a few days ago he said "to walk away now may unleash damaging countervail actions against us". He cannot have it both ways. Either he believes we should take advantage of every opportunity to advance Canada's trading interests, both bilaterally and multilaterally as we are doing, or he believes we should turn our backs on securing the best possible advantage on all fronts for our future prosperity.

It is no wonder that Canadians are perplexed. They understand that a whole pie is better than half a pie. They understand that a negotiated agreement with the U.S. could be accomplished in one year or 18 months, whereas the GATT negotiations will take four or five years. Canadians understand that U.S. trade laws are of general application and only through a bilateral agreement can a special new regime be established with Canada.

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) apparently does not seem to agree with his own Leader. He wants Canada to walk away from the U.S. talks in a fit of spite. He seems to be pushing an alternative to the trade talks by advocating something called an industrial strategy. I wish to point out that this whole notion of an industrial strategy, that you can deal with trade between the two countries by sectors, was advanced by his party when it was in government and it was rejected by both Canada and the U.S. He has recycled the same old thing and brought it forward again.

I will not dwell on the history of that Member's Party with respect to co-operation. Our trade policy is based on co-operation with all the parties involved. I will not remind this House of the Liberal Party's raised fingers to the West, the imposed disaster called the National Energy Program, and of sentiments like "why should I sell your wheat?". I will simply point out that national reconciliation has been one of the foundations of the Prime Minister's Government, and the co-operation we have fostered through the softwood lumber dispute is an excellent illustration of that fact.

Let me now turn to the NDP whose motion is before the House. The Hon. Member for Oshawa (Mr. Broadbent) would have us walk away from the table as if that would accomplish anything. Well, it is a big, cruel world out there and petulance does not count for much. It would be easy to walk away from the negotiations, but that would not protect Canadian workers' jobs. It would not secure future growth and prosperity. It would not enhance our world community and our standing in it. We will not take the easy course and run away. Canadians understand that, even if the Hon. Member does not.

Yet even here the NDP is not clear. On the one hand NDP Members call for the talks to be called off. On the other hand, we had the Hon. Member for Essex—Windsor calling for them to be suspended, and then presumably resumed. Not only is there confusion in the public mind over whether the NDP wants the talks called off or pursued, there is confusion as to why the NDP is not whole-heartedly supporting negotiations which will secure and enhance job opportunities for Canadians.

Every major Canadian economic analysis, including last week's report of the Economic Council of Canada, has shown that a trade agreement will produce jobs, thousands of jobs. Yet the NDP opposes this. May I remind you that the Economic Council, in running its scenarios and examining free trade, suggested there could be as many as 321,000 net new jobs if we pursue the free trade option? It also pointed out that if the protectionist forces succeed and we continued down the road of increased protectionism, Canada could lose more than half a million net jobs. While we are fighting to secure and enhance jobs and job opportunities, the NDP wants us to walk away. Yet it does not offer any useful alternatives. Instead of dealing with the long-term binding trade treaty that would resolve the problems between us in a permanent and lasting way, that Party wants us to deal with a laundry list of irritants between Canada and the U.S which evolve year by year in our trading relationship.

Our objective is to deal with that situation and those irritants through a long-term binding treaty that either dispenses with them or puts in place methods of settling disputes between us. To have us involved for years and years, into the 21st century, arguing about a laundry list of trade irritants is not the constructive way to deal with the problem. The constructive way is to deal with the underpinnings of our trade relationship and put in place a proper framework that will deal with them.

Unlike the two Parties opposite, the Progressive Conservative Government has great faith in the productivity, ingenuity, competitiveness and resourcefulness of Canadians. Unlike those two Parties, we do not seek to smother this country in a self-defeating, protective, government-imposed cocoon which tries to insulate us from the world. The Prime Minister (Mr. Mulroney) has said that if it is a bad deal, there will be no deal. We have the courage and confidence to try. We believe in Canada, and in doing so we are working together with our partners, the provinces, industry and labour, to ensure that future generations can look back with pride at the initiatives the Conservative Government is undertaking today.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Riis: Mr. Speaker, I listened with interest when the Minister indicated the number of jobs that free trade could create in Canada. However, I recall that she was the Minister who stood in her place many, many times and promised 200,000 jobs as a result of the Western Accord. That would come as rather surprising news to people in Alberta today. Perhaps when she talks about the jobs being created here, we have to take it with a grain of salt.

My question is twofold. The U.S. Senate saw fit to provide open public hearings so people could ask questions about the implications of the talks taking place. Why do we not do something similar to that in Canada at this critical point?

In addition, would the Minister suggest how I should respond to my constituents when they ask me the following two questions. Free trade exists in lumber and shakes and shingles, yet in Canada today, particularly in British Columbia, we have been hard hit in those two areas. If we are successful in our free trade talks, does that mean the countervailing duty threat will remain in place and in effect nothing will change? How would she suggest I respond to my constituents when they ask me what the implication of these talks will be to the Okanagan fruit industry and our fledgling breweries and wineries in British Columbia? What will this mean with regard to live cattle trade with the United States? As a parliamentarian I feel a little embarrassed when those serious and legitimate questions are put to me. I feel sad that I am unable to respond specifically with regard to the likely outcome of these negotiations in critical areas. Perhaps the Minister can enlighten me and my constituents at the same time.

• (1210)

Miss Carney: Mr. Speaker, in discussing the need to consult, the Hon. Member for Kamloops—Shuswap (Mr. Riis) ignores the fact that we have a very impressive consultative process in place. I remind him that a royal commission on our economic future spent two years listening to Canadians on this subject and reported in favour of this initiative. He ignores the fact that the parliamentary committee headed by the present Minister of State for Finance (Mr. Hockin) travelled the country with MPs from the opposition Parties to hear comments on these areas.

Mr. Axworthy: And we recommended against what you are doing.

Mr. Riis: Do you follow their advice?

Miss Carney: The Member failed to point out that there are approximately 300 Canadians from every industrial and cultural sector which could be affected who are part of our consultative process. There are 15 of these groups which meet regularly to review our progress on the free trade initiative. ITAC is our major industrial consulting group which represents the major companies in Canada. We meet regularly with ITAC for advice in these areas.

We are getting an unprecedented inflow of ideas, comments and suggestions in this area. At the appropriate time these negotiations will be ratified in the House. The Member will have lots of opportunities to examine them.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, sometimes it is terribly frustrating to sit on the left of the NDP as I do in this section of the House. The converse is that they are on the right of me.

The Member for Essex—Windsor (Mr. Langdon) indicated that a new trade deal with the U.S. might result in 150,000 lost jobs. After our Economic Statement in 1984 his Leader said that there would be tens of thousands of jobs lost. As we all know, quite the contrary was true.

Mr. Riis: Visit Alberta.

Mr. Turner (Ottawa—Carleton): Does the Minister agree with the Member for Essex—Windsor that a new trade deal with the U.S. will actually result in a net loss of jobs for Canadians?

Miss Carney: Mr. Speaker, I would like to deal with the comment made by the Member for Kamloops—Shuswap (Mr. Riis). When we dismantled the National Energy Program, the industry in Alberta had its best year ever in terms of new jobs and new investment.

Mr. Riis: I was talking about 1986.

Miss Carney: When international oil prices resume their upward path, as they will, those people will be free of the red tape and strangling regulations which drained them of the cash flow they needed to survive downward cycles in commodity prices.

With regard to the question of the Member for Ottawa—Carleton (Mr. Turner], I do not agree with the NDP argument that free trade will lead to job loss. What is equally important, the Economic Council and other major Canadian economic groups do not agree. The numbers show that freer trade in the past has always led to new and more secure jobs. That is what the economists are telling us now. The NDP is quoting American studies to suggest that there will be job loss.

There is job loss every year in a changing society. Every year Canadians change jobs. As a matter of fact, the Economic Council says that every year nearly 3 million Canadians change jobs. We now have an opportunity to see where those job changes will take place, plan ahead and ensure that Canadians are upgraded, trained and ready to take on those new jobs in order to move into the 21st century.

Mr. Caccia: Mr. Speaker, last week the Minister wrote to the U.S. trade representative, Clayton Yeutter, asking the U.S. administration not to approve the import surtax. Shortly

thereafter the President approved that Bill. Does that reflect on the ineffectiveness of the Minister in Washington or on the ineffectiveness or insensitivity of Mr. Yeutter? Is that to be attributed to the postal service in the U.S., or is it perhaps a demonstration of the great regard in which President Reagan holds the Prime Minister of Canada (Mr. Mulroney)?

Miss Carney: Mr. Speaker, the President of the United States certainly holds the present Prime Minister of Canada in higher regard than he did the previous one who represented that Party.

Mr. Marchi: You can't buy respect.

Mr. Axworthy: Steel, softwood lumber, shakes and shingles and the fishery.

Miss Carney: I indicated previously that we opposed the oil import restriction which applies to all countries rather than only to Canada. It is a waste management program, and I am surprised that a former Minister of the Environment would speak against an American program aimed at dealing with nuclear waste and all sorts of environmental problems which are to be funded through that Bill. We are opposed to it being applied to our exports to the U.S. We lost that. However, I have today listed all of the areas affecting MPs on both sides of the House in which we successfully fought against such restrictions. We should get support from the opposition Parties for those efforts.

Mr. Winegard: Mr. Speaker, the Minister listed several areas in which we successfully fought such arrangements. I would like to add two more which are very important to Guelph. They are our successful fight against forklift tariffs and our even more successful fight against iron casting tariffs which would have affected most ridings of the country. The Minister and her Department should be congratulated for the way in which they handled both of those issues.

Miss Carney: Mr. Speaker, I appreciate the comments of the Hon. Member. I will take this opportunity to congratulate all our officials and negotiators who worked so hard in these complex areas. They are seeking a long-term binding agreement to deal with these issues.

Mr. Langdon: Mr. Speaker, I would sum up the Minister's speech as "clichés, clichés, clichés".

Mr. Axworthy: *Touché, touché, touché.*

Some Hon. Members: Oh, oh!

Mr. Langdon: I would like to ask the Minister two questions. In view of the success reported by the Member for Guelph (Mr. Winegard), why does the Minister feel it does not make sense to concentrate on the areas of dispute and attempt to work out a response to them as the New Democratic Party and the committee to which she referred, headed by the present Minister of Finance (Mr. Wilson), have argued? Why does it not make sense to make that our first priority at a time when the United States itself is facing a tremendous protectionist surge throughout the country?

• (1220)

Second, why is it considered petulant to take the position that this country deserves to keep its freedom to make policy, which it could lose very, very quickly in a free-trade arrangement, and we should, therefore, walk away from comprehensive free-trade talks in favour of this attempt to deal with the disputes themselves?

Miss Carney: Mr. Speaker, let me answer the first question offered by the Hon. Member for Essex-Windsor, and that is what I call his "laundry list" of trade irritants. He asks why we do not sit down and talk about potash or uranium or steel. We do that all the time. We have consultative committees, as Hon. Members on this side of the House know, meeting all the time on steel. That does not resolve the problem. That attracts disputes.

The Hon. Member asks the question. Surely he would give me the courtesy of answering. We feel that that approach of dealing with irritants under the U.S. trade laws attracts disputes because any industry under the U.S. law can file a countervail or launch a trade action. We feel that that is dealing with the symptom. We want to deal with the whole area and the cause of trade law remedies through a comprehensive trade agreement.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, to begin on Monday morning to make comment and criticism of the policy of the Government on trade is a little bit like doing a Monday morning post-mortem on a football game played by the Ottawa Rough Riders.

Mr. Gauthier: Hey, careful.

Mr. Axworthy: What one is talking about is no offence, poor defence, lousy coach and no crowd.

Mr. McDermid: Oh? Look behind you, Lloyd.

Mr. Axworthy: Perhaps the worst weakness we would have to analyse is when the ball was handed to the new full back and she somehow decided that the most advantageous form of offence was retreat. She will now go down in history in the game of trade football as "Wrong-way Carney".

The Minister raises a question of confidence. I think that is the right and proper question to raise, confidence in the Government's ability to design effectively a trade strategy and then to carry it out. We have no lack of confidence in the Canadian people and their abilities. We have seen over the years their willingness to respond to the challenges of change in the global environment. We also know they have done that by way of partnership. There has been a full and coherent arrangement of co-operation between Government, industry and labour in achieving that. However, the starting point of this Government is a total lack of willingness to co-operate

with the key elements of our industrial sectors to meet new industrial challenges. One can ask the farmers in western Canada who have lost markets by the tens of thousands of tons of produce in the last two years if they have confidence in the Government's ability to deal with them. The scientific and research communities know they are the ones who will have to provide the innovation, the new development and new products, and they see their budgets being slashed, their scientists being fired and the lay-offs. One can ask them if they have confidence that they can go forward and create the kinds of conditions which will enable Canada to compete. Does the scientific community have confidence that it has a Government which is prepared to defend its interests and promote its ability to move ahead?

The Minister told us to look at all the trade cases we won. In the last two years the Government has been in power, close to $5 billion worth of Canadian products have been put under countervail or anti-dumping or anti-trade actions. That is more than in the previous 10 years. This is the Government which was going to change the climate. The people who have the least confidence in the Government are the people in the United States of America. I believe they laugh at the Government. They have no respect nor admiration for it, and they know they can at will get away with what they want to impose upon the Canadian people. That is the end result of the trade strategy by the Government which said its strategy was going to be the centre-piece of its economic program. The Government makes Napoleon's march back from Russia look like a victory by comparison because all we have had is one step backwards after another.

We have the record to which the Minister points as a sign of accomplishment. When the cedar shakes and shingles issue arose, what is the first thing the Minister of Finance (Mr. Wilson) did? He asked for compensation. The Americans said: "No compensation". The Minister of Finance said: "Okay. I will then go to retaliation". Then, in a brilliant move, he hits teabags, Christmas trees and books. That was a brilliant trade strategy. It really hurt the Americans when we put tariffs on our books so that when they go into a bookstore it costs an extra $3 or $4 to read a book. That is the sign of a brilliant trade strategy at work.

The Minister said to the House again today that when she plea-bargained in front of the Americans on the softwood lumber issue: "I was doing it because they wanted me to do it". The question we ask is, where is the leadership of the federal Government? It is supposed to be responsible for the entire coherent trade policy. Surely the Minister should have known and understood that what was at stake in the softwood lumber issue was a fundamental principle. We were being challenged by the United States. It was going to fix our resource prices. As soon as the Minister conceded and said: "All right, Your Honour, I think I am innocent but I am prepared to take 10 years", she gets slapped with 15 years. How does she expect anyone in this country, in the American administration or in the international trade body to treat this Government with the kind of respect and confidence which is required in order to have an effective trade strategy? Of course, all this is about confidence. This debate is about a total lack of confidence that the Government either knows where it is going or how it is going to get there.

I could go through the sort of ups and downs of trade policy we have witnessed over the past two years. The Government has been busier than a toilet seat going up and down. It just does not have any idea of where it is going or how it is going to get there.

I am glad to see the Minister once again is not prepared to engage in full democratic dialogue. That is again a proper sign of how serious the Government treats this issue. It says: "Let's have a dialogue", until the dialogue starts happening and the truth starts coming out, then once more we have a retreat.

Mr. McDermid: Where is the retreat? I can handle you, Axworthy.

Mr. Axworthy: Let us examine the question put forward at the base of the talks. At the Quebec Summit and later in the television speech Mr. Mulroney gave to the nation on trade—

Mr. McDermid: The Prime Minister to you.

Mr. Axworthy: The Prime Minister. I keep forgetting, Mr. Speaker, as do most other Canadians. The fact is that the Prime Minister (Mr. Mulroney) introduced what I think has to be the basic principle around which this debate is taking place. He did not shilly-shally as do many government Members in talking about enhanced trade and so on. He came out full square. He said we are after a comprehensive trade agreement based upon the principle of national treatment. I will give him credit for that. At least he was prepared to say we were going for a comprehensive trade agreement. He also clearly underlined that the objective would be the achievement of "national treatment". That is a little bit of a jargon word in trade language which means there can be no special program, policy, advantage or preference given to a Canadian manufacturer, region or business which is not available to an American, and vice versa. He said that it was a level playing field, and that underlies the entire negotiations. No one should make light of how important a principle that is. What it means is that no Canadian Government, federal, provincial or municipal, can provide any policy, any initiative, which would give an incentive to a Canadian firm or organization which it did not also make available to an American firm or organization.

• (1230)

I would like to give Hon. Members an example of what that means. It was clearly outlined in the report handed down by the U.S. Commerce Department on softwood lumber. If one reads the entire report one will see that not just stumpage fees are being challenged. What is being challenged? Economic regional development programs which we pioneered and which provide economic development assistance are being challenged. That already forms part of the decision of the U.S. Commerce

Department based upon the principle of national treatment. If the wish is to sign an agreement to aid the forestry industry in British Columbia through an ERDA, then that will now be considered an unfair trade practice. If Quebec wants to sign what is called a general agreement on science and technology, then it will now be considered to be against national treatment. The point of the matter is the incredible cost that will ensue from accepting an agreement on trade using the principle of national treatment in a total and complete elimination or reduction of a wide variety of initiatives that we have used over the years to provide for the equal and fair distribution of goods and benefits.

In this regard I would like to give Hon. Members an example that is, perhaps, horrific and which demonstrates most graphically why the present negotiations run against the job interests, the employment interests and the growth interests of Canada. This summer a proposal was put forward by a group of federal and provincial civil servants which was designed to achieve two major accomplishments. The first was with respect to finding a way in which the Province of Ontario could reduce its acid rain emissions by 50 per cent, which the province must do by 1991. The task force said the province has but two choices. It can either introduce very expensive scrubbing equipment into the Ontario Hydro smoke-stacks or bring in western low-sulphur coal from Alberta and British Columbia. The second option has incredible economic benefits. It would create 200,000 jobs and an additional net capital of $4 billion as opposed to the continued importation of U.S. coal from the Midwest and the necessity to build in expensive scrubbers.

The only policy change which would be required to implement this option would be to write down freight rates. That is a very traditional Canadian way of dealing with the fact that we have big geography. We have special maritime freight rates. We have special freight rates for moving grain to export markets. We recognize that in order to ensure the proper and equal distribution of goods we have to have a freight arrangement which will allow us to move our goods at a competitive level. In this regard I have done some quick calculating. In order to bring in western coal it would cost about $14 a ton. Over a five-year period the amount of money involved would be $300 million, which is half of what we pay to move western grain. Some $300 million over five years to obtain $4 billion of new capital investment and 200,000 jobs, especially in the depressed regions of British Columbia and Alberta, is not a bad deal. However, the Government cannot carry this out. It says that it has study committees but it cannot do it. It is impossible to carry out because the solution of underwriting freight rates runs absolutely counter to the principle of national treatment. It runs totally counter to providing a special transportation incentive to western Canadian coal producers which is now provided to midwestern coal producers. And the Americans would have a legitimate right to complain. They would say that we are negotiating free trade and taking away their coal markets by giving a writedown in freight rates to western coal producers.

The Government talks about jobs. We are simply throwing 200,000 jobs out of the window because of these negotiations. When Members and Ministers opposite get up and wave their brave documents saying that they will create more jobs I must say to them: "How about those 200,000 jobs in western Canada that you have just blown down the drain? How about the $4 billion of capital investment that you are throwing away because of these negotiations?" I ask Members opposite to answer these questions. I ask them to tell me how we can bring in a new underwriting of the freight rate to move western coal east for Ontario Hydro and still honour the principle of national treatment that the Prime Minister has put at the centre of his free trade discussions with the United States. I ask Hon. Members to answer that question for the 75,000 workers in Alberta who are unemployed. Tell those people that this free trade deal is a good deal for them. The Government is knocking out of the box one of the most important national initiatives that we can undertake, which is what the country is buying. It is buying a total and complete restriction of action. It is buying the fact that it can no longer at the federal or provincial level take initiatives to respond to economic disparities. These are the types of problems which we face.

Let us now consider the other issues. The Minister has said many times, as have other members of the Government, that the reason we are negotiating is so that we can stop the harassment from the United States on a number of trade issues. However, in the letter which President Reagan wrote to Senator Packwood he said: "We will not change our trade legislation". Clayton Yeutter, the U.S. trade representative, said: "We are not negotiating countervail powers". When the United States signed a free trade agreement with Israel any reference to a limitation on countervail powers was explicitly eliminated. The Government is spending its time in Fantasy Garden. Members of the Government have spent too much time with Bill Vander Zalm in his Fantasy Garden. There is no such thing as a limitation on countervail powers. Of course they will continue. The only measure that really limits the application of countervail is the international trade rules. It is the international trade rules which place the discipline on what countries can use and what they can complain about as being unfair trade subsidies.

The Government is engaging in the big lie. It is saying to the Canadian people: "You allow us to do the negotiations, we will not have softwood lumber cases". Says who? The Americans say that that is not on the table. Ministers say that they will not give away our countervail powers. They say that we will now have a dispute settlement mechanism, something like a trade forum of IJC, except that we all know the way the IJC works. It has no mandatory requirements. It is a body of recommendation. No one is opposed to that, but will it end these harassments? No. The way to stop harassment is to strengthen the GATT, strengthen the international trading system and ensure that discipline is applied, not just because of leverage between the United States and ourselves but because of leverage within the entire international community against the United States. That is the way it works.

I then go to the next point raised by the Minister who says that we have no argument, we have a two-track strategy. To paraphrase Robert Frost, those two-tracks are diverging in the woods. They are not parallel. They are going off in separate directions. When tracks go off in separate directions pretty soon the train will run off the rails. That is exactly what is happening right now. It is not possible to undertake a two-track strategy. I am reminded of the U.S. two-track strategy of arms control in Europe. On the one hand the Americans said that they would negotiate and on the other they said they would bring in Pershing missiles. We know what happened. We got the Pershing missiles but not the negotiations. This is the same problem we face here.

Simon Reisman, the chief trade negotiator, says that GATT does not work. He says it takes too long, it is too complicated and too awkward. The former Minister for International Trade, the present Solicitor General (Mr. Kelleher), says that we cannot rely on GATT. He says that it does not work, that it takes too long and that it is too awkward. We know what the two-track strategy is. On one track we have a full-blown locomotive pouring down with all its energy trying to get a bilateral agreement signed. On the other track we have a group of people tiptoeing about in their ballet slippers saying that perhaps we can get an agreement signed in the future.

When we attended the negotations in Uruguay we spoke to people in the GATT Secretariat. We spoke to representatives from the Pacific Rim nations and to delegates from Latin America. They all said without any equivocation that if Canada signs a deal that is discriminatory against them—and how can a free trade deal not discriminate against other nations?—if we sign that deal then they will form their own regional blocs. They will make their own regional arrangements and we will be right back where we were in the 1930s with internecine guerrilla warfare going on between regional blocs of nations. Of course, GATT says that one can sign a regional agreement. However, just because it is legally right does not make it economically or politically right. When these countries see Canada heading for cover, scurrying inside a North American arrangement, that sends the message out to all other countries that the Canadians are giving up on GATT. We had better find some security blanket as well.

• (1240)

The fact of the matter is that we must provide a leadership role for international trading nations. Country after country has asked where Canada is providing leadership. The Minister said we are providing leadership in agriculture. That is not so. Leadership was provided by the Australians and Argentinians. We spent much time in Uruguay not fighting for the interests of Third World nations, not trying to provide a counterbalance to the bullying tactics of Americans but trying to get Third World nations to go along with us.

A nation cannot provide a second track if it is seen as being nothing but a sycophant of one of the largest trading partners. It must be independent. We are not being seen as being independent but are seen as trying to cut the quickest and best deal for ourselves while abandoning the national trading system.

The reason we have raised these criticisms is that we want to show that there is a major change taking place in the global trading strategy. There are major new challenges to Canada, but we want Canada to respond in a global way, as a world trader, and not to run for cover or to cut a deal that will work against the interests of Canadian workers and the country's ability to develop a fully competitive, productive international trading strategy. That is what we want Canadians to provide.

Mr. St. Germain: Mr. Speaker, I believe that the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has risen in the House today along with his coalition partners in the NDP to preach fear, negativism and pessimism and to try to scare Canadians. If this country had been run by men and women like those who represent the Liberal Party and the NDP today, we would still be sitting on the edge of the St. Lawrence River. We would never have built a railway across Canada.

I find it very surprising that the Hon. Member for Winnipeg—Fort Garry would try to defend British Columbia and Alberta when he sold them down the river with the national energy policy. He was one of the designers of that program. It is a shame.

The Hon. Member spoke of the shake and shingle industry. Eight-five per cent of that industry is in my riding. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) and the Right Hon. Leader of the Opposition (Mr. Turner) did not know what their positions on logs, bolts and blanks should be. Jobs would have been destroyed had we not put the exportation limitations on cedar at that time. The Hon. Member is now saying that we did nothing.

The Right Hon. Prime Minister (Mr. Mulroney) showed leadership on the shake and shingle issue, but members of the Opposition said that he over-reacted. When I asked that restrictions be put on the exportation of cedar logs, bolts and blanks, they were put on immediately. That was the leadership our Government showed. It preserved the jobs in the shake and shingle industry. Certainly we lost a few but we preserved most of the jobs and today the Americans want to remove the tariff.

The Macdonald Commission, the BCNI, the Canadian Federation of Independent Business and the Chamber of Commerce have advocated proceeding with a free trade deal. Mr. McGuinness, the new President of the Chamber of Commerce, said that we have no choice, we must proceed. He said that those who choose not to proceed with free trade will be walking with the turkeys while those who choose to proceed will be soaring with the eagles. I would like to know the Hon. Member's reaction to the position taken by these major organizations along with Jack Munro of the IWA. He said that we must proceed with free trade negotiations immediately.

Mr. Axworthy: Mr. Speaker, let us talk about which Party was responsible for opening up Canada's trade opportunities to the world. Who was in government and provided the architecture for establishing the GATT system back in 1948? Who introduced and built up an international trading system? Who opened up the transportation system called the St. Lawrence Seaway? Who had the guts during the last administration to change the railway system in western Canada so that we could move commodities at a lower price? Who provided the leadership and initiatives designed to make sure that we would invest in the infrastructure of Canada so we could move our products, goods and commodities? If the Hon. Member wants to know who has provided leadership, I would ask him with the greatest of respect to extend the speaking hours of the House for another 10 hours so that I could complete the list.

The fact is that the difference between our Party and yours is that we do not limit our trade horizons to the continent of North America. We see our trade as being with the world. That is where we wish to pursue our trade strategy. We want to protect the mining industry of British Columbia—

The Acting Speaker (Mr. Paproski): Order, please. I wish Hon. Members would direct questions and comments through me.

Mr. McDermid: Mr. Speaker, I—

Mr. Axworthy: Mr. Speaker, in deference to your sensitivities, I—

Mr. McDermid: Mr. Speaker, I believe I have the floor.

The Acting Speaker (Mr. Paproski): Order, please. Did the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) finish his remarks? If so, I now recognize the Hon. Parliamentary Secretary to the Minister for International Trade (Mr. McDermid).

Mr. McDermid: Mr. Speaker, I listened with great interest to the Hon. Member's usual bombastic style. He spoke for 20 minutes this morning and made one suggestion in his entire speech. The rest was negativism, pooh-poohing and saying, "Down with what the Government is doing". The only suggestion he made was that we should work with GATT. Right now, the leader in GATT, the country that participated very actively and successfully in Uruguay, is the Canadian Government. Certainly Canada participated in co-operation with other countries. That is what GATT is all about. Members of the NDP do not understand that co-operation is what it is all about.

Was the Hon. Member speaking for himself or was he speaking for his Party? We hear one point of view from the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) who is all for trade negotiations and we hear another from the Hon. Member for Winnipeg—Fort Garry who is against the negotiations. The Right Hon. Leader of the Opposition (Mr. Turner) agrees with both of them. Which position did the Hon. Member enunciate today, his Party's or his own?

Mr. Axworthy: Mr. Speaker, if the Hon. Member wants to know exactly what we will do about trade, I suggest that he does not have very long to wait. The next election will be in about 18 months. Then the Hon. Member will see exactly what a Liberal Government will do to promote trade. If he would cool down his impatience for a while, he will see what we are putting together.

We would be glad to tell him exactly what we are doing now, but the problem is that if we put it all on the table now, the Tories would try to steal half of it but they would bungle that half of it and we would end up worse off than ever. There is no point in giving good ideas to buffoons. They will do with those good ideas what they have done in the past. They will simply stumble over themselves going around in a revolving door.

The Hon. Member wants to know where we stand. I speak for a combined position that was derived from a series of extensive debates in caucus. A paper outlining the position we have taken and will continue to take has been issued. I would be glad to send a copy of it to the Hon. Member at any time.

Mr. McDermid: Send it over.

Mr. Axworthy: I would be more than pleased to do so. I would be happy to send the Hon. Member the entire portfolio of statements that were made while building up a series of trade strategies.

What I would like to point out is very important. The Government itself failed at the outset to follow the recommendations that were put forward by the joint committee, a committee of all Members of Parliament. Part of the problem is that the Government failed to deal with the major trade irritants. It also failed to provide a proper debate in the House of Commons. Such a debate should have outlined exactly where the Government wants to go and how it would get there. It is no wonder that there is confusion.

• (1250)

There could be nothing more important for this Government to do than to provide the House of Commons with the opportunity to examine fully what this trade strategy could be. The Hon. Member was the Parliamentary Secretary last year and he recalls, when the papers were released, that they were supposed to outline the research, the various strategies and the position adopted by the Government. When we got them back, it was as if the John Crosbie pornography Bill had already been applied to them. There was more left out than there was left in. It was like a colouring book. You had to supply your own pencils to fill in the blanks it was so empty. What we can assert, and what we said today, is that the Government's approach to trade strategy is wrong. It is time to reassess that trade strategy. It is time for the Government to sit down with President Reagan and take a look at what the basic premises of the negotiations are, because obviously the Americans are not following them.

Mr. Caccia: The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) in his excellent speech made a reference to national treatment, which is a very important aspect in this policy. I would like the Hon. Member to comment very briefly on the statement that has been attributed to the Prime Minister (Mr. Mulroney) when he said that national treatment means that goods from Manitoba will be treated exactly the same as goods from Minnesota. How will that affect the economy of the province where the Hon. Member comes from?

Mr. Axworthy: This partly goes back to the question that was asked before. I would refer to a study which has just been released by the Canada West Foundation. This study goes sector by sector in terms of the impact of free trade upon the western provinces. What they point out is that in a province like Manitoba the furniture industry is basically wiped out; the service industry is on a decline; the poultry, egg, turkey, chicken, and all the feather trades, are basically wiped out; and major parts of the textile industry are wiped out. I would be glad to quote from the study when they talk about the service industry. They say that,

> In short, free trade offers considerable downside but little upside to Western Canada's service industries.

There is one example of a highly reputed economic organization in western Canada that says that unless the Government is prepared to make a great deal of change and maintain a system that is there, then serious problems will ensue. The problem is that under national treatment all the substructures put in place, for example marketing boards, procurement policies that protected the industries of western Canada will be wiped out, therefore, those industries will be wiped out.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order! The period provided for questions and comments has now expired. The Minister of State (Forestry and Mines) (Mr. Merrithew).

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, I am delighted to have an opportunity to make a few comments on a debate that is so important to the future of Canada.

In reading the motion of the Hon. Member for Essex—Windsor (Mr. Langdon) I was rather surprised. I would like to quote what he said here, because I think it is quite important:

> That this House condemns—
>
> 1. the misguided efforts of the Minister of International Trade to present a unilateral proposal to the United States which undercut the Canadian position—

I would like to assure this House that the Hon. Member does not have his facts right, I am afraid. The decision to make an offer to the United States as the basis for a possible settlement came with the unanimous support and encouragement of the provinces, industry, and organized labour.

It was also clear from the signals that we were receiving from the United States that Secretary Baldrige and the Administration were continuing to look for a resolution to this issue outside of following the normal routes.

It was clear that the political environment in the United States was such that it was definitely in our interest to try to find a solution to this issue. It was clear to Canadian industry and labour who urged us to pursue this course. It was certainly clear to the Canadian provinces which participated in this initiative. It was clear to the Government that this issue is of such importance that its resolution could not be left entirely to the vagaries of the U.S. quasi-judicial process.

It was clear to the most informed political commentators both in Canada and in the United States that this was a helpful initiative pursued by the Government. The provinces, industry, and organized labour thought so, and urged us to try to settle this dispute out of court, if possible. We made our best effort to do so. It is unfortunate that the U.S. industry did not accept what in our view was a fair and reasonable compromise. What is not clear is why the Hon. Member cannot see what everybody else could see at the time, that is, that it was a useful and helpful initiative on the long road to managing this threat against our $4 billion industry trade in lumber with the United States.

Let me address the assertion that this offer undercut the Canadian position before the Commerce Department's preliminary determination. One only has to read the flawed and contrived preliminary determination brought down by the International Trade Commission to see that this contention is obviously unfounded. The Commerce Department has resorted to unprecedented and highly controversial interpretations of the law to arrive at the findings in the preliminary determination. There is no relationship between what we see in that flawed determination and our efforts to diffuse this situation in September.

To comprehend fully the background to this issue, we should pause and review the circumstances leading to this preliminary determination. Over three years ago, some U.S. lumber interests initiated a countervailing duty investigation against Canadian softwood lumber imports. They alleged that the Canadian industry was subsidized. Three years ago, the Commerce Department cleared Canada completely of wrongdoing. I was there and very much a part of that as a provincial Minister of Forestry at the time. Unfortunately, that did not put an end to the issue. The U.S. lumber interests, encouraged by growing protectionist pressures in the U.S. Congress, continued their attacks on Canadian lumber. They lobbied Congress for changes in the widely accepted rules governing trade. At the same time, they initiated another countervailing duty case. This time it was skillfully timed to capitalize on the upcoming mid-term elections in the U.S. To quote the recent comments of the Hon. Minister for International Trade (Miss Carney), in the United States:

> They created a political environment that could only enhance their own narrow interest, to the detriment of the other interests in the United States. This time, although the facts were the same, the U.S. Administration has chosen to reverse its earlier decision. We in Canada find the basis for this reversal deplorable and badly flawed.

S.O. 21

I am sure that the House appreciates that given the environment surrounding this issue, it was only prudent for the Government, provinces, industry, and for organized labour, to pursue all avenues open to resolving it. Given the political environment surrounding the issue in the United States, it was clear to all parties involved that the actions pursued were only prudent and certainly not prejudicial to our long-standing position.

If the Hon. Member still cannot see the validity of our action, I can only again refer to the preliminary determination and ask him to read it carefully this time.

I see that the time is approximately one o'clock. Perhaps I could continue after Question Period.

The Acting Speaker (Mr. Paproski): The Hon. Minister will have 14 minutes left in his debate, plus 10 minutes for questions and comments.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CANADIAN BROADCASTING CORPORATION

FIFTIETH ANNIVERSARY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to take this opportunity to pay tribute to Canadian craftsmen who for 50 years have set an example of professionalism of which this country should be proud.

Mr. Speaker, you probably have guessed that I want to draw the attention of the House to the fiftieth anniversary of the Canadian Broadcasting Corporation. Fifty years of serving Canadians, in whatever capacity, is a feat that deserves to be mentioned here in this House.

When in addition to the Corporation's longevity, we consider the quality and professionalism these communications professionals have taught us to expect, I believe there is a case for drawing very special attention to this event. That is what I want to do today, and I would like all Members of this House, whatever some of my Tory colleagues may think, to join me in extending our best wishes to those Canadian men and women who have contributed to the Corporation's success for half a century.

In many ways, Canada owes its position as a world leader in communications to the CBC, which I think should get the credit for this.

* * *

[*English*]

PROVINCIAL AFFAIRS

RE-ELECTION OF SOCIAL CREDIT GOVERNMENT IN BRITISH COLUMBIA

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, last Wednesday British Columbia voters made a choice of how they wish to be governed. They chose to be governed by a Premier who did not promise them the moon but has promised them an open Government, a Government which will work co-operatively, a government for the people of British Columbia and by the people of British Columbia. B.C. voters chose a Government which promised to consult the people rather than be governed by the NDP who adopted a Doomsday approach.

To Premier Vander Zalm and his colleagues we say congratulations and best wishes, as we work together for the common good of Canada and particularly of B.C. To each of the winning candidates who are part of Fraser Valley East, I should like to extend my personal congratulations. I look forward to working with them in the best interests of our constituents in British Columbia.

* * *

EXTERNAL AID

CONTRIBUTIONS TO INTERNATIONAL DEVELOPMENT ORGANIZATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Desmarais task force on Canada's development assistance program recommended reducing our contributions to international development organizations such as the United Nations. This is directly opposite to the Special Joint Committee on Canada's International Relations which affirmed "the Canadian tradition of treating multilateral and bilateral aid channels as complementary". Canadians do not want our development assistance program to be just a front for dumping Canadian goods on poor nations.

Instead of cutting back on multilateral funding, we should be looking at more effective vehicles for that funding, for example, the International Fund for Agricultural Development. IFAD has low administrative costs, works effectively to improve the living standards of the world's poorest people, and places special emphasis upon programs for women. We should be raising, not lowering our multilateral contributions.

[*Translation*]

BANKS AND BANKING

ESSENCE OF ESTEY REPORT

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, last week, Commissioner Willard Estey made public the report of the Commission of Inquiry in the Collapse of the CCB and the Northland Bank.

Mr. Speaker, in his 750-page report, Judge Estey exonerated our Government of any blame, adding that there was no justifiable basis for criticizing the Ministers responsible, nor were they blamed in any of the submissions.

However, Mr. Speaker, the Opposition did not wait for evidence, and throughout the sequence of events it did not hesitate to lay all the blame at the Government's door, although today, the facts reveal that the situation had existed since 1982.

If anyone is to blame today, it is the former Administration which, although well aware of irregularities in the system, never took steps to save one billion dollars in taxpayers' money.

Mr. Speaker, my constituents will remember this irresponsible behaviour on the part of the Opposition.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

GOVERNMENT FUNDING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, those Tories have done it again; yet another broken promise for Canadians. During the last election campaign the Conservatives promised, among their 338 promises, to increase expenditures on research and development to 2.5 per cent of the Gross National Product during the first five years of a Tory Government. Luckily they probably will not be in power for five years.

However, after two years the NRC, our own national research arm, has been savaged three times by the Tory Government, first on November 8, 1984; then in the Budget, and now so that the Prime Minister (Mr. Mulroney) can satisfy his space age fetish. The result is that hundreds of researchers, scientists and others will lose their jobs at the National Research Council, and much needed research will come to a grinding halt because of the ridiculous policies of the Tory Government.

S.O. 21

• (1405)

FINANCIAL INSTITUTIONS

ESTEY COMMISSION REPORT—NEED FOR NEW BANK ACCOUNTING AND AUDITING STANDARDS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, last Friday Judge Estey released his report into the insolvencies of the CCB and Northland Bank, finding in each case that the banks were practically insolvent by 1982 or 1983, that both banks adopted tactics to increase earnings and assets, and that the auditors of the banks unconditionally approved these tactics.

Last weekend the Liberals seemed to have forgotten when the insolvencies occurred, and all three auditing firms denied that they participated in any actions which resulted in overstating earnings or assets.

My purpose in rising today is not to place blame on the previous administration or on the auditors, but to press for new standards of bank accounting and auditing as outlined in Recommendation 7 of Judge Estey's report, since the current standards are so inadequate that no Government or supervisory authority can adequately supervise troubled financial institutions.

* * *

CANADIAN BROADCASTING CORPORATION

CONTENT OF NORTHERN SERVICE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, there exists in several remote reserve communities across Canada a situation that defies logic and certainly annoys those who watch television.

For example, Fort Hope is a native community located some 250 miles north of Thunder Bay, on the beautiful Albany River system. At the end of a day, reserve residents, like us all, sit down to watch their favourite TV shows. Most of us take for granted that when we watch the news or the weather, or a documentary, that it will be geographically and linguistically relevant.

Not so in Fort Hope. The Crees of this community receive the CBC Northern Service, with news and weather from Newfoundland and Labrador, Baffin Island and northern Quebec.

What is more, none of them know Inuktitut and therefore cannot understand much of what they see and hear.

Canada recently hosted a world exposition with the theme of transportation and communication. The Government and the CBC would do well to look at examples like Fort Hope and do something to meet the communications needs of our northern residents. Let CBC start its second half century by extending culturally relevant progamming to all.

S.O. 21

FINANCIAL INSTITUTIONS

ESTEY COMMISSION REPORT—INADEQUACIES OF SUPERVISORY STRUCTURE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the exhaustive report of Mr. Justice Estey has basically confirmed the conclusions of the Commons Finance Standing Committee which, in May, 1985, examined the Canadian Commercial Bank and noted first: "CCB's accounting practices overstated income and understated loan losses"; second, "it would seem appropriate to raise as a matter of public policy the question of what responsibility the external auditors of financial institutions have *vis-à-vis* the public at large"; and third, "management accepted risks beyond the realms of prudence—the question then becomes whether supervision in this instance was adequate."

The basic problem is inadequacies in the structure of the supervisory establishment.

Last fall the Finance Committee tabled 134 recommendations concerning financial regulatory reform. Now that the Estey Report is in, it is time for action to update and modernize the regulations governing the financial institutions of our country.

* * *

ENVIRONMENTAL AFFAIRS

REINSTATEMENT URGED OF TOXICOLOGY CENTRE PROPOSAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the construction of the toxicology centre, announced in 1983, in response to a request by the Toronto and Guelph Universities, was scrapped in 1984 by the Minister of Finance (Mr. Wilson). Yet warnings about the scale of the toxic chemical problem in the Great Lakes were raised in reports released by the Niagara River Toxics Committee, the International Joint Commission, the Royal Society and the Canadian Environmental Law Research Foundation.

I call on the Government to reinstate the Toronto-Guelph Toxicology Centre to give Canada greater knowledge about the volatization of PCBs, Mirex, benzenes and other highly toxic chemicals discharged into the Great Lakes, and how they are returned through the atmosphere to the soil, considering that their presence has been measured in cattle, milk, and crops. The health implications of this toxic cycle require the research that would be conducted at such a centre.

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF LIBERAL PARTY

Mr. Alan Redway (York East): Mr. Speaker, where does the Liberal Party, Her Majesty's Loyal Opposition, really stand on the issue of Canadian trade negotiations with the United States? Is it against any negotiations whatsoever, as repeatedly implied in the House by the Right Hon. Leader of the Opposition (Mr. Turner), or is it in favour of negotiations as called for by the same Leader of the Opposition on October 20?

Is it for suspending the talks, as demanded by the Liberal trade critic, the Member for Winnipeg—Fort Garry (Mr. Axworthy), on October 20, or is it in favour of continuing the talks, as stated by the Right Hon. Leader of the Opposition the very next day? Is the Liberal Party engaged in a trade policy war of its own? Or, do Liberals really have a low regard for the intelligence of the Canadian public?

* * *

• (1410)

[*Translation*]

FINANCE

TRUST COMPANIES—GOVERNMENT POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, this week's winners of the grand prizes for untaxed companies are the trust companies. Today, our prize winner is Montreal Trustco, which enjoyed tax credits for the years 1981, 1984 and 1985, with profits totalling over $37 million. This was possible thanks to lucrative tax rebates provided by Liberal-Conservative tax measures.

If the tax system had been fair, and if Montreal Trustco had been made to pay 25 per cent tax on its profits, the tax bill for Canadian taxpayers would have been $9.3 million less.

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

SALUTE TO RICK HANSEN—DONATIONS FOR SPINAL CORD RESEARCH

Mr. Bob Hicks (Scarborough East): Mr. Speaker, in a unique gala event fit only for heroes and champions, wheelchair champion Rick Hansen was honoured by his fellow Canadians last night. One of those Canadians was none other than the Hon. Minister of Transport (Mr. Crosbie) who agreed to be both toasted and roasted in order to raise more than $100,000 for Rick's cause, that of spinal cord research and rehabilitation. Yesterday as well, the Right Hon. Prime

Minister (Mr. Mulroney) added to this event by presenting a cheque for $1 million to Rick's fund.

Our young hero has learned not only to cope with disabilities but to excel in spite of them. Now two-thirds of the way through his Man in Motion tour, Rick will salute the people of the Ottawa region and continue his 40,000 kilometre trek around the world. It is now our turn as Members of Parliament to salute this young man and remind ourselves and our constituents to give, give, give to the cause of spinal cord research and rehabilitation. Good luck, Rick Hansen, and may God be with you.

Some Hon. Members: Hear, hear!

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COMMITTEES OF THE HOUSE

MEMBERSHIP OF STANDING COMMITTEE ON ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, when this House recently agreed to a package of parliamentary reforms it was, in part, to give standing committees more freedom and independence from the Government. That being so, you will understand my astonishment when late last week the Chief Government Whip showed up at the organization meeting of the Standing Committee on Aboriginal Affairs and Northern Development to impose upon it, as Chairman, a new MP who has never before served on this committee. The ranking Conservative member, a man of experience and empathy with Canada's indigenous peoples, was passed over. What goes on? Simply, Sir, the Government has decided to cool down native issues, to dampen expectations raised by the previous Minister responsible.

In my nearly two decades as a Member of this House I have never felt quite so discouraged and despondent about the possibility of progress being made toward the recognition and implementation of aboriginal rights in Canada.

* * *

POLLOMANIA

FREQUENCY OF POLLS CONDEMNED

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, have you ever been called in a poll? I have not, no one in my family has, and neither have my neighbours. There are real polls, anonymous polls, private polls, and public polls. They do polls to ask people what they thought of recent polls. They ask questions about your age, sex, and serial number, about what you ate for breakfast, lunch or dinner, about what you watch on TV, listen to on the radio or read in the newspapers. They ask if you are happy with the Government and its Leader, as well as with the performance of the Opposition and its Leaders. Before this month is out there will be a poll to see if MPs are pleased with your performance.

Canadians are polled out by poll junkies. They are too frequent and too futile. Leave us alone and let the Government get on with the job of running the country.

* * *

DISARMAMENT

CALL FOR AGREEMENT BETWEEN SUPERPOWERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, last Friday in New York the Prime Minister (Mr. Mulroney) told the President of the United States that he was right in not abandoning star wars for an arms control agreement. This is typical of the Prime Minister's double-talk on this issue. Several months ago he said his Government was opposed to star wars but now he says it is all right for the United States to continue.

• (1415)

This is Disarmament Week. There are now approximately 50,000 nuclear weapons in the world, 30,000 with the United States and NATO and 20,000 with the Soviet Union and the Warsaw Pact, which are one million times more powerful than the bombs which fell on Hiroshima, and represent 4 tonnes of TNT for every person in the world. Will the Prime Minister use the occasion of Disarmament Week to reconsider his position on nuclear disarmament and star wars and press for a superpower agreement to control and reduce all nuclear weapons, including star wars?

* * *

POLITICAL PARTIES

HOMOSEXUAL AND LESBIAN POLICE RECRUITS—POSITION OF NEW DEMOCRATIC PARTY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I call upon all Members of the House to join with me and my colleagues in condemning the offensive and degrading references which were made by the Hon. Member for Bow River (Mr. Taylor) to homosexuals who seek to work within the RCMP. The offensive and degrading stereotypes—

Mr. Speaker: Order. I think all Hon. Members would agree that the Chair's intervention in that particular statement was sufficient. It was made in the interest of not having an exchange of comments which might lead to some disorder in the Chamber. I would ask the Hon. Member, having made his point, to leave it there.

House of Commons

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY GENERAL OF THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, MR. JEAN-CLAUDE PAYE

Mr. Speaker: Order! I would like to draw the attention of the House to the presence in our gallery of Mr. Jean-Claude Paye, Secretary General of the Organization for Economic Co-operation and Development, who is on an official visit to Canada.

ORAL QUESTION PERIOD

[*English*]

TERRORISM

COMPLICITY OF SYRIAN GOVERNMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. After a weekend of study and consultation is the Government of Canada ready to accept as conclusive the evidence from Great Britain of the complicity of the Government of Syria in terrorist activities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker, it is. The Right Hon. Leader of the Opposition will know that I have called Canada's kAmbassador in Damascus back to Canada for consultations. I believe we have been in touch with representatives of the Hon. Member's Party and representatives of the New Democratic Party to offer them the opportunity of a briefing with the Ambassador and other officials of the Department.

[*Translation*]

GOVERNMENT RESPONSE IF RECOGNITION GIVEN TO SYRIAN COMMITMENT AND ENCOURAGEMENT OF TERRORIST ACTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister. Terrorism must be condemned, in the name of whatever causes it is claimed to have been perpetrated.

Yesterday our ambassador said on television: "I will be back in about two weeks."

Here is my question. If Canada acknowledges that Syria did commit or encourage acts of terrorism, what other steps, what other diplomatic, economic or political measures is the Government prepared to take?

Right Hon. Joe Clark (Secretary of State for External Affairs): One thing is quite clear, Mr. Speaker, namely that certain elements of the Syrian Government have been directly involved in terrorist activities. What the Canadian Government wants to do is to encourage other countries to support, as we did, the action taken by the Government of Great Britain against acts of terrorism abetted by certain elements of the Syrian Government. A meeting is scheduled for this afternoon between officials of my department and representatives of European Community countries to urge the Europeans to support the position of Great Britain.

[*English*]

GOVERNMENT MEASURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government has accepted the evidence given in an open court in Britain. The Government is committed to responding in positive terms against acts of terrorism. So far our Ambassador has been recalled for consultations only. Other than the heavy rhetoric of the Minister and of the Prime Minister when attending the United Nations in New York, what concrete steps is the Government of Canada really going to take?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the purpose of calling the Ambassador home for consultations is to discuss with him and others the actions which it would be appropriate and effective to take. At the moment the most important and effective thing for us to do would be to try to encourage members of the European Community to join with us in supporting the position of Great Britain against state terrorism by elements of the Syrian Government. It would also be our hope that the cumulation of these pressures will cause the Government of Syria to cause Abu Nidal to move his operation entirely out of Syria.

* * *

• (1420)

FINANCIAL INSTITUTIONS

ESTEY COMMISSION REPORT—CANADIAN COMMERCIAL BANK BAIL-OUT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. While the Canadian Commercial Bank bail-out was agreed upon in March of last year and the money paid out in April, the Government did not begin to find out what it had bought into until it appointed Mr. Hitchman at the end of June. By August 1, according to the report of the Estey Commission, "the only question which remained unanswered was how long this bank had been disguising itself as a solvent bank". Why then was the Government still sending out letters to shareholders on August 9 advising them that the bail-out had ensured the bank's viability?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is clear from the report of Mr. Justice Estey that there was an understanding of the problems with the bank. But we also had to be very careful as to what messages we sent out during the course of this period until we were absolutely sure of the final predicament of the bank. That status was found

out towards the end of August and the Government acted quickly once it was apparent to us.

MINISTER'S ACTIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Estey Commission Report has confirmed that the banks participating in the bail-out last March wanted a comprehensive, independent review of the loan portfolio, but that the Government made no effort to press for an early examination of the loan assets of the bank. Why was the Minister content to gamble taxpayers' money on an uninformed rescue attempt which, according to Mr. Justice Estey, "was ill starred from the outset and had no chance of success"?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Mr. Justice Estey makes it clear that we were entitled to rely on the information which was provided to us. We probed that information, and during the course of the time following the putting together of the support package and into the summer there was a considerable amount of work which was coming on.

When we called in support through the help of Mr. Hitchman, we did so because it was apparent that the problems were becoming greater. We responded very much to that information which was provided to us, and acted accordingly.

DELAY IN EXAMINING BANK'S ASSETS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directly supplementary to the question just answered by the Minister. It is true that Mr. Justice Estey's report exonerates the Government from any wrongdoing in the period up to March, 1985, when the original bail-out decision was reached. However, Mr. Justice Estey goes on and states:

> Clearly there was a complete inadequacy of follow-through in obtaining the information necessary to produce the final Participation Agreement and to properly monitor the progress of the rescue program. In particular, the Minister of State appears to have made no effort to press for an early and organized hands-on examination of the loan assets of the bank.

Would the Minister not agree that this wording effectively condemns the former Minister of State for Finance for failing to exercise her ministerial responsibility?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, I would disagree entirely with that conclusion. The Estey Report makes a very clear statement. There is nothing in the evidence which leads to criticisms of these Ministers. The Ministers gave the officials adequate guidance and support and properly left the execution to the administrators. I think the report speaks for itself.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I do not want to get into a verbal game with the Minister about ministerial responsibility. I want him to give us his understanding as the senior Minister involved. The cost to Canadian taxpayers during those summer months went from the original estimate, which was just over $130 million, to a final cost of $1 billion. During that period not only chartered banks but other major depositors were making withdrawals from the Canadian Commercial Bank. During the same period of time a proper loan portfolio assessment had not been done.

• (1425)

Considering that Mr. Justice Estey states that there would have to be other forums to make a final judgment with respect to the question of ministerial responsibility, does the Minister not think that his junior Minister failed to do the proper job under the circumstances?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no, not at all. I think that the Hon. Member is either reading very selectively from the report or that he has not read the report at all. It is important for the Hon. Member to understand the total spectrum of comment that has been made. I have indicated very clearly that the report speaks for itself. The conclusions that are being drawn by the Hon. Member, or those which might be drawn by me, are less important than those found in the report of an objective and independent judicial inquiry. That was the purpose of the inquiry. That is why we went ahead with it. I believe it is important that we abide by the conclusions of it.

EXERCISE OF MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that we made an attempt in the House to have referred specifically to Mr. Justice Estey the idea of ministerial responsibility and that the Government refused to add such words. He knows that Mr. Justice Estey, and other judges in that position, are reluctant to become involved in making essentially what are political judgments. Considering that there was a failure after the March period to supervise the activity of the officials, a failure to understand the seriousness of the portfolio loan problem, and a failure to watch the millions of dollars that were being withdrawn, does the Minister not think, for future reference, that a Minister, male or female, exercising proper responsibility ought not to make that type of mistake?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I refer specifically to the words of the report: "There is nothing in the evidence which leads to criticisms of these Ministers". How clear could Mr. Justice Estey be?

The Hon. Member talks about supervision. In the words of Mr. Justice Estey, "the Ministers gave the officials adequate guidance and support". Surely the Hon. Member can understand the import of the conclusions reached by Mr. Justice Estey.

Oral Questions

INDIAN AFFAIRS

ALLEGED INTERFERENCE IN PLANS FOR USE OF FORMER CANADIAN FORCES BASE IN MANITOBA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister personally investigate the circumstance in which the Department of Indian Affairs has withdrawn its Treasury Board submission that would have transferred land at the Canadian Forces Base Beausejour to the Long Plain Indian Band in the honouring of a major commitment, because of the interference of the Minister of National Health and Welfare in trying to promote a prison in his own riding? Will the Prime Minister personally investigate this matter?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Minister in question is in Winnipeg today meeting band councils. I will take the question under advisement.

USE AS PRISON PROPOSED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I thought that in light of the Auditor General's Report and the well known experience the Prime Minister has in these matters he might be prepared to undertake a response to this fact. Will the Prime Minister give us a commitment that no additional federal funds will be used for the promotion of this prison unless there is a proper alternative site found for this Indian band in fulfilment of its long-standing commitment?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already advised the Hon. Member that the Minister in question is not in the House to answer his question. I will take the question on notice, and we will supply the Hon. Member with an answer in due course.

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FINANCIAL INSTITUTIONS

ESTEY COMMISSION REPORT—MINISTERIAL RESPONSIBILITY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also for the Minister of Finance arising out of his actions and the actions of his colleagues which have cost the Canadian taxpayers close to $900 million because of their failure to act between March and September of 1985 when the Canadian Commercial Bank and the Northland Bank were going down the drain. Is the Minister aware that in his report Mr. Justice Estey quite clearly related to the fact that he had not been asked to look at the matter of ministerial responsibility and stated: "It may be that other forums and tribunals having different objectives will reach different conclusions with respect to duties and obligations of the participants in these events"?

Is the Minister saying that, regardless of this disclaimer, Mr. Justice Estey's opinion is the only one that should apply? Will the Minister on his own behalf and on behalf of the Minister of State for Finance accept that they are responsible in the parliamentary system for this loss of $900 million to the taxpayers?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is a very large report. I am sure the Hon. Member has read the entire report.

Mr. Hnatyshyn: No, no.

Mr. Wilson (Etobicoke Centre): Probably not. However, it says very clearly that there is nothing in the evidence which leads to criticisms of these Ministers. The Ministers gave the officials adequate guidance and support. I could repeat a number of other elements of what Mr. Justice Estey has said in the report, but surely the Hon. Member must accept that the report speaks for itself.

[*Translation*]

MINISTER'S RESPONSIBILITY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I can point this out to the Minister of Finance.

Is he aware of the fact that many times in his summary and in his report, which I have read almost in its entirety since Friday, Mr. Justice Estey is quite critical of the Government and its Ministers? He specifically states that the action they took was altogether inadequate to make sure that they would monitor the program to bail-out the bank which began in March.

Now then, is he prepared to accept the criticisms of Mr. Justice Estey and assume responsibility for the loss of $900 million, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear from what Mr. Justice Estey has said that the Ministers did in fact undertake to be informed about the consequences and state of the portfolio and that we did give direction to the officials involved and supported them in the acitivities they were undertaking. Mr. Justice Estey says that the information that was provided was inadequate, but we got on top of that information with the work done by Mr. Hitchman and made our decisions accordingly later on in the summer.

THE ECONOMY

NORTHERN ONTARIO RECOVERY PACKAGE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Right Hon. Prime Minister. The economy of northern Ontario is at its lowest ebb since the days of the Diefenbaker Government.

Some Hon. Members: Oh, oh!

Mr. Penner: Already extraordinarily high unemployment will be made even higher as a result of the U.S. tariff on lumber. Is the Prime Minister prepared now to reveal to the House and the people of northern Ontario the details of the so-called recovery package for northern Ontario, details that were shrouded in secrecy when the Conservative caucus met in Sudbury this weekend?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if I may, I would like to tell the House that, perhaps for the first time in the history of northern Ontario, cabinet Ministers visited the area to deal with the real issues affecting northern Ontario. It was a very positive meeting.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Very many suggestions were made. There is a clear opportunity to build upon the natural strengths of northern Ontario. The Solicitor General is taking a leading part in stimulating the discussions and the policy development in that area. Just watch us. We will bring forth a very good policy which will be good for northern Ontario and for Canada.

REGIONAL DEVELOPMENT INQUIRY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I would ask the Deputy Prime Minister if he would not be frank and admit to the House that this so-called recovery package for northern Ontario is nothing other than a philosophical statement on regional development which lacks substance? It is nothing but a little soft sound and fuzzy fury that signify nothing.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member has been a Member of the House since 1968. He represented a Government that had been in power from 1968 until 1984. He should be the last guy to criticize by pointing out what is missing in that area because he has failed to do his job.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Am I frank? The answer to that is yes. Even my second name is Frank.

Some Hon. Members: Hear, hear!

Mr. Broadbent: One might say that's the only thing frank about you.

* * *

PATENT ACT

PROPOSED AMENDMENTS AFFECTING GENERIC DRUGS—CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister for International Trade. I have a confidential document sent by the Minister of National Health and Welfare to delegates at the Conservative policy conference in Calgary. In it the Minister says about the proposed generic drug law changes that they "may benefit from trade discussions with the United States". Can the Minister tell the House the nature of the linkage between generic drugs and free trade? The statement made by the Minister of National Health and Welfare contradicts the statement made in the House on April 14 by the former Minister for International Trade who said that "generics were not in any way tied to the present discussions".

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to assure the Hon. Member and the House that the proposed changes to Canada's patent law will be made for the benefit of Canada and Canadians and for the benefit of research and development that will affect the health of Canadians. When he sees the entire package and analyses the facts, I am sure the Hon. Member will agree.

CONTENT OF TRADE NEGOTIATIONS

Mr. David Orlikow (Winnipeg North): That answer does not deal with my question at all so I would like to put a further question to either Minister. The Minister of National Health and Welfare also said in that document that "the recommendations contained in Dr. Harry Eastman's report on pharmaceuticals are under review by the Government and may form part of the discussions with the Americans". In the discussions on free trade, is the question of the patent law with regard to drugs being discussed—yes or no?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the Hon. Member should be aware, there have been discussions on Canada's patent laws since 1969 when the patent laws were changed. All of our trading partners are vitally interested in this question. As the Hon. Member may surmise, there is a great deal of interest in intellectual property generally, but in terms of the specific proposal we are making it is because it is of benefit to Canada and Canadians that we are proceeding with it.

[*Translation*]

THE ECONOMY

MATANE PAPER-MILL—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, could the Prime Minister answer a question that is being asked by thousands of Quebecers, namely, what kind of investments will the Government make to stimulate Quebec's economy? There have been no announcements to date for Montreal East and none for the Matane region about the paper mill. The Government only seems interested in building the penitentiary at Port-Cartier.

I want to ask the Prime Minister when an announcement will be made about the federal Government's participation in the paper mill project for Matane?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am amazed at the Hon. Member's question, because when I look at the facts, 149,000 new jobs have been created in Quebec since we were elected, compared with the 41,000 created over four or five years by the Liberals. We have created an average of 6,200 jobs per month, eight times the Liberal average for job creation spread over five years. Now that is the kind of remarkable progress we have made in Quebec and across Canada.

IMPATIENCE OF MATANE CITIZENS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am surprised the Prime Minister is refusing to give the people of Matane this information.

I want to ask him why the people of Matane should wait much longer for a decision on the paper mill, when the Government hurried through a decision to transfer a penitentiary to the Prime Minister's riding? Why should the people of Matane, just across the St. Lawrence, have to wait any longer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the people of Matane should realize that the Hon. Member is a member of a party that, when it was in power, said no to the people of Matane for 15 years. They will realize that it was the Liberals who always said no to regional economic expansion, especially in Quebec's remoter regions, including Matane. And the people of Matane realize that this national Government is going to make decisions that will benefit their economy.

[*English*]

FINANCIAL INSTITUTIONS

ESTEY COMMISSION REPORT—COLLAPSE OF BANKS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Finance. The Minister has read part of a sentence from the report of Mr. Justice Estey's inquiry. I would like to read to him the beginning of that sentence which is as follows:

> Apart from a delay in formulating government policy as to the intervention with public funds in the rescue program of the banks and a tardiness in responding to the request of the major banks for a detailed and comprehensive loan portfolio assessment—

• (1440)

Will the Minister admit that the Government has some responsibility in the fiasco, that indeed Ministers did blow it? A billion dollar blow-up?

Some Hon. Members: Hear, hear!

Mr. Broadbent: Now answer that, Michael.

Hon. Michael Wilson (Minister of Finance): Again, the Hon. Member is being selective himself on what he draws from the report. The report also goes on to say that the seeds for the failures of the banks were sown in the late part of the 1970s, as improper and imprudent lending practices by the banks themselves led to the problems that ultimately resulted in the failure of the two banks. Surely the Hon. Member can acknowledge that in the course of his next question.

USE OF TAXPAYERS' MONEY

Mr. Simon de Jong (Regina East): Again, Judge Estey called the bail-out half-baked, ill-starred. He compared it to the Government letting a toboggan run down a hill without any control. This is his criticism of the Government's bail-out. We admit that the previous administration is also at fault. Surely the Government of today has to accept some responsibility for the billion dollars that it lost of Canadian taxpayers' money.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): The report speaks for itself.

Mr. Broadbent: Yes, it sure does.

Mr. Wilson (Etobicoke Centre): I have repeated on a number of occasions the conclusions that Mr. Justice Estey drew from the extensive amount of review that he undertook during the course of this investigation. I asked the Hon. Member to read the conclusions that he draws.

[*Translation*]

STATUS OF WOMEN

SINGLE FEMALE HEADS OF FAMILIES—GOVERNMENT MEASURES TO ASSIST

Mrs. Lise Bourgault (Argenteuil—Papineau): Last week, Mr. Speaker, the National Council on Welfare stated in their annual report that the situation of elderly Canadians had improved considerably, whereas the condition of single women and heads of families was lagging far behind. My question is directed to the Minister responsible for the status of women.

Since six out of ten single-parent families headed by women are poor and make up the only group in our society whose poverty has worsened since 1981, I should like to know what our Government is doing or intends to do to improve the condition of women in our society?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I thank the Hon. Member for her question. This is an issue that this Government takes very seriously. It is a problem that has been very serious in our society for some time, and it can only be dealt with on a variety of fronts. That is why we have taken action in some of the areas like employment equity. That is why we have taken action in terms of the Pension Benefits Standards Act. That is why we appointed the Parliamentary Task Force on Child Care. The only way we are really going to get at this very serious problem for low-income women is to ensure that there is equality of opportunity throughout the system. That means a whole range of policies and programs.

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AGRICULTURE

POSSIBILITY OF TARIFF ON UNITED STATES CORN IMPORTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Agriculture. In his absence, maybe Frank will choose to reply.

Can the Minister confirm that the delay by Revenue Canada in rendering a decision from September 30 to November 14 in the case of a tariff on U.S. corn was no accident, and that this delay was caused by a desperate and futile attempt to please the Americans on the softwood lumber issue?

Finally, can we get the information from this Government as to why the interests of Canadian farmers have been sacrificed again to please the Americans?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I would like to caution my friend opposite that he should not misinterpret an administrative process. If he studied the situation, he knows that on May 12 the Ontario corn producers filed what was found to be a properly documented complaint, which is now being looked after by the Deputy Minister of Customs and Excise exactly in the way that is set out under the Special Import Measures Act.

[*Translation*]

CONSEQUENCES OF DECISION CONCERNING CORN PRODUCERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Does the Minister know that, in this case, a delay concerning the countervailing tariff at this time of the year, harvest time, means that he might just as well say no to farmers right now, because by November 14 the decision will be meaningless since all imports will already—

Mr. Speaker: Order, please. Would the Hon. Member ask his question, please.

Mr. Boudria: Does the Minister realize that the delay will cost Canadian corn producers $150 million, and that the delay until November 14 amounts to a refusal this year? What does he intend to do to expedite this matter?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, once more I want to point out to my colleague opposite that these procedures are set down very clearly. There is a purpose for the deliberations that take place. There is a lot of material to be studied. These matters have to be carefully weighed. There will be a decision made in due course.

* * *

HAZARDOUS SUBSTANCES

PROTECTION OF WORKERS UNDER FEDERAL JURISDICTION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to ask the Minister of Labour what protection he plans to give federal employees in the workplace from hazardous substances, now that we have the decision from Friday by the Federal Court of Appeal? Is he satisfied with the present situation, namely, that hazardous substances are acceptable in the federal workplace as long as they are introduced by other employees and not by management? Isn't this hair-splitting and not protection?

Some Hon. Members: Hear, hear!

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, our Department, of course, is following that situation very carefully. We are obviously subject to court decisions that are being made. We will continue to monitor the situation and will do what has to be done in due course.

CANADA LABOUR CODE AMENDMENTS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I have a supplementary question for the same Minister: Will he tell us if the new Canada Labour Code with

the amendments just recently in effect will be an improvement? Will they give the necessary protection against hazardous substances? I remind him that the court did not dispute that secondary smoke constituted a hazardous substance. Will the new Canada Labour Code give the necessary protection?

Some Hon. Members: Hear, hear!

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, all amendments to the Canada Labour Code are obviously improvements.

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CANADIAN HUMAN RIGHTS COMMISSION

APPOINTEES' RESUMÉS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Justice. I would like to ask the Minister why his office doctored seven of the twenty-eight resumés of applicants to the Canadian Human Rights Commission so that all references to the Progressive Conservative Party were removed before the resumés were sent to parliamentarians for investigation?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): I thank the Hon. Member for that question. I have been waiting for over a week to be able to set the record straight and say that the allegation is completely false.

A week ago last Thursday while I was in Toronto at the Aboriginal Constitutional Conference, the Hon. Member made an allegation that I was censoring material and interfering with the work of the Committee. After she made that allegation she called my office and asked for a copy of the resumés which were on our file. I am informed that my office immediately sent them to her. There is absolutely no basis of fact in her allegation and, I wish she would withdraw it.

ALLEGED REQUEST TO COMMISSION OFFICIAL

Ms. Sheila Copps (Hamilton East): Can the Minister confirm why, before I raised this question in committee, Mr. Michael Glynn, the Administrator of the Canadian Human Rights Commission, was instructed by his legislative assistant to send copies of the resumés, which at that time included the P.C. connections, not to the committee as was the original request, but to the office of Mr. Hnatyshyn? In the words of his assistant: "No resumé would be released without having it personally reviewed by the Minister." In the meantime, the P.C. connections were lost in the shuffle.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): I do not accept that version of the facts. When the Hon. Member and another Hon. Member made an inquiry at my office, I am advised that the curricula vitae were sent directly to those Members. My office called the Commission to find out what material they had. They sent over copies which arrived after the other document had been sent to the Hon. Member.

* * *

ENERGY

PROJECTED LOSS OF JOBS IN ALBERTA ENERGY INDUSTRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister of Energy, Mines and Resources will be well aware of how bad the situation in Alberta is and will know that last week in Alberta the Minister for Manpower released a report indicating that the Government of Alberta projects that 55,000 Albertans will lose their jobs in the next 12 months. The Minister of Employment and Immigration indicated that this was an alarmist figure. My question to the Minister of Energy, Mines and Resources is: Do you believe the Government of Alberta in its projections of unemployment in that province, or do you support your fellow Minister?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): I don't think we should make a contest of analyzing the number of people who are experiencing economic problems personally, as a result of the international energy situation. The situation in Alberta is catastrophic, and it is the responsibility of the Government of Canada and the Government of Alberta to do everything they can to improve the situation, and that is what we are doing.

• (1450)

[*English*]

REQUEST FOR ASSISTANCE FOR SMALL COMPANIES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Minister called the situation catastrophic. Two weeks ago he turned down an invitation to intervene and provide support to small producers and small exploration companies in Alberta. With the new figures indicating that 55,000 people will be losing their jobs in that province in the next twelve months, is the Minister now prepared to intervene and provide the necessary support to small companies?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, a catastrophic situation demands a response, and not just any kind of response.

For several months, various associations in Alberta have been working with the provincial government, as has been the case everywhere else in Canada, to develop policies. Just because we refused to provide a solution to a general problem does not mean the Government is insensitive. In fact, we felt

this particular solution was not appropriate for the people concerned, and that is why we are seeking better solutions.

* * *

[*English*]

PENSIONS

AUDITOR GENERAL'S REPORT—REVIEW OF PRIVATE PENSION PLANS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Finance. The Auditor General's Report revealed that only some 40 private pension plans out of some 750 had been reviewed in the past 15 years by federal regulators. Does the Minister truly believe that that is a sufficient review? Does he have any specific plans for improving the review process of private pension plans?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as indicated last week, we felt this was an important recommendation of the Auditor General. We do not believe that there is an immediate problem. In fact it was found that it was necessary to review, as the Hon. Member pointed out, only 40 of some 750 pension funds. The Department is looking into the advisability of increasing the regulatory nature of its work and will be responding in due course to the useful recommendation of the Auditor General.

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CANADIAN HUMAN RIGHTS COMMISSION

INDEPENDENCE OF TRIBUNAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to return, with the Minister of Justice, to the subject raised by my colleague. He knows that the Canadian human rights tribunal often has to protect the rights of individuals against a Government. He also knows that this week the national Bank of Canada is challenging the independence of that tribunal and arguing that it is not independent on the grounds of the partisanship of some of its members. Is the Minister of Justice prepared to review these partisan appointments of individuals who have bragged about their credentials and loyalty to the Progressive Conservative Party, and appoint people who are truly independent, so that the commission will be able to stand up to scrutiny by the court?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, with the greatest of deference, I do not have to be lectured by the Liberal Party and the Hon. Member about partisanship and appointments. The reality is that it is a very important tribunal. No one takes it more seriously than I do. I want to ensure that the people are of the highest competence and quality. Indeed I have never seen any reference on any material which has come before me, in terms of the appointments for which I was responsible, in respect of political affiliation. Is the Hon. Member saying that people involved in politics should not be appointed? That is what I want to ask him—

Mr. Speaker: Order, please. I think Hon. Members will know that when a question verges on the argumentative, often the response is much the same.

INTEGRITY OF COMMISSION MEMBERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, does the Minister not recognize how particularly vulnerable are commissions such as this one and how important it is that the integrity of the members be patently clear, so that they will not be struck down by courts and the administrative procedures will survive?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think that question is a good one. As we now sit here in the House, the Department and my officials are consulting widely on amendments to the Canadian Human Rights Act respecting the operations of the commission. There are defects in its operations, as we all know and as was pointed out by us in opposition. I am prepared to receive representations and will continue to consult to ensure that we have the best Human Rights Commission in the world.

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TRADE

EXEMPTIONS SECURED BY COMPANIES FROM UNITED STATES COUNTERVAIL DUTY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of State for Forestry and Mines. I am sure the Minister is aware that some lumber producing companies have been given exemptions from the 15 per cent preliminary countervail duty imposed 10 days ago. Could the Minister indicate why no efforts were made at the federal level to advise Canadian companies of their possible exemption from the 15 per cent countervail?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the trade rules are well known by most companies. It was widely covered in the media. It has been talked about widely by myself and by other members of the Cabinet. Many companies applied and many were given exemptions.

NOTIFICATION OF COMPANIES ELIGIBLE FOR EXEMPTIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister for International Trade. As I am sure she is aware, the Government provided to U.S. authorities a list of companies certified by the Government of Canada as eligible for those exemptions. Would she explain to the House why, at the same time as she was advising American

authorities she did not notify companies in Canada, so that all eligible companies could have obtained the exemption?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am informed that the responsibility for informing the members of the forestry industry was assumed by the Council of Forest Industries which speaks for the entire forest industry. In that way those companies would have learned about it. A lot of companies did seek and get exemptions, which showed that the process was working.

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FINANCIAL INSTITUTIONS

ESTEY COMMISSION REPORT—ACCOUNTING AND AUDITING GUIDELINES

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Minister of Finance. In his report last Friday, Judge Estey found that from 1982 or 1983 the managements of the CCB and Northland Bank took steps which overstated both the assets and the income of the banks with the unconditional approval of the banks' auditors. He also found that bank auditing and accounting guidelines were clearly inadequate. Will the Minister take steps to establish immediately an advisory committee of bankers, representatives of the accounting and auditing professions, and representatives of the Inspector General, to establish new, effective accounting and auditing guidelines as recommended by Judge Estey, so that the public of Canada can again place confidence in the financial statements of our banks?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Mr. Justice Estey made very clear that the Canadian banking system was sound and that Canadians should have confidence in it. With regard to the specific question of the Hon. Member, Mr. Justice Estey has made quite an interesting proposal. There have been some informal discussions along the lines which Mr. Justice Estey pointed out. It is a proposal into which we are looking more carefully. Hopefully we will be able to respond to it specifically in due course.

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ENVIRONMENTAL AFFAIRS

DETROIT INCINERATOR PROJECT—NEED FOR ENVIRONMENTAL PROTECTION EQUIPMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of the Environment. I understand that tomorrow he will meet with Lee Thomas, head of the United States Environmental Protection Agency. Will he undertake now, when he meets with Mr. Thomas, to press that official to take every possible step open to the American federal Government to ensure that the Detroit incinerator is not built without the necessary environmental protection equipment, in order not to put at risk the health and safety of people in the city of Windsor and in many other parts of southwestern Ontario?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, I can give the Hon. Member that assurance. I will be meeting with Mr. Thomas all day tomorrow. I have a list of about seven bilateral questions with which I will be dealing. The Detroit incinerator matter is the No. 1 question on that relatively short agenda. Mr. Thomas and I do not disagree on the environmental dimensions of the question. In fact we see eye to eye. The EPA was set back in the courts on procedural rather than on substantive grounds. The Ontario Government, the federal Government, and the U.S. Government are planning a full court press to do the very thing for which the Hon. Member has called.

REQUEST FOR REFERRAL TO INTERNATIONAL JOINT COMMISSION

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is directed to the same Minister. If Canada and the United States see eye to eye on this matter, will he agree to obtain the consent of the United States for a reference of the matter to the International Joint Commission on a specific basis, which is not the case at present? Will he also join with the Province of Ontario in going to the United States courts in a new action to seek an injunction against the City of Detroit to prevent the incinerator from being built without the necessary air pollution equipment?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think it is because Canada and the United States agree on the environmentalism of the issue that it would be inappropriate to send it to the International Joint Commission. Matters on which we disagree are normally the ones which are sent to the IJC to have an independent arbiter for the purpose of resolving them. We are pursuing every possible legal and diplomatic route. We are linking arms with Queen's Park and the U.S. Environmental Protection Agency to see if we can resolve it. The problem is essentially with the State of Michigan and the City of Detroit, not with Lee Thomas, the U.S. Environmental Protection Agency or the Government of the United States. That is why we are proceeding in the way that I have described.

• (1500)

Mr. Speaker: The Hon. Member for Windsor—Walkerville; one question please.

CANADIAN HUMAN RIGHTS COMMISSION

APPOINTEE'S RESUMÉ

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Justice. I have in my hand one of the orginal biographies of those appointed to the Human Rights tribunal Panel. There are 10 lines in it referring to Progressive Conservative involvement. I now have in my hands the document sent to the Human Rights Committee of the House of Commons, from which all 10 of those lines have been deleted. Would he not agree that that would raise a strong suspicion of an effort to mislead?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I absolutely reject that out of hand. The fact of the matter is that we received a request for the information for the first time a week ago last Thursday. We gave everything that we had in our office with respect to these appointments, and the basis upon which I had made the appointments. The Hon. Member knows that I brought in changes to the rules here which allow scrutiny of appointments. This Government and this Prime Minister, for the first time—

Mr. Speaker: Order, please.

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PRIVILEGE

INTERRUPTION BY MR. SPEAKER OF STATEMENT UNDER S.O. 21

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a question of privilege as a result of the decision by Your Honour to interrupt the statement which I was attempting to make pursuant to Standing Order 21 of the Standing Orders of the House.

Mr. Speaker: Order. I know that Hon. Members would agree that when a Member of the House has risen on a question of privilege, all Hon. Members would want to hear the argument and give that Hon. Member the courtesy that would of course be extended to all other Members. Would the Hon. Member for Burnaby (Mr. Robinson) please continue.

Mr. Robinson: Thank you, Mr. Speaker. As I said, I rise on a question of privilege arising from the decision of Your Honour to interrupt the statement which I was making pursuant to Standing Order 21 of the Standing Orders of the House of Commons.

Surely there can be no privilege more essential or fundamental to Members of the House than freedom of speech. I respectfully suggest that the decision of the Speaker to vet, in effect, the contents of a statement which is made pursuant to Standing Order 21 in the manner in which Your Honour's decision was made, flies in the face of privilege not just of myself but of all Members of the House.

I was attempting to raise an issue of serious concern with respect to comments that had been made, after all, under the same Standing Order 21 on Monday, October 20 last, by the Hon. Member for Bow River (Mr. Taylor). In his comments to the House the Hon. Member for Bow River referred to certain suggestions that had been made by the New Democratic Party with respect to a policy of non-discrimination in hiring at all levels of federal jurisdiction, including the R.C.M.P.

The Hon. Member made certain comments which I think not only gays and lesbians but all Canadians who believe in human rights and minority rights would find deeply offensive and insulting. The Hon. Member referred to fairies and lesbian R.C.M.P. fairies, and hitting people over the head with powder puffs.

I suggest that it is entirely in order for another Member to rise in his or her place and suggest that those kinds of comments have no place in Canada today, in a Canada which respects minorities. That was the intent of my submission and the intent of my remarks under Standing Order 21.

While Your Honour in fact interrupted the Hon. Member for Bow River in the course of his remarks, Your Honour pointed out, as reported at page 510 of *Hansard*, that the remarks of the Hon. Member for Bow River:

—might cause a question of privilege or point of order in the Chamber.

Indeed, I suggest that according to Citation 325 of *Beauchesne*, Your Honour has an obligation to insist that the Hon. Member for Bow River withdraw, retract, the offensive expressions which he has made and apologize to the House and all Canadians for those offensive expressions. I submit that as a point of order.

In conclusion, my question of privilege is that surely Members of the House have the right to seek to rise in their places pursuant to the provisions of Standing Order 21 to point out in a respectful and appropriate manner that the kind of language and stereotypical and homophobic rantings of the Member for Bow River have no place either in the House or anywhere else in this country. That was my purpose in seeking to remind all Members of the existence of a Charter of Rights which protects minorities in Canada. I hope, upon reflection, that Your Honour might recognize that such a statement is indeed entirely within the Standing Orders of the House.

Mr. Mazankowski: Mr. Speaker, if one looks at Standing Order 21, the qualifying section of that Standing Order is that a Speaker may order a Member to resume his or her seat if, in the opinion of the Speaker, improper use is made of the Standing Order. That is precisely what you did today, Mr. Speaker. That is precisely what you did on Monday, October 20, 1986, with the suitable admonition.

I believe what you are trying to do is to apply the rules in a consistent manner. What is good for the application of the rules on this side should apply to the application of the rules on the other side.

Mr. Riis: Mr. Speaker, I want to draw the attention of the House to Standing Order 21 which was referred to by the Hon. Government House Leader. Standing Order 21 says that the Speaker may order a Member to resume his or her seat if, in the opinion of the Speaker, improper use is made of the Standing Order. I believe the Hon. Member for Burnaby (Mr. Robinson) has indicated very clearly that there was no improper use of the Standing Order and that it was in fact being adhered to. That is the point he was attempting to make.

Mr. Robinson: Mr. Speaker, I have one brief point to make in response to the comment by the Deputy Prime Minister. The Deputy Prime Minister has suggested that the treatment which was accorded by the Speaker to the Hon. Member for Bow River on Monday last should have been accorded to me as well. I point out that the Speaker, on Monday last, did not in fact proceed with the Hon. Member for Bow River pursuant to Standing Order 21. Standing Order 21 would have required the Speaker to ask the Hon. Member for Bow River to resume his seat, as I was ordered to do. The Speaker did not do that but allowed the Hon. Member for Bow River to continue after an admonition.

I suggest that at the very least, if the argument of the Deputy Prime Minister is to be accepted, the same treatment should have been accorded to me.

Mr. Speaker: Are there any further Hon. Members rising on this question of privilege?

The Hon. Member for Burnaby (Mr. Robinson) has raised an important matter in the Chamber, referring to statements made by another Member during the period set aside for Statements by Members several days ago.

The House will recall that when that earlier statement was made, the Chair interrupted the Hon. Member and, I believe in gentle but firm language, indicated that what the Hon. Member was saying and what he might be saying would be offensive to Hon. Members and Canadians, and furthermore that the Hon. Member, as all Hon. Members would want to do, ought to be cautious in the use of language which would possibly lead to a point of order or question of privilege in the House, or to disorder which, of course, defeats the very freedom and rights to which the Hon. Member for Burnaby has most properly referred.

The Chair did interrupt the Hon. Member for Burnaby in the last few seconds of the period set aside for Statements by Members. It was the Chair's purpose to urge all Members again, including the Hon. Member for Burnaby, to be careful in the choice of words on an issue which, while legitimately raised in this Chamber, if raised in words which are inflammatory or apparently derogatory will lead to disorder.

• (1510)

I suggested to the Hon. Member for Burnaby that, under the circumstances, in view of the intervention by the Chair several days ago, which I think had the general approval of this House, perhaps that was all that needed to be said about it. I must indicate to the Hon. Member that I do not think that, under all the circumstances, it is a question of privilege, but I do think it is an important matter. Legitimate matters are raised frequently in this Chamber, sometimes in language which perhaps borders on the offensive, but nonetheless the issues are important. I invited the Hon. Member several days ago to continue the statement, taking into account the admonition which the Chair gave to that particular Member. The Hon. Member for Burnaby will consider that the remainder of the statement was of a different tone than the earlier part which I felt was possibly getting close to creating some difficulties in the House.

The Chair would prefer not to make a hard ruling at this time. Perhaps the Chair can carefully consider *Hansard* and bring the matter back to the House.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TRADE POLICY

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

That this House condemns the government for confusion, lack of direction, and secrecy in its trade policy, and specifically, condemns:

1. the misguided efforts of the Minister of International Trade to present a unilateral proposal to the United States which undercut the Canadian position before the Commerce Department's lumber countervail decision;

2. the weak and contradictory response of the same Minister to that lumber decision, by which she has neglected firm Canadian action and possibilities and used mere rhetoric and legal appeals within the very U.S. system of countervail she criticizes;

3. the failure of the Canadian Government to eliminate the damaging trade effects of the U.S. Farm Bill which hurts so many Canadian farmers;

4. the weakness of the Canadian Government in its response to the customs surtax and the differential U.S. tax on imported as opposed to domestic oil;

5. the way in which this government's free trade talks with the U.S. have made Canada a target of U.S. countervail and congressional action rather than helping this country escape such actions;

6. the lower priority given by this government to GATT negotiations rather than to comprehensive bilateral talks with the U.S; and

7. the failure of this government realistically to assess the massive constitutional roadblocks in the way of a truly fair bilateral agreement between Canada and the U.S.

Mr. Speaker: When the House rose at one o'clock the Hon. Minister of State for Forestry and Mines (Mr. Merrithew) had the floor.

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, just prior to lunch we pointed out as graphically as we could the fault in the first part of the motion we are debating today. In every case, every strategic move made on this issue was with the full support of industry, labour

and the provinces. That of course included the initiative taken to settle the softwood issue before the October 16 ruling.

Let me now turn to the second point in the motion. The Hon. Member says the Minister:

—neglected firm Canadian action and possibilities and used mere rhetoric and legal appeals within the very U.S. system of countervail she criticizes;

The wording of this motion strongly suggests that the Hon. Member and his Party are willing to ignore one of the more important avenues open to us to continue putting our position forward as strongly as possible in the U.S. We do not propose to pick up our marbles, as some opposition Members imply they would like us to do. The stakes are too high for Canada with regard to jobs and revenue. Contrary to the Hon. Member's assertion, this Government, with our partners, continues to be consistent and forceful in its approach to dealing with this threat in a unified and cohesive manner. For the Opposition to suggest that our response is weak and contradictory is a clear indication they have a weak understanding of both the intricacy and delicacy of this issue, and the means by which we can resolve it. We intend to resolve it to Canada's satisfaction if at all possible.

I would remind Hon. Members that the preliminary determination of subsidy made by the Commerce Department on October 16 is not the end of the road at all. That preliminary determination must be verified and a final decision made by December 30. I think they will have some difficulty in verifying their own figures. Even if the preliminary determination is confirmed, countervailing duties would not be applied unless the U.S. International Trade Commission finds injury in its final determination due in mid-February. If either of these rulings are negative or ruled on in Canada's favour, the case is terminated. In addition, both sides have the right to appeal the outcome to the U.S. courts.

It should be clear to everyone by now that we have a long way to go and we have no intention of giving up. We will continue to consult with industry, labour and the provinces, as we have all along. It is important that Hon. Members understand there is a unified front in Canada to continue our fight in the U.S. Last week the Minister for International Trade (Miss Carney) and I met with the provinces, labour and industry in Toronto to review in detail the basis for the preliminary determination by the U.S. Department of Commerce, and to plan our own strategy for the next phase. As I said earlier, it was the view of all parties concerned that the basis for the preliminary decision was badly flawed. It contained numerous examples of misinformation and confused analysis, and in some cases included double counting of costs and values. The unanimous decision of the meeting was to continue our fight through all avenues available to us under U.S. trade law. I am also pleased to note that support for this position was articulated by certain other members of Her Majesty's Loyal Opposition.

Let me assure Hon. Members that we are not confining our efforts only to the U.S. In fact, the preliminary determination on lumber is inconsistent with U.S. obligations under the General Agreement on Tariffs and Trade. We will not weaken in our efforts to argue forcefully against the U.S. decision through GATT. We have invoked GATT dispute settlement mechanisms and our initial arguments have already been made to a GATT panel established at Canada's request.

The most troubling aspect of the U.S. ruling for us, and for many other countries, is the implications it has for the sovereign right of Governments to manage and establish the conditions for the exploitation of the advantages conferred by their natural resource endowments. This new twist in the interpretation of U.S. countervailing duty law has made our lumber dispute with the U.S. of particular concern and interest to other countries around the world. I can assure Hon. Members that the position Canada has taken to GATT has the support of many other countries, particularly those with important resource industries such as we have here in Canada.

Today it is lumber, tomorrow it could be pulp or newsprint or a number of other products or resources. This is not the way to conduct business between the world's largest trading partners. There is a better way and we must change the rules in order to stop the harassment by U.S. interest groups against competitive and fairly traded Canadian exports. Furthermore, the softwood lumber case points up a disturbing reluctance in the U.S. to accept the verdict when U.S. interests do not win a case. There appears to be a growing propensity in the U.S. to blame imports for problems which are the result of domestic policies, not foreign competition. There is an unfortunate tendency to assume that every foreign product which manages to compete successfully in the U.S. does so only because it benefits from government assistance of some sort or another.

An even more troubling assumption is that policies and practices which differ in any way from those used in the United States must, by definition, be unfair. Some down there have gone so far as to suggest that all foreign practices are unfair and the U.S. is the only country which still abides by the rules of international trade. Oddly enough, such suggestions have been accompanied by attempts to change certain of these rules unilaterally in the interest of more effective protection. In my view the demand for a level playing field can take some very strange forms.

• (1520)

We have seen that in graphic terms in softwood lumber. We won the case in 1983. We then faced a number of legislative initiatives seeking, in one way or another, to limit our exports to the United States. We then faced a fact-finding investigation and then yet another countervail this year and the threat that if the U.S. industry does not get what it wants there will be a likelihood of more Congressional action.

Where will it all end? This is why we seek new rules, Mr. Speaker. We seek a better shield against the forces of protectionism. We want more certainty, a more confident environment for investors and producers in Canada. This, in turn, will generate the jobs and economic growth which Canada needs.

I wish to conclude my remarks by reiterating several points. The Government has reacted strongly to the preliminary decisions of the U.S. Commerce Department a week ago last Thursday that Canadian provincial stumpage programs convey countervailable benefits to the Canadian softwood industry. We deplore this decision which cannot be justified either under U.S. law or GATT rules.

My hon. colleague, the Minister for International Trade has registered the Government's deep disappointment that Commerce Secretary Baldrige reversed his earlier decision in the previous softwood lumber countervailing case that provincial stumpage programs were not countervailable. In our view the U.S. ruling has no basis in U.S. law and is inconsistent with the U.S. obligations under the General Agreement on Tariffs and Trade.

Further, we have kept open every available avenue which we might wish to use. Our co-ordinated and forceful approach is going to carry us through and we intend to win this dispute. As I have said repeatedly, we have the commitment of organized labour, the industry and provincial Governments to work with the federal Government to get the U.S. Government to reverse its preliminary determination and to cease any further investigation. We are using every means at our disposal, both within the U.S. legal system and under the dispute settlement mechanisms available to us under the GATT. In fact, one of the major objectives of the Government in the new trade round launched in Uruguay last month is to strengthen significantly these international dispute settlement mechanisms. Time alone will tell us whether we have followed the right course. We believe it will show that we have acted with foresight, determination and courage.

Mr. Caccia: Mr. Speaker, how can the Minister say in this House, as he did a few minutes ago, that the free trade negotiations have the support of labour when it is on record in at least a dozen press releases that the Canadian Labour Congress is opposed to the free trade negotiations? How can he make such a statement?

Mr. Merrithew: Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) referred to the question of free trade generally. We are talking of this particular dispute. We know exactly what is in the opposition motion. I sit in on all of those meetings. There are members of labour there although not all of labour belongs to the CLC. We know full well what the official position of labour is with regard to trade. However, on this particular issue they are fully in accord with what we have done.

Mr. Riis: Mr. Speaker, with regard to the 15 per cent tariff, the small Canadian lumber producers have been discriminated against. They simply were not aware of the exemption provision. Despite the earlier comments of the Minister for International Trade (Miss Carney), these companies were not informed of the procedures to follow. I have spoken to many companies personally. Their chief executive officers have informed me that they had no idea that this provision was available. They have no idea how to get on the list if there is still time to do so. Could the Minister tell us whether there is still time for companies to apply for exemptions? If so, how do companies actually apply?

Mr. Merrithew: Mr. Speaker, this tariff is a result of an industry in the United States petitioning its Government. The traditional response of the Canadian industry has been to fight it. We have worked with the industry, the provinces and labour to try to co-ordinate as well as possible a response to that and to try to get the Canadian picture across. The Canadian Forest Industries Council and its arm, COFI, centred in the Hon. Member's province, took the lead on that. There have been dozens and dozens of opportunities for information on that to go out. There was very wide media coverage all across Canada, a good deal of which started in my home province. It is possible that this was not pursued as aggressively as possible by COFI or CFIC because many small companies do not belong to the Canadian Forest Industries Council.

As we indicated before, we are going to try to get the United States to allow additional applications under that particular section of their trade law. I suspect that the companies which failed to respond to something which has been on the front page of the papers for four years will have to carry some of the responsibility for that. I am very sorry that many of the small companies do not belong to COFI or CFIC, but it was certainly widely publicized that this option was available to companies.

Mr. Althouse: Mr. Speaker, the Minister of State for Forestry and Mines (Mr. Merrithew) has done an excellent job of reviewing the International Trade Commission's process of hearings, preliminary rulings, review, testing of data and final appeal of the final ruling. He indicated that the U.S. ruling was inconsistent with its commitment to the GATT agreement and also inconsistent with U.S. law.

Given those inconsistencies, can he explain why the Government has not spent more time in the talks with the United States on dealing with improvements to the dispute-solving of a mechanism by way of an international bilateral dispute-settling mechanism rather than continuing, as the U.S. insists upon doing, to use U.S. law, the U.S. International Trade Commission and, when all else fails, appeals to only U.S. courts? Why did the Government of Canada not attempt to break that deadlock since most of our products are tariff-free in any case?

Mr. Merrithew: Mr. Speaker, the point has been made many times inside and outside the House by the Minister for International Trade, the Prime Minister (Mr. Mulroney) and myself that one of the concomitant benefits of going through this process will be that we will have a better mechanism for resolving disputes. At the time the initiative for freer trade arrangements was commenced it was made very clear that while these discussions were ongoing a sovereign nation like the United States was not going to throw its own legislation out the window. What has been done there for the last two

years is perfectly legitimate. Not all of its industry, but some of it, made a certain appeal to their Government to remedy something which they felt was unjust, using their own legislation.

• (1530)

I happen to sit on the Priorities and Planning Subcommittee on Trade which gives a mandate to our negotiators. I can tell the Hon. Member, as has been stated time and time again in this House, that something which will definitely be part of that, and must be, is a better way in which two large trading partners can resolve problems which they inevitably will have. What mechanism it will be, what form it will take, whether it is a commission, is another issue. We just hope that during the next 16 months or 17 months we can definitely negotiate a better deal and come up with better trade laws than we now have.

Mr. Althouse: Mr. Speaker, the situation which faced the Government when it initiated these discussions was that by the end of next year, 80 per cent of our products moving back and forth between our two countries would be absolutely free and clear of tariffs. The main stumbling block in trade between our two countries has been the building up of excuses for restrictions of trade by way of various non-tariff barriers.

The main irritant which exists between our two countries seems to be the process by which we solve these irritants. The ITC has accepted the lightning, so to speak, from both sides. Why did the Government not begin with that main irritant instead of throwing everything on the table for bargaining, leaving us with the possibility of losing some of the non-tariff commodities which are now traded between us? Why did the Government not focus on that particular problem, a dispute-solving mechanism, and then worry about reducing tariffs after that was taken care of?

Mr. Merrithew: Certainly, Mr. Speaker, it is fondly to be hoped that out of this will come a better mechanism. Unfortunately, when the two countries decided to take that historic step of deciding to try to negotiate a freer trade arrangement, a better trading arrangement, from that point on one could not expect a sovereign nation such as the United States of America to immediately drop all of its existing strategy. Its industry and political system would not put up with that, nor would ours.

We have trade remedy legislation. Something which will come out of that, undoubtedly, and must do so, is a better system. In the meantime, just because two countries are attempting this kind of initiative, it does not mean it will be successful even in the final analysis. We know one thing which will come out of it and that is that during the course of the next 16 months or 18 months, or whatever, as we work toward that better arrangement, we will be better able to deal with the kinds of difficulties we have been faced with and, I suspect, always will be.

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to dwell on two matters which have to do with paragraphs Nos. 3, 5 and 7 of the motion moved by my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon). Paragraph 3, much of which is interconnected with some of the other paragraphs, condemns the Government for its failure to eliminate the damaging trade effects of the U.S. Farm Bill which hurts so many Canadian farmers. The tragedy is that this Government, like previous Governments, has not learned any lessons from history, and I am speaking about recent history, that is, since the Second World War. When one examines the United States constitutional framework and the methods employed under its constitution, one realizes there is an excellent reason for the long history of the United States countervailing or even undermining and destroying international trade agreements. It has done that on many, many occasions, not only to Canada but to a number of other countries.

The U.S. Farm Bill means, of course, that while farmers in the United States receive $6 to $6.50 a bushel in Canadian dollars, Canadian farmers are receiving a maximum price of about $3.15 for No. 1 red spring wheat in Canadian dollars. The Americans are peddling their grain at around $3 a bushel for top grade grain to importers around the world, some of whom have been longstanding and faithful Canadian customers, and our Government expects the farmers of Canada to compete with the treasury of the United States and that of the European Economic Community.

If there was ever a time when the nation as a whole should pitch in and help in protecting our agricultural industry, it is now. The nation as a whole should share that through our national Government. When I speak about recent history, Mr. Speaker, I speak of the last 40 years during and following the Second World War, when there was an International Wheat Agreement by which the exporting and importing countries agreed on minimum and maximum prices year by year. It was working marvellously until the United States started undermining, undercutting and destroying the International Wheat Agreement. Then came the International Grains Arrangement as a follow-up. It was not as good as the IWA but it was better than nothing. Who wrecked that? I give you one guess, Mr. Speaker.

Year after year, since the Second World War, this has happened. It is not just in congressional election years or in presidential election times. Every year there has been countervail or we have had the borders slammed shut on us with respect to commodity after commodity, and Canada—and this is what is shameful about it—with its supine and servile attitude, continually crawls on bended knee to the United States and allows it to tell us what we should do with Canadian law or provincial rights, which is interference in Canadian sovereignty.

The present Government is in the process, I submit, of perverting the whole principle of what a deficiency payment is. It is not an acreage payment. It is not a payment on an amount

sold. A deficiency payment is the difference between what production costs and the price a commodity has to be sold for because agricultural producers are not price makers but price takers. Unlike the manufacturing industry or professional organizations, it has to take what it can get. A deficiency payment is the difference between the price they receive and their costs of production.

It is not just western grain. It has also happened to the corn and soya bean producers in Ontario and Quebec with the U.S. Farm Bill. A deficiency payment is required for agriculture right across Canada. We in western Canada agree with that wholeheartedly. The Government horses around with $1 billion spread out among a host of commodities. That is a picayune pittance. It is not a deficiency payment. It does not come anywhere near meeting the agricultural producers costs of production. No other sector of our economy is more efficient than our agricultural industry. They have "efficiency-ed" themselves to death. What thanks did they get for it? They received lower and lower prices in the face of higher and higher costs. We have lost tens of thousands of agricultural producers over the last 25 years.

• (1540)

The question is: How much for a deficiency payment? For $2 a bushel No. 1 red spring wheat, and proportionate amounts for other types of grains and their different grades, the bill will be $2 billion. To do something about other agricultural products such as corn and soya beans, for example, in Ontario and Quebec, as well as other commodities across the country, the bill will be another $1 billion. That is what will be required if something sensible and meaningful is to be done within the principles of a deficiency payment.

If we took $1 billion and spread it out among all the agricultural producers of all the commodities covered—then maybe our western grain farmers might receive a couple of hundred bucks—then we are back to the $1 an acre up to 200 acres proposition that Mr. Diefenbaker sanctioned when he yelled around the country about how they want parity and not charity. What they got was charity every other year. They received two payments and then that was cancelled. It looks as if we are in for the same damn thing again. The question is for whom? If it is to be for all producers, then it has to be a sufficient amount of money.

From where will we obtain the money? Some two months ago my leader proposed that if the Government were to immediatley assess some taxes for all those who do not pay any income taxes back to last April 1 for the current fiscal year and that if the Government did something about the loopholes in the corporation tax system retroactive to April 1, it could collect the $3 billion needed for a deficiency payment.

I have another solution which I have suggested to the House before. There is something in the order of $38 billion—with a capital "B" as in "Benjamin"—on the books of Canada in deferred corporation taxes. If those who owe these taxes were charged the bank rate of something over 8 per cent interest, then there is the $3 billion which is needed. These are taxes which will probably never be paid and which have accrued since the early 1950s. This is a tax deferral which is perfectly legal for corporations.

I can name three corporations right now which, in total, have in the order of $5 billion to $6 billion worth of deferred corporation taxes. They are Bell Telephone Company, Inco and Canadian Pacific Limited. They owe in excess of $1.5 billion each. If they were charged a modest interest rate—a rate no farmer would receive—we would have our $3 billion. I hope the Government smartens up in terms of that deal. If it does, it will have the full support of all Members of the House.

I now wish to turn to the matter of free trade, freer trade or free trade arrangement—the name has changed periodically over the past year. I mentioned at the outset of my remarks something about the constitutional road-blocks which face us as a result of the United States' system. In terms of road-blocks, not only is there the President and his administration, there is also the International Trade Commission. My colleague, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), has raised questions repeatedly about this subject. There are also the constitutional rights of the U.S. Congress, the Senate and the individual states.

Over the last 10 years we have had countervail duties imposed—or borders closed completely—on saltfish, fresh fish, hogs, cattle, live and butchered, shakes and shingles, lumber, steel, and even raspberries. I did not know that we even exported raspberries. However, we now know that the provinces of Quebec, Ontario and British Columbia export a great many raspberries. It is about time we gave the United States the raspberry. Not only did that country enter into an international wheat agreement, an international grain arrangement, it also entered into a fisheries treaty. It was ratified by the Government of Canada, signed by the President of the United States and rejected by the Senate of the United States. From then on it was downhill for us in terms of the Atlantic fishery. The United States also entered into the SALT II arms treaty. After years of negotiation it was agreed to, ratified by the Soviet Union, signed by the President of the United States and turned down by the U.S. Senate. How many times do we have to learn our lesson?

The other delusion, illusion—the dreaming in technicolor that the Government does—is this. If it thinks that U.S. producers and manufacturers in a wide variety of commodities are about to hold still for Canada, or any other country, increasing in any significant way their share of a particular commodity market in the United States, then they are dreaming in technicolor. The U.S. Congress will not allow it. It never has and it is not about to start.

I listened to cattlemen talk with visions of grandeur about how free trade measures would increase our cattle market in the U.S. Three times in the sixties and early seventies, when the Americans saw that we were sending more than 400,000 head or other volumes down to their country, they closed the border. The hog raisers and that carpet-bagger Pocklington,

who wants to build a big hog processing plant in North Battleford, have kidded themselves into thinking that the United States will hold still while Canada increases its share of the live and dressed hog market and pork products market in the United States. Do they think that the American hog producers and processors will hold still for that? They shouldn't kid the troops. If one believes that then one believes in the tooth fairy.

At the moment there is another constitutional matter to consider. I refer to the individual states—all 50 of them—which can prohibit a commodity from entering a certain state, mostly on health reasons, but there are others. For example, South Dakota still prohibits Canadian hogs from entering that state. For some time there were about five or six midwestern states which had hog prohibitions against our country. Who do these people think they can kid when we consider their constitutional prerogatives, and our supine acquiescence with the United States?

I would now like to refer to something else which is normally forgotten by the Government. Mr. Reagan received a tie vote in the Senate committee on the fast track on free trade. He received it only because he sent a letter to Senator Packwood which reassured the Senate, and that Senate committee, that there would be no denigration or reduction in the constitutional right of the United States Senate either to ratify or to order countervailing duties. There will be no change in that respect, and we can bet that there never will be.

It is merely a dream to consider achieving some type of broad free trade agreement with the United States and to believe that every year the Americans will not impose a countervail duty or close off any commodity market on which they think their own producers, processors or manufacturers need protection. Historically, that has been their record, and it will continue to be their record.

The question then is: What do we do instead? As we have done not only with the United States but with many other countries, I suggest we negotiate an agreement. We should negotiate a three-year, five-year or ten-year agreement, commodity by commodity, or groups of commodities, and I will use grain as an example. As we have done with many of our customers, we have negotiated contracts inclusive of minimum and maximum amounts. They can be negotiated year-to-year with respect to what the range should be between the minimum and maximum amount of exports to a certain country. I think of China and the Soviet Union in particular.

A minimum and maximum price are negotiated, and the price is negotiated each year between the floor and the ceiling. This is what we can do with the United States. It seems to me this is the only way we can do it. Then we will have a chance, for example in a ten-year contract, say in the lumber industry, to negotiate within that framework. Then our producers will know where they stand each year. They will know how to plan their production. This can be applied to any sector of the economy.

These types of deals should not be only with the United States. We have to quit putting all our eggs in one basket. Most of our eggs used to be in the Great Britain basket. I ask Hon. Members to look at what happened in that case. We lost almost all of it following the Second World War. These types of arrangements must also be made with Mexico, the Caribbean countries and Central America, especially in terms of fresh fruit and vegetables. These countries desperately need our purebred breeding stock, both dairy and beef. They desperately need expertise and technical assistance for agriculture. They desperately need hard currency. They are poor countries.

• (1550)

Hon. Members should go to Mexico to see the vegetables that are produced there. I visited three markets in Mexico City and saw beautiful vegetables there. The tomatoes were the size of cantaloupes. Why should we not have a three-year or five-year deal with Mexico amounting to $300 million to $700 million per year on vegetables? My wife is getting sick and tired of paying three bucks a head in February for cauliflower that was grown in Arizona or California and controlled by a multinational food company from the farm right through to the retail store in Regina. The situation is the same with fruit.

We can deal with a host of countries. It seems to me that that is the wiser course to follow. We would not be limited to one major market. We would not be dependent on the health of one country's economy. We would not be dependent upon the patronizing goodwill of a United States administration, be it Republican or Democrat, and we would not be subject to interference with our sovereignty by our big and powerful neighbour.

The Acting Speaker (Mr. Paproski): Questions or comments? If there are no questions or comments, debate.

Hon. Herb Gray (Windsor West): Mr. Speaker, earlier today when the Minister for International Trade (Miss Carney) spoke, she said that Opposition attacks on the Government's free trade policy were "negative, negative, negative". After hearing her speech, I think it is clear that what she had to say was empty, empty, empty.

The Conservative initiative to get a comprehensive free trade agreement between Canada and the United States is clearly an ill-advised and perilous undertaking. This centrepiece of Conservative Government economic and foreign policy will undermine our sovereignty and our ability to protect and enhance the cultural, social and economic well-being of Canadians. That is why we oppose the Prime Minister's initiative and that is why every day more and more Canadians say that this initiative must not be allowed to go ahead.

The Liberal approach to trade is to implement policies designed to secure and expand Canadian export markets throughout the global economy through the GATT framework. The Government speaks of following a two-track policy:

using the GATT and also talking separately with the United States. The fact is that the Government is downgrading our activity and influence in the multilateral GATT process. Instead of developing the necessary industrial and economic policies that will make Canada more innovative and competitive in world markets, the Conservatives have put all of their eggs in the basket of comprehensive bilateral free trade with the United States. This is nothing more than a new and dangerous form of continental protectionism.

The Conservative Government has failed in so many ways. It has failed to take effective action to help the more than one million jobless Canadians find productive and permanent employment. It has failed to address the financial problems confronting post-secondary educational institutions and in fact Conservative policy has made these problems worse. The Government has reduced expenditures on industrial and regional development programs. It has reneged on its promises to increase federal expenditure on research and development. In fact, it has gone in the opposite direction, as was demonstrated during the past several days when we saw evidence of how it has been savaging the National Research Council. Instead of cultivating Canadian sovereignty and our freedom to develop our own style and quality of life, the Conservative Government has rushed blindly into negotiations for bilateral free trade to integrate Canada further with the economy of the United States, weakening our capacities to develop policies to help our country become a successful and a first-class competitor in world markets.

In opening his free trade talks with Washington, the Prime Minister (Mr. Mulroney) has dramatically raised Canada's profile in the current American national debate about trade. His timing and that of the Government could not have been worse. Business and Congress in the United States are in an absolute panic because they believe they are not selling enough in world markets. They want fewer rather than more imports from Canada and the world and this means that conditions are not right to get a trade deal that is a good deal for Canada. The only way the Government can get any kind of trade deal with the United States is to make concessions that will be unacceptable to Canadians generally.

While speaking for the Government today, the Minister said a lot about what she wants from the United States in a trade deal, but she did not say one word about what she is willing to give up in return. That is the problem. The silence of Conservative Members on this subject speaks volumes. It tells us quite frankly that there is no way we will get any kind of deal with the United States that is good for Canada without paying a price that Canadians will not want to pay.

We have seen how British Columbia shake and shingle producers have been damaged by President Reagan's imposition of a 37 per cent tariff. What happened there shows how the Prime Minister's alleged special relationship with President Reagan is meaningless when it comes to preventing the United States from taking steps to damage Canadian interests. Now there has been the recent decision made by American authorities to impose a 15 per cent duty on softwood lumber. This is the latest evidence of the incompetence of the Conservative Government and its bad management when it comes to trade relations with the United States.

The Minister for International Trade and the Prime Minister have, since that decision, been trying to argue that it shows why we need a comprehensive free trade agreement with the United States. They say that such an agreement would mean that the United States would no longer be able to carry out harassing actions against Canada like the duties on shakes and shingles and on softwood lumber. Nothing could be further from the truth. Nothing could be more mistaken. President Reagan, in his famous letter to Senator Packwood, said very clearly that the United States will never give up its present laws enabling it to impose countervailing duties and other trade protection measures in any trade agreement with Canada. If that is the case, the Prime Minister, the Minister for International Trade and the entire Government are wrong. What is the point of seeking a general free trade agreement with the United States if it will not protect us against harassment by the United States of Canadian exports and will at the same time put at risk hundreds of thousands of Canadian jobs and our ability to make our own decisions about the future of our country and its people?

There is no doubt that American negotiators at the bilateral free trade talks have specific and well-defined goals. The Americans have already talked about seeking a level playing field in their relations with Canada. They have already talked about wanting national treatment in their relations with Canada. What is especially disturbing is that the Prime Minister, in a speech made last spring on trade, said that he and the Government are ready to give national treatment to Americans.

He spoke of seeking for Canadians national treatment in the United States and there is no way that could be obtained without giving the same thing to the United States. This means that we will no longer have the ability to develop our own policies to foster Canadian enterprise, to foster specific Canadian industrial sectors, to foster Canadian economic development in less developed parts of our country, unless we give exactly the same treatment to the United States, to its companies, and to its own regions.

• (1600)

It is clear that in these free trade negotiations the Americans will seek to curtail regional incentive programs which encourage industrial development in disadvantaged areas like the Maritimes. They will seek to weaken the unemployment insurance program and other social programs so important to Canadians. They will seek the dismantling of our agricultural marketing boards across Canada, requiring Canadian farmers to face stiff foreign competition during an extremely tough financial crisis in Canadian agriculture.

American trade negotiators will ask for commitments affecting investment that will prevent future efforts to

strengthen Canadian ownership of our economy. Particularly troubling and worrisome is that Americans apparently regard cultural industries as ordinary business enterprises. They will therefore be putting intense pressure to change our well-established policies encouraging the existence of Canadian books, magazines, theatre, broadcasting, and film. They will also be pressing us to give up our ability to set our own monetary and fiscal policy. Clayton Yeutter, the U.S. trade representative, has already talked about seeking a higher value for the Canadian dollar. If this happens, it will remove a legitimate Canadian competitive advantage bringing at the same time higher interest rates for our economy.

What about the auto industry? It is central to the success of our economy, along with the forest products industry, I have to add. The auto industry is the basis for jobs for 120,000 automobile assembly and parts workers in Canada, and the basis for the jobs of hundreds of thousands of other workers in related industries.

Studies commissioned by the Conservative Government make it very clear that one of the targets on the U.S. negotiator's agenda could well be the removal of the Auto Pact safeguards that protect thousands of Canadian jobs, and make sure that there is an appropriate high level of Canadian content in cars assembled here. A month after the federal Government study on automotive trade was completed in November, 1985, Clayton Yeutter said:

> I do not preclude alterations of the Auto Pact as a result of comprehensive negotiations.

The Conservative Government's conduct of trade policy has been marked by a lack of preparation and incompetent management. The evidence is clear. The Prime Minister, his Minister for International Trade, and his Cabinet, this Conservative Government cannot be trusted to defend and support Canada's best interests when it comes to Canada's sovereignty and its trading relationship with the United States and with the world in general.

I believe that the Liberal Party, the Official Opposition, has a different and a better approach. As our Leader said, "We will look for Canadian solutions to our own and world problems, not just the fifty-first state approach of this Conservative Government."

This means above all that we must stand up for and defend Canadian sovereignty, something the Conservative Government has shown all too little inclination to do. Standing up for and defending Canadian sovereignty must continue to be the foundation for our national policies. These national policies must be aimed at defining and achieving the true potential of Canada. This will not come from this incompetent and wrong Conservative initiative. I call on this House and this country to reject this initiative, as I am sure they are going to do well before the next election and certainly when the votes are counted in that election.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. McDermid: I have a question for the Hon. Member. He is saying that we should not carry on with negotiations with the United States, that this initiative should now be cancelled. His Leader—he is the white-haired gentleman who sits to your right—said that we should carry on. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) says that we should carry on. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is not sure where that Party is going. The Hon. Member said this morning that there was a policy and that he would send it right over to me. He has not done that yet, so there probably is not a policy. That was another of his great speeches that he delivers off the cuff and then gets caught with his proverbial pants down.

I would like to ask my hon. friend from Windsor, who always delivers a delightful political speech full of rhetoric and no positive ideas, why Premier Bourassa, who happens to be a Liberal, is supporting these negotiations. His Leader the other day said that we must carry on with these negotiations. Why is he today advocating that we do not carry on, that we abandon it immediately? Or, is the headline in *The Toronto Star* editorial correct when it refers to: "Having it both ways?". Is that what the Liberals are trying to do?

Mr. Gray (Windsor West): Our Leader has stated very clearly, as recently as last week in a speech to the Empire Club, that we cannot support the Mulroney trade initiative with the United States. In that speech he said that if the talks are to continue, the United States must agree to stop the harassment of Canadian trade through steps like the duty on softwood lumber, and also that there must be a commitment by the United States to drop trade protectionist measures like countervail.

Furthermore, if the Hon. Member is asking me about what our Leader has been saying, I would like him to explain this statement made in June, 1983 by his Leader when he said, speaking of free trade: "It affects Canadian sovereignty and we will have none of it, not during leadership campaigns or at any other time." I do not often find anything to agree with on the part of the present Prime Minister, but what he said at that time in 1983 made sense and still makes sense. I am sorry he is not sticking with that very sound view that he expressed in 1983.

Mr. Caccia: As you probably recall—and this is a question to my hon. colleague from Windsor West—the present Government decided to dismantle the National Energy Program when it took office and, shortly after, the Foreign Investment Review Agency. I would like to ask the Member for Windsor West (Mr. Gray) what he thinks of these two steps that were taken before the trade negotiations were launched.

Mr. Gray (Windsor West): Those decisions by the current Government were wrong on their merits. Apparently the current United States administration did not like those measures. That was a very important reason for the haste of the current Government to dismantle the measures in question.

Well, if that was the case, it was the height of folly for the current Government to throw away what could have been two key bargaining chips in moving ahead to get this House to approve its dismantling of the NEP and FIRA, using its massive majority, without getting anything whatsoever in return from the Americans. This is a prime example of how incompetent this Government is when it comes to managing the country's affairs, whether it is the trade relations we have with the United States, or anything else.

Mr. Kempling: I would like to ask the Hon. Member for Windsor West (Mr. Gray) a couple of questions. He mentioned the Auto Pact and safeguards in his comments. I would like to ask him to tell this House how many times in the last 10 or 12 years the safeguards have been implemented. What was the Canadian content in automobiles exported to the United States last year and this year?

Mr. Gray (Windsor West): I can tell the Hon. Member that there were a number of occasions when Canada was part of the world-wide recession when the content level of Canadian production by the subsidiaries of the American based multinationals fell to the point where the safeguard levels were important. They were important before that, for example, on occasions which led to the building of the large van plant by Chrysler in Windsor some 10 years ago. If it had not been for the breach of Chrysler of the then safeguard regulations—and they are also the current ones— the plant would not have been built as a way of picking up the content required. I do not have at my fingertips the current Canadian content of cars exported to the United States, but I believe it is much higher than would be the case without the safeguard provisions.

• (1610)

I conclude by making the point that the inference in my hon. friend's question is strange. Some of his colleagues, speaking of contradictions, have said over and over again: "Don't worry, the Auto Pact is not on the table; the safeguards are not on the table; everything is okay". However, the clear inference in my hon. friend's question is that the safeguards are irrelevant and that we should not worry about giving them up. That is the Tory stand revealed out of the mouth of the Hon. Member.

The Acting Speaker (Mr. Paproski): There are four minutes remaining in the question and comment period. I will now recognize the Hon. Member for Mission—Port Moody (Mr. St. Germain), followed by the Hon. Member for Burlington (Mr. Kempling), and then the Parliamentary Secretary.

Mr. St. Germain: Mr. Speaker, obviously the Hon. Member for Windsor West (Mr. Gray) did not write his speech. Knowing the integrity of the man and his knowledge, I am sure he would not make such a speech in the House. He spoke about shakes and shingles. I believe it was one of the Hon. Members of that Party from Newfoundland who initiated that debate on an opposition day. They did not have any idea about the industry whatsoever. They were prepared to continue exporting raw cedar to the United States. Now the Hon. Member stands here like a defender of our cause. It is disgraceful. These people do not know what is going on in the country.

I should like to pose the same question to the Hon. Member as the one I posed to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). Given that the Macdonald Commission, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), the International Woodworkers of America, the BCNI, the Canadian Federation of Independent Business, and the Canadian Chamber of Commerce advocate that we proceed immediately with free trade, how can he possibly rise in the House and say that we should use a two track method through GATT to negotiate with the United States and still advocate that we suspend enhanced trade talks with the United States? It behoves me. He is contradicting himself, and I would like an explanation.

Mr. Gray (Windsor West): Mr. Speaker, I think what I said is quite clear. If my hon. friend takes the trouble to read *Hansard* when it is available, he will see that I spoke in a perfectly consistent and logical fashion.

My hon. friend referred to a list of people who are supporting the Conservative initiative. I could give him a list just as long, if not longer of those who question it—the Canadian Labour Congress, the Canadian Federation of Agriculture, the brewing industry, the grocery manufacturing industry, and so on.

The basic point is that the more we look at what the Conservative Government is doing, the more we realize that it is on the wrong track. Never mind whether it is one, two, or three tracks, it is on the wrong track when it comes to defending Canada's interests. Now that the Conservatives have noticed that the public is cooling off on their initiative, it is interesting how they are afraid to use the term "free trade".

Some Hon. Members: We never used it.

Mr. Gray (Windsor West): They say: "We never used it". When the Prime Minister made his initial statement, he said that the Government would seek the widest possible reduction of trade barriers in the agreement with the United States. What else does that mean?

I should like to conclude by making the point that on May 29 President Reagan of the United States, in a speech to the National Association of Manufacturers, said: "Just last week we began negotiations with Canada, our largest trading partner, on a new comprehensive free trade agreement which should lower barriers to U.S. exports". There is no doubt in the minds of President Reagan and his people what they are trying to get, if they are trying to get anything from Canada. There is no doubt in President Reagan's mind about what this Conservative Government is willing to give the United States.

By the way, Mr. Reagan did not say in his speech that this agreement would lower barriers for Canadian goods going into the United States. He did not say that it would lead to them giving up countervail. All he talked about was lowering

barriers to United States exports to Canada. As the old Latin maxim says, the fact speaks for itself; *res ipsa loquitur*.

Mr. Kempling: Mr. Speaker, I have a short question or a comment, whichever you want to call it. The only time safeguards were used in the last 13 years was in the case of the Chrysler van plant in Windsor, of which the Hon. Member made mention in his comments. It was the only time that the safeguards were invoked, and it was because Chrysler in importing large trucks into Canada went beyond what was allowed under the Act.

Also I should like to tell the Hon. Member that in the last two years the Canadian content in automobiles exported from Canada has been pretty close to 80 per cent.

Mr. Gray (Windsor West): Mr. Speaker, I am glad the Hon. Member made that comment. It reminded me of another time the safeguards came into play. It was in the negotiation of the arrangement for a substantial investment of hundreds of millions of dollars to expand the American Motors plant in Brampton. I can speak from my personal knowledge of the situation. The safeguards were a factor, and they continue to be a factor.

Again I ask why the Hon. Member is contradicting his colleagues—

Mr. Kempling: I am not.

Mr. Gray (Windsor West): —especially the Secretary of State for External Affairs (Mr. Clark) and using language which indicates very clearly that he is ready to give up the safeguards. I say on behalf of hundreds of thousands of Canadian auto workers: "Shame on you".

Mr. McDermid: Mr. Speaker, I have a short question for the House Leader of the Liberal Party. Earlier today his spokesman on trade matters, the Hon. Member for Winnipeg—Fort Garry, said that the Liberal Party had a policy on trade. He said that it was produced after a series of policy meetings, that it was in booklet form or in written form, and that he would be pleased to pass it on to me. I have not seen it yet. I should like to ask the Hon. House Leader of the Liberal Party if he would take it upon himself to ensure that I have in my hands the policy of the Liberal Party on the trade situation before the debate has finished today?

Mr. Gray (Windsor West): Mr. Speaker, if I could have a page, I would be happy to send it to the Hon. Member. I hope he will read it. I hope he will support it. It is a lot better than that of the Conservative Party, which is dragging Canada down in its trade with the United States and with the world.

• (1620)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to Standing Order 66, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview—Greenwood (Ms. McDonald)—Customs Tariff—Effect of tariff on book publishing industry; the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy)—Disarmament— (a) United States position on Strategic Defence Initiative. (b) Request joint parliamentary resolution be drafted; the Hon. Member for York East (Mr. Redway)—Trade—Canada-United States negotiations—Economic Council's projection.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TRADE POLICY

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

That this House condemns the government for confusion, lack of direction, and secrecy in its trade policy, and specifically, condemns:

1. the misguided efforts of the Minister of International Trade to present a unilateral proposal to the United States which undercut the Canadian position before the Commerce Department's lumber countervail decision;

2. the weak and contradictory response of the same Minister to that lumber decision, by which she has neglected firm Canadian action and possibilities and used mere rhetoric and legal appeals within the very US system of countervail she criticizes;

3. the failure of the Canadian Government to eliminate the damaging trade effects of the US Farm Bill which hurts so many Canadian Farmers;

4. the weakness of the Canadian Government in its response to the customs surtax and the differential US tax on imported as opposed to domestic oil;

5. the way in which this government's free trade talks with the US have made Canada a target of US countervail and congressional action rather than helping this country escape such actions;

6. the lower priority given by this government to GATT negotiations rather than to comprehensive bilateral talks with the US; and

7. the failure of this government realistically to assess the massive constitutional roadblocks in the way of a truly fair bilateral agreement between Canada and the US.

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, it is with a great pleasure that I take part in today's debate. As a Member from a rural riding, I am particularly interested in this issue, and I intend to comment on paragraph 3 of this motion, and I quote:

3) the failure of the Canadian Government to eliminate the damaging trade effects of the US Farm Bill which hurts so many Canadian farmers;

Mr. Speaker, the world market is now being influenced in ways that are affecting the incomes of Canadian farmers. We must fight on several fronts at once to put an end to this very disturbing trade development. We have shown that we can, and that we are able to take the necessary action.

Recently, in the Throne Speech, the Prime Minister (Mr. Mulroney) sent a clear message to the farmers of this country: We will spare no effort to ensure the productivity and growth of our agricultural industry.

We realize that Canadian agriculture is faced with tremendous problems, and we must show our determination to protect the interests of our farmers in the face of this unfortunate subsidy war between the United States and the European Common Market.

Mr. Speaker, perhaps I may illustrate the impact of this war on our agriculture. According to the statistics provided by Agriculture Canada, for every dollar we spent in 1985 to help our wheat producers, the United States spent $2.57, expressed in Canadian currency. The European Common Market spent even more, namely $2.73, in Canadian funds. Instead of diminishing, the gap has widened during the present crop year, and it is estimated that the Common Market and the United States will spend nearly four times as much as we do, namely $3.75 in Canadian currency.

Mr. Speaker, the situation is absurd. The root of the problem is the Common Market's joint agricultural policy and the resulting US Farm Bill. This war of subsidies generates unrealistic world prices which simply cannot reflect production costs. Just think, Mr. Speaker, they now estimate that the U.S. Farm Bill will amount to a tax expenditure of at least $52 billion over the next three years, not to mention the $1.1 billion in export subsidies.

Right now the amount of export rebates—export subsidies, in fact—given to the European Economic Community is higher than the price of our wheat at Thunder Bay and, in some cases, this export rebate is twice as high as the initial price paid to western Canada wheat producers.

We all know that world market trends should not be dictated by government subsidies or measures, but indeed by supply and demand, by such factors as stocks and quality. This is why we must work hard, as other countries are doing, to eliminate this practice of resorting to subsidies and protectionist measures in the farm products trade. Painfully aware that the Canadian farm community is up against tremendous difficulties, we have made it quite clear that we intend to protect our farm producers against these unfair price-setting mechanisms.

Mr. Speaker, never before has agriculture been given top priority in the Speech from the Throne. We did just that. Never before either did a Government make such a strong and clear commitment with respect to men and women who belong to the Canadian farm community. We do live up to our commitments. The Prime Minister (Mr. Mulroney) has proved to be a staunch defender of agricultural interests since we came into office. Thanks to his support we have been able to make a most eloquent case for Canadian agriculture, and again Mr. Speaker, this is only the beginning.

All Members of this House realize, of course, that Canadian farmers have been severely affected by the impact of unfair subsidy policies as practised by the United States and Europe. As the Prime Minister stated before the House, this deplorable situation may well undermine the very principle of free trade throughout the world. The Government of Canada is determined to stop this from happening. We are exploring every possible avenue at the international level in order to restore common sense and fairness, and once again, the case we have made shows our determination to help our farmers in this country.

Mr. Speaker, last spring, I was a member of the Canadian delegation that went to Washington to obtain some understanding of the US Farm Bill. We heard from the US Secretary of Agriculture himself that the United States would do everything in its power to regain the markets it had lost, and that they also wanted to teach the Common Market a lesson. Since, as I said earlier, I have a special interest in agricultural matters, I was also sent to Luxemburg for the annual meeting of European and Canadian Parliaments. We discussed the EEC joint agricultural policy, and they said, Mr. Speaker, that the Americans were subsidizing even more than they were, and that they could not do otherwise because of the problems of their own farmers. So it is a vicious circle between the United States and the European Common Market, and somehow we have to negotiate with these two superpowers. Hon. Members are all aware that we cannot afford to spend 70 per cent of our budget as the EEC does, on helping our farmers cope with the disastrous effects of this trade war. However, we are determined to fight with the resources we have, and we are confident, because our cause is just.

The issue of farm subsidies is high on the Prime Minister's priority list at the Economic Summit in Tokyo. As a result, agriculture has become one of the most important issues for the major trading countries. I know the Minister of Agriculture (Mr. Wise) is taking every opportunity to explain Canada's position on the subject to his counterparts in other countries.

The Minister of State (Canadian Wheat Board) (Mr. Mayer) also co-operates very actively with countries opposed to subsidies, with a view to finding solutions to the agricultural trade problems. Recently, with the support of a number of countries, we made strong representations to have agriculture listed on the GATT negotiation agenda, and we were successful. However commendable these efforts, their results will not be felt overnight. Such is the context in which the Prime Minister's challenge becomes really meaningful. As he stated, preliminary estimates indicate that about $1 billion will be required to provide assistance to Canadian farm producers. Tossing such figures around will not make the problem disappear, far from it.

Canadian agriculture covers several products, several agricultural regions, and several different conditions. In fact, it has to be one of the most diversified sectors we can think of, so much so that we will have to come up with an innovative approach if we want our programs to be effective.

As we have said on many occasions, Mr. Speaker, our farm producers are up against a country-wide problem which calls for a fair solution on a national scale. The Minister of Agriculture is now holding a series of consultations with the leaders of Canada's major farm organizations and with his provincial counterparts. In weeks to come I will be meeting with farmers in my riding of Argenteuil—Papineau to discuss the future of family farming operations. Providing fair and effective assistance is not something which can be accomplished overnight, and the Minister of Agriculture stands ready to devote a little more time to meet and consult with major interest groups before taking action. He simply wants to offer the best program available and we share his enthusiasm in this respect.

Mr. Speaker, our commitment is unmistakable: we will intervene to help the farming community, and we will do so as soon as possible. We have no intention of slashing into existing programs to come up with this additional help. We will find the money without adding to the tax burden, and this help will be in addition to the funds already set aside for Canadian agriculture. This process will result in a national program that is fair and will give farmers the help they so badly need. It is the kind of measures to which the Government was referring in the Speech from the Throne when it undertook to spare no efforts to help Canadian farmers. And our farmers know we are supporting them. We have always done so in the past and we will continue to do so now.

[*English*]

Mr. McDermid: Mr. Speaker, I want to congratulate the Hon. Member on her very fine speech. I think it points out again that the Government is the friend of agriculture and knows agriculture inside out. There are many people in our caucus who are active in agriculture and represent the Government well.

• (1630)

I want to point out to the House that when I requested from the Liberal House Leader their policy on trade, what was presented to me by the—

Some Hon. Members: Order.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Oberle: He can make a comment.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member is now commenting on a speech made prior to the speech of the Hon. Member who just spoke. I hope he will comment on that speech only.

Mr. McDermid: Mr. Speaker, I understand that this period of time is for questions and comments.

The Acting Speaker (Mr. Paproski): Would the Hon. Parliamentary Secretary please take his seat? I think he is well aware that when he rises for questions and comments, the questions and comments are to be on the speech of the Hon. Member who has just finished speaking, not on any previous speech. I hope Hon. Members will take that as notice.

Mr. McDermid: Mr. Speaker, does my colleague believe that a brochure outlining Liberal policy on trade would be a "transcript of a televised address by the Right Hon. John N. Turner on the free trade initiative of the Mulroney Government", dated Ottawa, June 16, 1986, in which he criticizes the Government but in which there is not one word of policy which is supposed to be the Liberal policy on free trade? Does the Hon. Member think that the Canadian people are that gullible?

[*Translation*]

Mrs. Bourgault: Mr. Speaker, of course I can hardly be expected to know the Liberals' policy on external trade since they don't have one.

The Hon. Member's question is quite apt, because today we are considering an Opposition motion that says the Government has done nothing to deal with the problem. I will restrict my comments to paragraph 3 and the U.S. Farm Bill, Mr. Speaker, since it was the subject of my speech.

The Government has taken this matter very seriously, and I can tell you that our Canadian grain growers, for instance, have been affected by the drop in world prices caused by the EEC's policy, while EEC producers have been shielded from these effects by their subsidies.

Mr. Speaker, Canada cannot tell the European Parliament what to do. Canada cannot intervene, because agriculture is not part of the GATT.

So, I would like to know— I think it has been pretty obvious ever since we came to Parliament, Mr. Speaker, that on the other side of the House, they may be criticizing the Government but, on the other hand, it is easy to criticize the other party when one has nothing to say. What kind of policy do they have on trade? We have no idea.

The Hon. Member who is the free-trade spokesman for the Liberal Party has a position that is entirely different from that of his leader, and every Member of the Official Opposition who rises in the House has a different opinion. Clearly, I cannot be expected to know their thoughts on the matter because they don't have any.

[*English*]

Mr. Althouse: Mr. Speaker, in her remarks, the Hon. Member indicated that the Conservative Government recognized the damage being done by the U.S. Farm Bill to Canadian grain producers. This damage was estimated by the prairie pools at $2 billion for wheat and barley, an additional

$1 billion for western oilseeds and rye, and an additional $1 billion for eastern corn and small grains and soya bean producers. That totals approximately $4 billion in damage this coming year, to which the Government has responded with a $1 billion package. Let us consider the damage to the dairy industry, which is very important to her riding, if full free trade in agricultural products results from these talks. Professor Warley, a well-known and rather conservative-type of economist, has estimated that fluid milk producers can expect a 20 per cent to 40 per cent reduction in price if Canadian prices have to be harmonized with U.S. levels. There would be a $1.5 billion loss in quota values. Industrial milk producers would have to deal with a 20 per cent loss in price and a loss of quota value of $3.5 billion.

In light of that, can she explain why she supports initiating this kind of discussion with the Americans when the effect is going to be so devastating on one other aspect of agriculture in this country?

[*Translation*]

Mrs. Bourgault: Mr. Speaker, right now we don't know, because talks are in progress. Farmers in my riding bring up the subject every time we meet. They are concerned about the possible impact of free trade, because they say the Americans are going to invade the industry. I am not so sure about that, Mr. Speaker. What about the *status quo*? Canada is an exporting country. We need markets. Today, throughout the world and not just here, there is an incredible surplus in agricultural products. Our Prime Minister has to find us a place where we can sell those products we know how to make so well in Canada.

I am not so sure that talks with the United States would be a disaster. But these talks have to start first, and I think it is too early to speculate on the outcome. As a Government Member, I will be the first to stand up for the interests of my farmers, when the time comes to say yes or no to lowering trade barriers with the United States in the agricultural sector.

The Minister says so and the Prime Minister too. Right now, we are engaged in consultations. We are trying to see what the impact will be of this new openness, and eventually, we will.

Mr. Speaker, the Hon. Member said that we have given—he said very specifically that our Government has made a commitment to Western farmers. We have brought in the money. Now, with the treasury we were left by the Liberals, we can hardly be expected to work miracles, but we did our best, and Western farmers and Eastern farmers as well received the benefits.

[*English*]

The Acting Speaker (Mr. Paproski): Questions or comments? Debate.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my comments this afternoon will be very short. I am by and large in support of the very thoughtful motion put forward by my hon. friend from Essex—Windsor. I am pleased to say I had the opportunity to second this motion and I think its importance requires it to be read to Members of the House once again, so I will simply say:

> That this House condemns the government for confusion, lack of direction, and secrecy in its trade policy, and specifically, condemns:
>
> 1. the misguided efforts of the Minister of International Trade to present a unilateral proposal to the United States which undercut the Canadian position before the Commerce Department's lumber countervail decision;
>
> 2. the weak and contradictory response of the same Minister to that lumber decision, by which she has neglected firm Canadian action and possibilities and used mere rhetoric and legal appeals within the very U.S. system of countervail she criticizes;
>
> 3. the failure of the Canadian Government to eliminate the damaging trade effects of the U.S. Farm Bill which hurts so many Canadian farmers;
>
> 4. the weakness of the Canadian Government in its response to the customs surtax and the differential U.S. tax on imported as opposed to domestic oil;
>
> 5. the way in which this government's free trade talks with the U.S. have made Canada a target of U.S. countervail and congressional action rather than helping this country escape such actions;
>
> 6. the lower priority given by this government to GATT negotiations rather than to comprehensive bilateral talks with the U.S.; and
>
> 7. the failure of this government realistically to assess the massive constitutional roadblocks in the way of a truly fair bilateral agreement between Canada and the U.S.

• (1640)

I am sure that the people of Canada who are watching the debate today are feeling increasingly more perplexed and confused as they listen to members of the Government refer to these talks. As I have been sitting here, the talks which are ongoing with the United States have been called free trade talks, enhanced trade talks, enhanced bilateral trading agreements, the freer trade option, the comprehensive trade agreement and expanded trade with the United States. What is this free trade discussion?

Some Hon. Members: All of the above.

Mr. Riis: I believe that my friends opposite choose the definition to meet their particular bias. People listening to this debate must be shaking their heads. The Member for Mission—Port Moody (Mr. St. Germain) said that we are really trying to negotiate "good trade". Well, who is not trying to negotiate "good trade"? We have confidence in the ability of Canadian manufacturers, industrialists, businesssmen and entrepreneurs to compete internationally. This has been proven time and again in telecommunications, transportation and high fashion, to name only a few. I could go on and on. Canadians have demonstrated that they have the ability to compete internationally. They had the ability to carve out 30 per cent of the American softwood lumber market through aggressive marketing, doing a good job at home, modernizing their sawmills and having hard-working employees and sophisticated marketing strategies. We have done very well.

Mr. McDermid: And have the tables turned on them.

Mr. Riis: As my friend, the Parliamentary Secretary to the Minister of International Trade (Mr. McDermid) says, and

now have had the tables turned on them. That is indeed the case.

What is it we are negotiating? We call it all kinds of things, but what exactly is Mr. Reisman negotiating?

Mr. Blenkarn: A better deal.

Mr. Riis: This individual has publicly advocated the negotiated transfer of Canadian water to the United States. That is his personal view. He is on record as favouring such an agreement with the United States. We do not know if that is what is being discussed behind closed doors. We do not know what he is negotiating with regard to our marketing boards. We do not know what our negotiator is saying with regard to UIC for our fishermen. This whole process is taking place in secret.

Mr. Blenkarn: Of course it is.

Mr. Riis: My friend from Mississauga confirms that it is being done in secret. It is not being done in secret in the United States. The American Senate recently held public meetings to examine the impact that these talks are having on particular sectors.

Mr. McDermid: Did you watch them?

Mr. Riis: In my constituency of Kamloops—Shuswap I have been asked the following questions: What is the impact of these talks on the cow-calf operators in Kamloops—Shuswap? What is the impact of these talks on vegetable growers? What is the impact of these talks on the feather trades? What is the impact of these talks on the fledgling brewery and winery industries in British Columbia? We know what the impact of these talks has been on the softwood lumber and shake and shingle industries.

The most critical group at this point is the Thompson Nicola Manufacturers' Association, which is comprised of 150 independent manufacturers which are attempting to learn what impact this will have on their manufactured products. As a Member of Parliament, I cannot respond precisely to those inquiries. There is no place they can go for answers because we do not know what is being discussed. I do not understand how Members opposite can endorse this 100 per cent when they do not know what is being discussed, what is being negotiated away.

I guess it is the Peter Pan approach. If you really believe you can fly, you can fly. If you really believe that Mr. Reisman will do a good job, he will do a good job. After our Prime Minister (Mr. Mulroney) had his little singsong and meeting with President Reagan in Quebec City, he said that he had all the faith in the world that we would liberalize our trade with the United States to everyone's benefit. Within a matter of days the shake and shingle tariff hit us right between the eyes and closed down a number of mills in British Columbia.

Mr. McDermid: Are they working now?

Mr. Riis: The Parliamentary Secretary asks whether they are working now. Most of the mills that closed in my constituency are still closed. The people were all laid off.

Mr. Stewart: Are their sales down?

Mr. Riis: Of course their sales are down. The Member asked if their sales are down. They are not operating, they laid off all their employees, they closed down the shop and boarded up the doorways. Of course their sales are down.

Mr. McDermid: Careful. When was the last time you were home, Nelson?

Mr. Brisco: They couldn't have been very efficient.

Mr. Riis: The Member from the Kootenays said they couldn't have been very efficient. I will talk to some of the sawmill operators adjacent to his constituency and remind them that they were not very efficient.

The Acting Speaker (Mr. Paproski): Order, please. I hope Hon. Members will have questions and comments after the Hon. Member's speech. It is a great speech and I would like to listen to it.

Mr. McDermid: That's debatable.

Mr. Riis: Mr. Speaker, the Member for Kootenay West (Mr. Brisco) said that the shake and shingle operators who are not presently working were not efficient. I hope he will pursue that in the period for questions and comments later.

We are very concerned about what is happening. We have been asked to buy a pig in a poke. The Government is asking us to have faith in its ability to negotiate a good deal. That reminds me of Neville Chamberlain when he came back from Munich with a piece of paper in hand. He said he had a letter from Hitler saying, "peace in our time". Adolf Hitler said he would not invade the Sudetenland. Neville Chamberlain said that we could all relax because we had that piece of paper from Adolf Hitler.

There are some similarities between that situation and this in the sense that Mr. Neville Chamberlain was duped. I suspect that our Government was duped by the President of the United States when he said that their interest is really to facilitate our trade and help us whenever possible. The facts are exactly the opposite. Since this Government took over the administration of Canada, $5000 million worth of trade has had some kind of border penalty imposed on it. That has never happened before in Canadian history.

Mr. McDermid: Wrong.

Mr. Riis: My friend says "wrong". Perhaps he could explain when we were so devastated by a foreign government at our borders. Is that the kind of deal that we can expect? Is that the kind of trading arrangement with the United States that our Prime Minister has been promising us? We all remember that when the United States subcommittee was deciding whether or

not to proceed with the so-called free trade talks, the President wrote to Senator Packwood, the chairman of that committee, asking him to give the free trade talks his endorsement and saying that if there were any problems in areas such as softwood lumber, he would intervene unilaterally if necessary.

• (1650)

That is exactly what has happened. We have a 15 per cent tariff on our softwood industry. How did the Government respond? I suppose it reflected back to when the American Government first slapped a tariff on our shake and shingle industry and we came back with that heavy hand to show how serious we were. We said "It is time we slapped a duty on teabags, on Christmas trees and we will charge more for books coming into Canada".

In our own constituencies, I am sure we have all noticed the petitions circulating in virtually every bookstore, begging the Government to reconsider that particular decision. After all, who is being penalized? It is the readers of Canada. Canadian citizens who enjoy reading American publications are the ones who are going to have to pay more for these books in our bookstores. That really got to the Americans. It demonstrated clearly just how tough and serious we are.

Then there was the 15 per cent tariff on our softwood lumber. What concerned and confused a lot of people in Canada was when the Government decided, prior to an actuai decision by the United States, to say publicly to the American forest industry that it was guilty. We said "We are guilty, we do subsidize our softwood lumber". The Premier of British Columbia, Mr. Vander Zalm, at that time started the discussion when he stood publicly with his Minister of Forests and agreed. He said: "Yes, we believe we subsidize our softwood lumber industry and, therefore, we should get the federal Government to make a case for us". The Government did. It said: "Before you come in with a verdict, we are pleading guilty". The Government said: "We have in fact given up on the case which is before the ITC or the Department of Commerce. We are a guilty party". It confused people that within days of the jury coming back with its decision, we pleaded guilty. We should have waited until after the decision came down, but we did not. We played right into the hands of the Americans on this particular issue.

Five thousand million dollars of trade has had some kind of tax levied at our borders. We have seen the mismanagement of the Government, particularly during the last few days with the report of the Estey Commission, which indicated a cost to the Canadian taxpayer of $1 billion. This is the Government which was supposed to do business better. This was the Government which was going to clean up the act the Liberals left us with. This was the Government which was supposed to be fiscally responsible. This is the Government where the Prime Minister intervenes and has a prison built in his own constituency, placing an additional $40 million burden on the taxpayers. Is this fiscal responsibility? Is this what Canadians can expect from the Government?

We lost on shakes and shingles. We are losing on softwood lumber. We lost on the fishing industry. We lost on finished steel. Is this what our free trade arrangement with the United States is all about? As my hon. colleague indicated earlier, we would like to see a different approach. We do not see at this time much point in continuing with these comprehensive free trade talks. I am not certain we are even talking about free trade any more. Members of the Government have not used that term today.

We should be dealing with the lumber dispute, considering the impact it has on virtually every region of Canada and the tens of thousands of jobs which are at risk. As early as this morning, in conversation with one of the largest sawmill operators in central British Columbia, I asked what they felt the impact of this 15 per cent duty would mean for them. He said it was difficult at this point to determine, but it would certainly mean that layoffs in the industry would occur much sooner than normal in the traditional cycle and that recalls would occur much later. He said that a lot of people might be unemployed for a longer period during the seasonal downturn in central British Columbia than what would normally be the case. That was the best case scenario. Then, of course, he recognized that there were many sawmills where the margin of success which allows them to remain in business is certainly less than 15 per cent, and anticipated some mill closures. We say let us deal with these problem areas whether it is lumber, the fisheries or the shake and shingle issue. Whatever it is, let us sit down with the American counterparts and arrange a solution in those critical areas.

As I indicated earlier, we have a great deal of confidence in the ability of Canadians; industrialists, businessmen and entrepreneurs, to compete internationally. Let us look, then, at the GATT round of discussions. There is an opportunity to not only improve our relationship in terms of trade with the United States, but with all countries, to develop aggressively on all fronts. The Minister for International Trade (Miss Carney) spoke earlier of this two track system. However, it appears these two tracks are widening as we go further and further along. Let us concentrate on a general agreement on tariffs and the trade talks as they begin now in terms of long-term security of our economic sector here in Canada.

In closing, I would suggest that the kind of agreement we must look at is something like the Auto Pact, not a free trade agreement. The Auo Pact is anything but that. There should simply be an agreement between the two countries on how to maximize the opportunities both in the United States and in Canada. That is the kind of model we feel we ought to be looking at in a whole variety of sectors as we negotiate ways and means of improving not only our trade relations with the United States, but with all countries with which we presently trade.

Mr. Redway: Mr. Speaker, I always listen to the Hon. Member very attentively and I always find his speeches most interesting and informative. However, I was not only surprised

but extremely disturbed at his comments this time, particularly when he talked about the fact that he did not know what was going on in the negotiations and that he was concerned they were being conducted in private. I wonder if the Hon. Member has ever negotiated anything himself in his career, either as a Parliamentarian or otherwise? I would be interested to know that. I certainly have and I can never remember a case where I have carried on those negotiations in public.

In addition, I know the Hon. Member's Party has a close association with the Canadian Labour Congress. I wonder if the Hon. Member could tell us if he knows of any member of the Canadian Labour Congress who advocates carrying on its negotiations in public? I would be interested in knowing that. I hope the Hon. Member will tell us. Perhaps he could identify those members of the trade union movement who advocate carrying on negotiations with employers in a public forum.

The Hon. Member knows that when trade unions negotiate, they do it confidentially. They do it in private. When they arrive at the result, they announce it to their membership. It becomes public knowledge after the membership has had a chance to vote on it. The Prime Minister (Mr. Mulroney), the Minister for International Trade (Miss Carney) and the Secretary of State for External Affairs (Mr. Clark) have indicated that that is exactly the process which will happen here as well. I would like to know from the Hon. Member if he has ever negotiated anything in his life. Second, can he tell us what trade unions which support the New Democratic Party advocate carrying on their negotiations with employers in public?

Mr. Riis: Mr. Speaker, I assume the question was put in a way that does not deserve a direct response because the answer is very obvious. One of the major differences with negotiating a contract, working conditions or wages is that the negotiators have the full confidence of those they represent.

• (1700)

Some Hon. Members: Oh, oh!

Mr. Riis: In other words, the negotiators of the contract are chosen because of their proven ability in the field. They are chosen because of their expertise and because they have the confidence of the people they represent, both on the management side as well as on the labour side. The point I was making earlier is that such is not the case in Canada today. Canadians do not have confidence in the Government of Canada to negotiate a good deal for them. Hon. Members need only ask the cattlemen in my constituency if they believe the Government of the day is representing their best interests. I can tell Hon. Members what their response will be. It will be no.

As I indicated in my speech, I was on the telephone as late as today speaking with a number of large forest operators. I asked them if they know what is going on in terms of these free trade talks. I asked them whether or not they have confidence in the Government, and they told me that they do not have any confidence in the Government. I did not bother contacting the number of small operators who have been betrayed by the Government. The small operators, and I am talking about small sawmill operators, perhaps those with 40 or 50 employees, were never informed or included. In fact, they were not even considered as part of the council, either nationally or in British Columbia. I say that they were not involved; they were not consulted. They were not involved in the process in any meaningful way.

In closing, the least the Government could have ensured was that all forest operators in the softwood industry, particularly in those areas which will be impacted by this decision, were made aware of the procedures so that they could be exempted. I refer particularly to those small companies that pay exorbitant stumpage rates under the small business program in the province of British Columbia. In a sense, they have been betrayed.

Mr. Blenkarn: Mr. Speaker, I think the House Leader of the New Democratic Party ought to be advised that we have had three motions of confidence in this session. With respect to each motion the Government received the confidence of the House, which is the confidence of the people in our system. When the Hon. Member is talking to cattle operators, brewery people, chicken producers and timber operators in his riding, I hope that he will let them have some confidence in Canada. I hope he will give them the confidence that they will have access to a market 10 times larger than they presently have, which will make them more prosperous.

That is what the Canadian Chamber of Commerce has said, as well as the Canadian Federation of Independent Business. That is what the Canadian Manufacturers Association has said. That is what every economic group in Canada has been saying, from the Economic Council of Canada down to the Macdonald Commission Report which, as he knows, was a Liberal report. Why would the Hon. Member not have confidence in Canada? Why would the New Demcratic Party not have confidence in Canada? Why would the Hon. Member not talk to his people and give them some confidence? Perhaps if he gave them some confidence he would not have the unemployment that he has in his constituency.

Mr. Riis: Mr. Speaker, granted, there have been three votes of confidence in this session. However, the people of Canada will have an opportunity in 1988 to indicate whether or not they have confidence in this Government. As the polls indicate today, the people of Canada do not have confidence in the Hon. Member or in his Government. However, I will leave that point for another time.

The Hon. Member asked whether or not the suppliers and manufacturers—Canadian firms—want access to the United States market. We have access to the United States market in softwood. We have access to the United States market in shakes and shingles. The Americans have stopped access to these markets. What has the Government of the Hon. Member done about it? How has the Government reacted? We have access which is why these groups say: "What does free trade

mean? We have free trade in softwood." Have the Americans taken off the countervail? As part of the negotations have they said that that countervail will be taken off? No.

Mr. McDermid: You said it was a secret. How do you know that?

Mr. Riis: Because I have heard nothing to the contrary. The only thing I can assume from what I have heard and read—and I have certainly not had an opportunity to have a discussion with the negotiator—-is that the countervail will remain in place. We have free trade in softwood and it is not doing us any good. We have free trade in shakes and shingles, and it is not doing us any good in terms of the countervail threat which is always hanging over our heads.

In closing, I will simply say to my friend, the Hon. Member for Mississauga South (Mr. Blenkarn), that we have access in these areas. But if he is saying to the wine producers and the small brewers in British Columbia that they have nothing to fear in terms of free trade, then I say that he is absolutely and totally misinformed and wrong.

Mr. McDermid: Mr. Speaker, I got a great kick out of the Hon. Member's speech. It was full of inconsistencies. The Hon. Member has great faith in the business community and in the ingenuity of Canadians, particularly Canadian entrepreneurs and so on and so forth in terms of their carrying on. That is right, and so do we. The business community also supports the initiatives of the Government in the trade negotiations.

Mr. Riis: Even the breweries?

Mr. McDermid: Certainly. We have sectoral advisory committees, and the agricultural industry is well represented on it. In fact, all industries in the country are well represented on these advisory committees. They have input into negotiations, which is why these committees are in place. I am surprised that the cow-calf operators and the milk operators do not have that type of confidence since it is their people, the people for whom they vote in these various associations, who are sitting on these sectoral advisory committees. They are giving advice to the Government in this negotiation process and playing a very important role. I think that the Hon. Member is misleading his constituents when he stands up and says that they do not have confidence in the Government. When they ask him why they should have confidence in the Government, he should say because their representatives are sitting on the sectoral advisory committees which have been set up by the Government to protect their interests. That is the answer for his constituents. That is what the Hon. Member should tell his constituents when he returns to British Columbia. I know that they will feel a lot better then.

Mr. Riis: Mr. Speaker, I will give a very short response, which will allow time for more questions. My recollection is that the various provincial federations of agriculture have indicated without exception some deep concerns about these negotiations. All the negotiations have taken place in secret. What is it that our negotiator is negotiating away? Is he negotiating away the dairy products marketing board? Is he negotiating away the various marketing boards which deal with poultry? These are the concerns that we as members of the New Democratic Party have. These are the concerns that have been brought to our attention by the various federations of agriculture. We are suspect whenever something as important as this takes place in secret, *in camera*, in private. If we have nothing to fear and if in fact the net gain to Canada will be obvious, then why the secrecy? What is it that the Government is attempting to keep from the people of Canada?

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have listened to the debate this morning and this afternoon. Having heard the interventions of two Ministers and the desperate efforts of the Parliamentary Secretary, I sense that the Government is in deep trouble, by the way it has approached the debate today in a desperate attempt to confuse the issue and by asking for policy direction from the Opposition as if it had not a mandate to set its own policy. I find the debate an indictment of a Government that is in deep trouble. The debate points to the confusion, the lack of direction and secrecy in its trade policy on the part of the Government. It is a revealing and welcome debate.

When one looks at the negotiation process alone, one cannot help but think that the Government really made a decision without thinking it through and without realizing what it was getting into. Why on earth would the Government come into the House in the fall and winter of 1984 and introduce Bills which would virtually dismantle FIRA? Why would it announce in November of 1984 the elimination of the National Energy Program? Why would the Government do that if it had in mind a few months later to enter into trade negotiations with the United States? The answer to that question escapes me. Perhaps one of the Ministers or the very eager-beaver Parliamentary Secretary will want to answer that question later on.

• (1710)

Why would the Government give away two major, important trading chips before the negotiations were even announced, let alone even begun? With the elimination of the National Energy Program, the Government eliminated something the United States did not like at all but something which we felt and still feel is in our national interest. The powers of FIRA were reduced, and that was something that the U.S. Government did not like at all. However, we thought that was in the national interest. Then, having done those two things, the Government embarked upon the trade negotiations.

In recent weeks, the making of another policy decision has raised questions as to whether or not the Government has its act together. I am referring here to cuts made to scientific research and development. How can we approach a more competitive North American market situation while reducing our knowledge in technology and scientific progress by way of

reducing the funds made available to that very important function? It does not make sense. It does not come together. It is a policy that does not seem to take into account the fact that if trade negotiations were ever to be completed, we would need even more to be scientifically and technologically equipped to compete in a more competitive market. How was that decision made? Not one government spokesperson has offered an explanation of that today.

In addition to the National Energy Program, FIRA and what has been done to scientific research and development, there is also the issue of the timing of these negotiations. Even the best friends of Tory Members would have to admit that it could not have been worse. The Government did not take into account or did not seem to realize how powerful Congress could be, how it could manoeuvre its own agenda to our disadvantage and how unwise it was to launch these negotiations just before a mid-term U.S. Congressional election.

That is not all. To launch trade negotiations at a time when we are enjoying a large trade surplus is certainly not the most advantageous moment to do so. We are not negotiating from a position of trying to arrive at a balance in trade. We are not trying to convince our trading partner that the time has come to give us a break. We are trying to negotiate with a partner who can ask at any time what Canadians are complaining about since they have a surplus and are selling to the Americans some $20 billion more than they are selling to us. The timing of these negotiations leaves one wondering about the thinking that went into the decision before it was made.

No matter how frequently questions are asked by Hon. Members opposite in the course of this debate, the conclusion is that this decision was not thought out. The entire measure was launched without preparing a strategy, without ensuring that we had certain chips with which to bargain and without ensuring that we had certain policies in place at home, policies that would make the transition manageable. It was done without ensuring that the American political process would not stand in the way of these negotiations. As we all know, Congress has now played a much greater role than it has at any other given time. Not only that but the U.S. Government now knows that it has a trade deficit with Canada, and that has never been so clear in the past as it is now.

Let me give the House an example of the kind of at-home domestic planning which is absent, the kind of planning the Government ought to have done in relation to these negotiations. The main debate here at home is about jobs. The preoccupation with jobs, be it in Ontario, Quebec, the Atlantic region or the West, is a real one. The Government cannot tell people that it is good for the economy to have freer trade in North America if it cannot give those people jobs and the assurance that there will be a managed transition and a way of protecting both existing and new jobs. Statistics and studies have indicated that there will be losses in manufacturing, services and other sectors. People will face the kind of job losses that result whenever a market becomes more competitive and particularly when the quantities produced by the American economy are such that it has all the advantages in retail pricing because of the volume of scale.

Why is domestic planning so evidently absent? Perhaps it has been kept a tight secret from the public and the Opposition. We do not know, for instance, of any adjustment program designed to protect some 520,000 workers who will lose their jobs as indicated by the Economic Council of Canada last week. What kind of protection will men and women who lose their jobs be offered as a result of the trade negotiations? We do not know.

That is not all. What kind of industrial restructuring will be put into place in order to strengthen our industrial capacities and lay the foundation for new industrial capacities? Where is the plan for facilitating the phasing out of certain industrial sectors in case we lose them? We do not know what will happen with the restructuring of industries in Ontario, Quebec and other parts of the country where industries exist. There is a big blank silence on that subject.

What will be our policy in research and development for facilitating our ability to compete once a free trade agreement of this kind is achieved? That we do not know. We all know, however, that cuts are being effected and that our research capacity is being diminished. We do not know what it will be compensated, offset or replaced by. In that kind of vacuum, with that lack of knowledge, it is no wonder the Opposition is opposing this measure. The Opposition has been kept in the dark. We do not know the answers to these three major questions.

• (1720)

I notice that the Member for York East (Mr. Redway) is smiling about this. I remind him that this is very important stuff. We are talking about the jobs of several hundred thousand Canadians whose future is at stake. That is what the news release by the Economic Council of Canada published on October 20—

Mr. Redway: Three hundred and seventy thousand new jobs. That is what it says.

Mr. Caccia: —about 520,000 jobs would be lost by 1995. That is not a minor figure. Even if it were only one, we would have to be concerned about how we provide for the transition of the person affected by this change.

An Hon. Member: Five million people change jobs each year.

Mr. Caccia: What we are talking about here is the potential management of a change that could be quite drastic. I submit that a change would not only be limited to trade. Once you touch trade, you also touch a number of other activities in our economy, as other speakers have indicated in a number of exchanges in Question Period. For instance, you touch social security, competition laws, standards, and any other activity that is somehow touched upon by the economy. Therefore,

when we talk about so-called freer trade, we really are talking about a number of facets that affect our culture, our national identity, our activity in general well beyond just the question of trade. Maybe not in 10 years or 20 years, but maybe in 50 years I fear that what we are really talking about with the words "freer trade" will be something that could be determined as economic union.

I am very worried about this possibility. We cannot limit an integration on this continent in terms of trade. We cannot just reduce it to trade alone, for the reason that I mentioned a moment ago. Many other walks of life and many other activities would be affected. You cannot draw the line on trade alone, as has been the experience in Europe in the last two or three decades as a result of the economic unity that has taken place there.

There are measures that affect jobs and the livelihood of Canadians that flow from this initiative of free trade talks. There are aspects related to the environment that I would like to raise briefly in the limited time available. There is one aspect that flows from the national treatment policy that the Prime Minister (Mr. Mulroney) elaborated upon in a statement a few weeks ago.

National treatment is a technical term indicating that one country will give the other the same domestic treatment that it gives at home for the policies that it implements in relation to trade. To put it in a very descriptive way, the Prime Minister said: "Goods from Manitoba will be treated exactly the same as goods from Minnesota". That puts it very clearly. One may ask, for instance, how the very important initiative of shipping western coal to eastern Canada will be affected through the adoption of a national treatment policy. This was raised as a significant initiative and measure that would have some significant positive effect on the environment. Evidently the answer is that it could not be put into place in Canada. We could not go ahead as we would under the present conditions by shipping western Canadian coal to eastern Canada, unless we also extended the same treatment to the high-sulphur Virginia coal, which is environmentally undesirable, as a result of this specific national treatment referred to as one of our main pillars in the negotiations.

Therefore, there is reason to conclude that environmental protection could be seriously endangered if we were to conclude a free trade agreement that included a national treatment as one of its mainstays. By virtue of this example, this would have the effect of not permitting us to proceed with the utilization of western Canadian coal, which would permit us to create jobs in large numbers—up to, I am told, some 200,000 jobs—because of the rules that would have to be respected under the national treatment.

That is not all. In the management of the environment, a study was conducted on environment and free trade by the Canadian Environmental Advisory Council. It was published in June of this year. So far the Government has been completely silent about it. In that study, three basic thoughts are put forward as pre-conditions that would have to be put on the table by Canada in relation to the environment in the evolution of our negotiating position. The first one is:

> Canada's ability to manage a renewable and non-renewable resource use—must not be compromised and should if possible be enhanced through negotiation.

The second point made by the Canadian Environmental Advisory Council is:

> Canada's ability to control pollution and waste disposal through similar strategies must not be compromised, and should if possible be enhanced through negotiation.

Finally, the principle that:

> Canada's ability to protect natural ecosystems, including components such as habitats, wilderness, and endangered species, must not be compromised and should, if possible, be enhanced through negotiation.

Now, what in essence is the Canadian Environmental Advisory Council saying here? It is saying that once you enter a North American continental policy position or situation of free trade, you could have situations whereby certain companies, particularly the multinationals, demand the removal of certain environmental control standards in order to be more competitive with companies south of the border.

Mr. Speaker, I see that you are indicating to me that my time is up. I will perhaps leave the elaboration of this point to another occasion.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Brisco: I have listened with interest to the remarks and statements by the Hon. Member for Davenport (Mr. Caccia). I would like to ask him to respond to two or three points. He was criticizing us earlier in his speech because we had sought the views and the policy considerations of the opposition Parties. I understand that the role of the Opposition is to oppose. However, I think it is also understood, and one only need read the contribution to debate by the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton), when he sat in Opposition, to clearly understand that it is not unusual for the Opposition to offer additional suggestions or counter-proposals which are of merit. In seeking those out, it is the role of the Government to inquire of the Opposition about its positive contribution, rather than the Opposition devoting its entire time to criticism.

The Member for Davenport also made reference to the dismantling of FIRA and accused us of destroying something of value. It was FIRA that destroyed something of value, the entire petroleum industry and the way of life in Alberta. If the Hon. Member has any doubts, I ask him to read the admission by the Minister at the time responsible for that fiasco.

Mr. Axworthy: It's really prosperous now, you guys. It's really doing a lot!

• (1730)

Mr. Brisco: You will have your turn, Mr. Axworthy.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Winnipeg—Fort Garry, please.

Mr. Brisco: I am sorry, Mr. Speaker. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) will also have his turn. One only needs to read the admission of Marc Lalonde to understand the process and exactly where that Government was headed. It wanted to crush and cripple the economic strength of Alberta. There is no other answer to that question. It is a matter of record from the mouth of the man who performed the act.

Finally, referring to the concern of the Hon. Member with regard to cuts in research, to make it simple for him, I suggest that he turn to page 4 of today's *Quorum* wherein it indicates "Government pledge of $1 billion for research not smoke and mirrors". I invite him to read that and then recant.

Mr. Caccia: Mr. Speaker, the first point raised by the Hon. Member is probably the major one. I draw his attention to the fact that we are not only criticizing and opposing. Our Leader came to the House, in June to deliver a speech on trade, which is something his Leader has not done, that contained some positive elements in the context of the free trade debate. I do not know about what the Hon. Member is talking. He was probably not here the day the Leader of our Party was in the House and delivered that speech. Today three of the six opposition speeches were from our side of the House. We even delivered to the eager-beaver Parliamentary Secretary a copy of the speech by our Leader to indicate to him the direction we would be taking in terms of policy matters. Concerning—

The Acting Speaker (Mr. Paproski): The Hon. Member for Lethbridge—Foothills (Mr. Thacker).

Mr. Caccia: I was asked three questions, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Lethbridge—Foothills.

Mr. Thacker: Mr. Speaker, would the Hon. Member opposite elaborate upon the purchase of high-sulphur coal by Ontario Hydro from the United States with the outflow of Canadian dollars? How could that be reversed, in terms of acid rain and the outflow of dollars by the purchase of low-sulphur western coal? While he was the Minister of the Environment it was probably one of the dossiers on which he worked. Would he advise the House what he did when he was Minister of the Environment to convince Ontario Hydro to use low-sulphur western coal rather than high-sulphur U.S. coal?

Mr. Caccia: Mr. Speaker, I remind the Hon. Member that the report on high-sulphur coal was published just a few weeks ago. The matter was studied as part of an initiative going back to Liberal times. However, the results were published and given to us in a report just a few weeks ago. Therefore it is a measure which is being advanced or put on the agenda, so to speak, in 1986. It is a very interesting measure, and I am glad the Hon. Member is interested in it.

If we proceed under a free trade negotiation scheme which includes the national treatment clause, we will not be in a position to make use of our own coal from the West to create jobs in the West and to reduce pollution in the East. I hope the Hon. Member understands what the national treatment clause entails and implies. It is a very restrictive clause which will not make it possible for us to use our western coal.

Mr. Redway: Mr. Speaker, I know you are a biblical scholar and that you are quite aware of the point in the *Bible* where Jesus said that those who are not against us are for us.

I have listened very carefully to the remarks of the Hon. Member this afternoon. I listened as well to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). Time and time again I listened to the Right Hon. Leader of the Opposition (Mr. Turner) over the last two years. I am still unable to figure out whether they are against us or for us.

Could the Hon. Member give us his own personal view on whether he believes that the Government of Canada should have commenced trade negotiations with the United States? Second, I should like his own personal view on whether he believes those trade negotiations should now be suspended. Third, I should like to know what is the official policy of his Party on whether trade negotiations should have ever been commenced with the United States. Fourth, I should like to know the official policy of his Party on whether or not those negotiations should now be suspended.

I have listened to his Leader and to the trade critic of the Liberal Party and I am still confused on whether or not they are for us or against us.

Mr. Caccia: Mr. Speaker, if the Hon. Member for York East is still unclear on where we stand, I can only attribute it to his lack of perception and capability to listen carefully. He has heard several speeches; he has heard us on a variety of occasions. He knows exactly what we are saying. We are saying that we want the pursuit of the reduction of trade barriers to be global. We do not believe in continentalism. We do not believe that it would be in Canada's best interest to engage in a negotiation on a one-to-one basis between us, a fairly small economy, and the Americans, a very large and powerful economy. Our best interest would be better protected in the context of the international global community with all 160 nations participating in the process of a GATT tariff reduction, rather than engaging in the construction of another market like the European one which in the end causes many hardships for those who are kept outside.

The Hon. Member also heard me saying that I am very worried about the terminology used in calling these talks free or freer trade negotiations. In the long term they will lead to economic union, which is not our political idea. I do not think it is the political goal of my Party, but it may be that of the Hon. Member's Party. Traditionally, until 50 years or 60 years ago, it was not. However that Party is entitled to change. We will certainly compare and confront each other with our views on the subject in the next election.

I think Canada's interest is not served in a bilateral trade negotiation. It is better served and only served when we proceed globally. If the view is a global one our position is strongest, and we are not handicapped in a relationship with a massive, powerful, and much stronger trade partner south of the border.

That is roughly the Liberal position which we have developed over decades under Mr. Pearson, Mr. Trudeau, and our present Leader.

Mr. McDermid: Mr. Speaker, today's debate has been tremendous; we have now had about four different positions from the Liberals! It will be interesting when historians read today's edition of *Hansard* and take a look at the different positions expressed by that Party.

Because the Hon. Member is so interested in the ecology, does he agree with the statement that "Canada may use her excess water to bargain her way into the United States"? Does he agree with that statement which was made by the Right Hon. Leader of the Opposition (Mr. Turner) when he was Parliamentary Secretary to the resources Minister?

• (1740)

Mr. Caccia: Mr. Speaker, I am grateful to the Parliamentary Secretary for being so open and not only quoting but also giving a date for the quote. It shows that over time people can change their viewpoints. He has changed his viewpoint on a number of occasions, and why not? He has expanded his knowledge and his experience. I am sure that he has changed his view on certain issues.

I am sure that also applies to the leader of our Party because that statement was made over 20 years ago. There is certainly no intention on our part to engage in water negotiations.

The Acting Speaker (Mr. Paproski): On that basis, I think questions and comments are terminated.

Mr. Bill Kempling (Burlington): Mr. Speaker, let me say at the outset that as a Government Member it was rather amusing to hear the Hon. Member for Davenport (Mr. Caccia), who was a Minister of the Environment, talk about environmental matters. It should be noted for the record that as Minister he did not introduce one Bill, one motion or do a damn thing about the environment. He did nothing but cry, which is what he has done today.

Let me set the record straight. The New Democratic Party is ideologically opposed to any trade agreement with the United States.

Mr. Keeper: Oh, come on.

Mr. Kempling: That is what its members say. They want no negotiations and no discussions. At the same time, they want guarantees of access to that large American market.

Not only is the NDP ideologically opposed to a trade agreement with the United States, it is anti-American in its general attitude. If one listened to members of the New Democratic Party, they would have us cancel our trade discussions with the United States, as they said many times today, they would pull Canada out of NORAD and NATO, and align Canada with some iron curtain countries and stand on the border between Canada and the United States and shake their fists.

Mr. Keeper: Point of order.

Mr. Kempling: At the same time they want guarantees—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Keeper: Mr. Speaker, I rise on a point of order. Surely there is some limit to the distortion that a Member can introduce into debate in the House.

The Acting Speaker (Mr. Paproski): I regret that that is debate. The Hon. Member for Burlington (Mr. Kempling) has the floor.

Mr. Kempling: At the same time, the New Democratic Party wants guarantees of all kinds that will allow the United States to buy products under certain conditions. The reality is that the New Democratic Party is the buggy-whip Party of Canada.

Mr. Keeper: What is wrong with buggies?

Mr. Kempling: One need only read the motion put forward by the Hon. Member for Essex—Windsor (Mr. Langdon) to see the truth in that statement.

Mr. Keeper: What have you got against horses?

Mr. Kempling: What are you clattering about?

Mr. Keeper: What have you got against horses?

Mr. Kempling: There are some parts of the horses I can mention, but I will not go into that.

If we left it up to the New Democratic Party, it would be so far out of date that it would still be supporting buggy-whip manufacturers and wooden wheel manufacturers.

Surely the Hon. Member for Essex—Windsor is not proposing that we negotiate a free trade agreement on the floor of the House of Commons? He has talked about secrecy and complained that he does not know what is happening. If that is so, he certainly is not reading the releases from the Department of Trade and has not read the very comprehensive book that has been prepared by the Minister for International Trade (Miss Carney). It is his own fault, not ours, if he does not know what is happening.

We cannot negotiate a comprehensive trade agreement on the floor of the House of Commons. We are proceeding with discussions on a comprehensive trade agreement with the Americans to see if we can reach agreement on a variety of trade irritants that would put Canada-U.S. trade on a different

level. There are some 300 protectionist-oriented Bills in the United States Congress, many of them are aimed at Canada and some of them are aimed at Canada exclusively. We cannot put our heads in the sand and retreat. We must find a way to deal with this and then negotiate an agreement. If we find a basis on which to forge an agreement, we will be able to deal with the countervail and anti-dumping procedures currently in place in the United States.

Perhaps we could use the example of the agreement between steel exporters in the United States and European and Asiatic exporters of steel. The American Government has dealt with this and had them come to what is called a voluntary restraint agreement in which the American Government will not proceed with anti-dumping or countervail remedies providing that they stay within the parameters of that agreement.

I believe that whatever trading agreement we can forge would have an element of that VRA so that people trading across the border would not be constantly harassed with threats of countervail and anti-dumping.

We hope there would be a procedure to deal with the trade irritants. A set of rules would be enshrined in a trade treaty so that the trade debate would be removed from Congress and Parliament. At no time have we told the Americans or have the Americans told us in the course of these negotiations that either side would set aside their countervail or anti-dumping.

Surely Hon. Members must realize that trade, tariff and taxes are the prerogative of Congress, not the prerogative of the administration. That is why the President had to go to Congress and the Senate to get approval to proceed with negotiations with Canada. It is not realistic to tell us at this stage of negotiations to ask them to set aside their countervail and anti-dumping because it will not happen. That is why the President stated in his letter to Senator Packwood that he would not set those aside. If we can forge an agreement we will have a method by which we can look after trade irritants as they come before the two countries.

Mr. Keeper: They will keep putting the boots to you, even if you have an agreement. That is the point.

Mr. Kempling: The difficulty we are dealing with here is that those Members are a bunch of caviar socialists, none of whom ever invested. They think an investment is buying a ticket in the 6/49 lottery. They do not know what investment means. Most of them have never worked a day in their life. If they had a callous on their hand, it would be a transplant.

Some Hon. Members: Oh, oh!

Mr. Keeper: Mr. Speaker, I rise on a point of order. Surely the Member should be required to tell the truth.

Mr. Stewart: He did.

The Acting Speaker (Mr. Paproski): That is not a point of order. That is debate.

Mr. Kempling: It was never a condition of our trade talks that we would suspend countervail or anti-dumping procedures while discussions with the Americans proceeded. Furthermore, it was not their position that they would suspend any of their trade remedies while discussions continued.

It is quite possible that if there is sufficient agreement on issues that could lead to a trade treaty, the negotiators may recommend a suspension of each country's trade remedies as part of a preliminary phase in signing a comprehensive trade agreement.

Any agreement that we reach must be good for both parties. The Prime Minister (Mr. Mulroney) said that we will not sign an agreement unless it is a good deal for Canada. I am sure that the President of the United States holds the same view.

Mr. McCurdy: I am sure he does. He is going all over the place saying that he wants to sign a good deal for Canada.

Mr. Kempling: I see the Hon. Member for Windsor—Walkerville (Mr. McCurdy) who beats his chest about the Auto Pact and drives a Mazda.

Some Hon. Members: Oh, oh!

• (1750)

Mr. Kempling: Several members of the Opposition have brought up the subject of our fish trade on the East Coast. In reality there is more trade in fish on the East Coast today than there ever was. The demand has increased. The only result of that tariff has been that it costs the American consumer more money. Lumber interests on the East Coast will tell you the same thing. We are going to fight to have the 15 per cent tariff eliminated or reduced, but what is it going to do? The industry says that we will have more orders for more lumber all the time. Jack Munro on the West Coast says that the 15 per cent tariff will not cause any jobs to be lost or decrease shipments across the border. Yet Member after Member in this House has risen and said that there will be 150,000 people put out of jobs.

We negotiated the Auto Pact a few years ago and I was involved in it from the beginning. At that time we heard the same doom and gloom from the same people. They said that everyone was going to be out of work, that American cars were going to flood across the border and that we would not be able to sell Canadian-made products in Canada. In fact, employment in the automotive industry has risen from 30,000 to 120,000. Recently the automotive parts industry announced that it will invest $875 million more in its operations in Canada. General Motors has announced a $2.4 billion expansion of its plant in Oshawa. On the international scale, 10 new automobile plants have been built in North America, five in the United States and five in Canada. I think we are doing very well.

This is my favourite subject and I could go on for hours, Mr. Speaker. I will deal with some of the comments made by Members opposite.

Americans say that they do not subsidize while we do. Anyone who believes that believes in the tooth fairy. I operate a business and I could not tell you how many invitations I had during the energy crisis from southern American states to start a business in the United States. Those invitations offered to pay my air fare and hotel expenses. They offered to lease me a plant or sell me a plant and give me a preferential mortgage rate. They offered to stack a state loan with a county loan and a federal loan to give me the working capital. All I would have had to do was guarantee that I would employ people. If that is not subsidy, I do not know what it is. We do not know what subsidy is in this country. Our negotiators are aware of that and we can handle it.

We are talking about a trade agreement. Members opposite engage in scare tactics. They have told the Canadian people that we are going to negotiate away medicare, social programs and unemployment insurance. That is nonsense. We are not negotiating those things at all. We are negotiating trade matters.

Mr. Keeper: What about generic drugs?

Mr. Kempling: You do not know what you are talking about, little boy. There are 40 generic drugs waiting to come on the market right now that the Member does not know about.

Mr. Keeper: You are giving it away to the multinationals and the Americans.

Mr. Kempling: This is great. It is five minutes to six in the House of Commons and everyone is hollering and screaming. I think it is great that there is so much interest in a debate.

Some of the Members here have taken a comment made by the Prime Minister about national treatment and used it as a scare tactic, saying that suddenly we cannot bring coal from western Canada to eastern Canada. That is nonsense. That subject has been around as long as I have been here. In 1973 we were talking about bringing western coal to eastern Canada. That subject was not dealt with by the Liberals in all the years that they were in power. We may have to take a look at it ourselves if it comes to that. I do not know what we will do with it.

I would like to speak about the reality of the labour scene. In 1985 we travelled from coast to coast in this country. A couple of members of the NDP were with us. They asked every person representing an employer who appeared before us how many people they would lay off if we entered the trade agreements with the United States. I attended all these sessions and I heard that they got answers from hardly anyone. Somehow they have magically pulled a figure out of the air which they do not have to prove.

Our export trade represents one-third of our Gross National Product. Approximately 2.5 million people in Canada are involved in our export trade. That is equivalent to having the whole City of Toronto or the combined populations of London, Hamilton and Ottawa involved in our export trade. Anyone who does not think that is important is not living in the real world. We think it is very important. We believe we have a duty to the people of Canada to explore whether we can reach a comprehensive trade agreement with the Americans and whether we can enshrine in a treaty a set of rules to work by so that we are not continually exposed to countervail, anti-dumping legislation and silly things like this 15 per cent tariff on lumber which is patently unfair. We will take whatever legal course we can. That is our job and that is the way the Minister is going to proceed.

Mr. Young: If you handle it like you handled the lumber, we're in trouble.

Mr. Kempling: Jack Munro does not agree with the Member and I think Jack Munro should know. The lumber people on the East Coast do not agree with the Member either. The best estimates we have is that we will continue to ship lumber to the United States.

With regard to the shake and shingle industry, we occupied 75 per cent of the market in the United States when that tariff was imposed. Before the tariff was imposed, the shake and shingle industry was operating seven days a week with two or three shifts and today it is operating at better than 85 per cent capcity.

Mr. McCurdy: The more contraband there is the better it is, is that it?

Mr. Keeper: You are promoting contraband.

Mr. Kempling: We have Kibbles and Bits yapping over there. They are the caviar socialists.

I guess it is time for me to conclude.

Mr. McCurdy: You had better quit while you are ahead.

Mr. Keeper: What about the question period?

Mr. McCurdy: You are almost finished rebutting yourself.

Mr. Kempling: I am proud of the action that has been taken by the Government. I think we are doing the right thing for Canadians in proceeding with these negotiations with the Americans. I am confident that the result will be a good agreement for Canada.

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CUSTOMS TARIFF—EFFECT OF TARIFF ON BOOK PUBLISHING INDUSTRY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in June of 1986 the Conservative Government slapped a 10 per cent duty on imported English language books. This very mistaken policy of the Conservative Government was in response to the tariff on shakes and shingles.

• (1800)

The Conservatives did that without thinking about it. They did not consider the consequences. It was convenient. There was a provision there and it was easy to do. So this very mistaken policy was adopted. It became very clear soon after, and in the intervening months it has become even clearer, that this policy has not resulted in punishing the Americans. It has certainly not made the Americans withdraw their duty on shakes and shingles, but it has hurt the Canadian publishing industry. It has raised prices on books and has hurt Canadian consumers, Canadian readers. It is in effect a tax on reading. The Government agreed to look at the situation. It has received information in the intervening months, and I would call upon it to reverse itself and take off this 10 per cent tariff.

We have information from the Canadian Book Publishers Council on the impact of this policy. Prices have been raised on books and, of course, administrative costs in managing this new tariff have raised the price of books even further. Canadian libraries are forced to buy books offshore. It is a peculiarity that books destined for public libraries are exempt from the duty. Librarians would expect rebates from the publisher. However, the rebate process costs more than the rebate itself. To get around this, libraries are buying directly from American agents. This means that Canadian publishers who previously had this business and could use the profit from that to help subsidize the publication of Canadian books have lost those subsidies they were in effect earning from their imported English language books.

Most imported books are sold through Canadian publishers and that important business has been lost. International co-publishing has been threatened. Canadian trade publishers have expanded their lists to include foreign originated books for which they have secured copyright in Canada. These books are often printed in the United States. Original Canadian books are often printed offshore for many other reasons, and there is a duty when they come into Canada. Therefore Canadian authors are hurt by reduced sales as a result. This has been an extremely unfortunate policy.

I would like to read what the League of Canadian Poets has to say:

> The League of Canadian Poets strongly objects to the imposition of a tariff on imported books and periodicals—
>
> The League has supported positive Government actions on behalf of Canadian writing and the Canadian publishing industry. The League, however, deplores any tariff barrier to the free flow of information, and opposes, specifically, this linkage of books and periodicals with current trade disputes and free trade negotiations.
>
> The League of Canadian Poets strongly urges the federal Government to rescind this tariff.

I wholly support that recommendation. This policy is not hurting American publishers, it is hurting Canadian publishers. It is not going to cause unemployment in the American industry. The Americans have their vast markets in any event, but it will hurt some co-publications.

We have as well information on the legal status of this provision. I agree with the legal opinion obtained by the Canadian Book Publishers Council that the policy is unconstitutional. It goes against the Canadian Charter of Rights and Freedoms which provides for equal treatment of our languages. People are not supposed to be discriminated against and now English language readers are being discriminated against because this tariff does not apply to French language books or, indeed, books published in any other language. The tariff is offensive to Section 16 of the Charter of Rights which provides that English and French are the official languages of Canada and have equality of status and equal rights and privileges as to their use in all institutions. How can we justify, then, discrimination against the English language?

Finally, the tariff is incompatible with the guarantee in the Charter of freedom of thought, belief, opinion and expression, including freedom of the press and other media of communications. Clearly, this impedes the free flow of ideas and information and is highly offensive to Canadians for those reasons.

We have the hypocrisy of the Government. At virtually the same time, it announces a program of support for Canadian book publishing. It specifically included provisions to encourage the Canadianization of the industry, a large part of which is foreign-owned; to strengthen the Canadian part of it; and specifically to encourage Canadian institutions to make their purchases, even of imported books, through Canadian publishers. This very policy encourages them to buy around because of the financial penalty.

• (1805)

I also know that the amount of money the Government is putting into its positive measures for the encouragement of book publishing is actually less than what it is taking away as a result of the negative measures of this book tariff. We have an extremely unfortunate and misguided policy. I urge the Government to admit that it has made a mistake and to withdraw entirely this 10 per cent tariff on imported books in the English language.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I want to assure the Hon. Member for Broadview—Greenwood (Ms. McDonald) that our Government is committed to promote the Canadian book publishing industry. I also take this opportunity to describe to the House a series of measures which were unveiled by our Government earlier this year.

In his Budget of last February the Minister of Finance (Mr. Wilson) announced that $13 million a year over five years would be set aside to support Canada's book publishing industry. This is an increase of about 25 per cent over the previous years. A successful industrial strategy can only flow from adequate cultural support.

These new measures are aimed at two very specific goals. First, we want to boost the self-financing and growth capacity of Canadian book publishers within their own domestic market by launching a book publishing assistance program designed to set them up on a sounder financial basis. This program will cost about $8 million a year. Second, we seek to stabilize and rationalize the cultural success of books which have a significant cultural value but which cannot be financed solely by the forces of our Canadian market. Concrete evidence of this rationalization effort will be in the form of an annual $5 million-odd transfer to the Canada Council.

As to the Canadian custom tariff on imported English books, I would remind the House that the Government did impose this tariff with much reluctance and in rather saddening circumstances. As you recall, Mr. Speaker, without prior notice last May 22 the United States administration chose to give undue protection to American shake and shingle producers by imposing—savagely, one might suggest—a 35 per cent custom tariff on similar Canadian products.

The American Government acted in full knowledge that the Canadian producers were competing fairly. Diplomatic efforts to have this unfair measure withdrawn or to obtain compensation have proven useless. The Canadian Government has therefore decided regretfully that a firm and appropriate response would be required to show to the United States the negative effects of a deteriorating situation.

In conclusion, Mr. Speaker, I would like to reassert our commitment to the publishing industry and to emphasize the priority given to Canadian interests in international trade by our Government.

[*English*]

DISARMAMENT—UNITED STATES POSITION ON STRATEGIC DEFENCE INITIATIVE (B). REQUEST JOINT PARLIAMENTARY RESOLUTION BE DRAFTED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, on October 14, the day after the very important meeting in Reykjavik, I asked the Prime Minister (Mr. Mulroney) whether or not the Government of Canada would join with members of the Opposition in sponsoring a joint resolution to be communicated to our ally, the United States, indicating our support for the proposals on disarmament that would substantially reduce by 50 per cent the level of strategic arms and close to 100 per cent those arms of an intermediate nature. Such a resolution would incorporate the very strong and unmistakable commitment to honour the Anti-Ballistic Missile Treaty requirements of 1972 that there be no testing and development of space-related weapons other than those that are in laboratories or on fixed-ground sites.

I did not receive a proper reply from the Prime Minister. I am surprised because in the past, the Secretary of State for External Affairs (Mr. Clark) made it very clear that Canada held to the position that the ABM treaty must be interpreted in the most restrictive way possible and that there should be no attempts to alter, bend or shape the rules to allow for the testing, development and eventual evolution of a star wars system that would break the treaty.

• (1810)

Since that time, the Government has beeen backtracking on its original commitments. It has retreated from its original position. In fact, even this weekend, the Prime Minister in an interview given to an American network, said that he basically supports the concept of star wars and that he agrees with Mr. Reagan's approach of not putting it on the table as a bargaining chip.

I find it unacceptable and indeed tragic that a Government that purports to speak for the Canadian people would support the Reagan approach to arms control. This approach denies the world a chance to make an incredible breakthrough. In the last 30 or 40 years, how many opportunities have we had to reach a comprehensive test ban and to reduce the level of nuclear weapons by 50 per cent? How often have we had a chance to put some sanity into what is an absolutely absurd arms race?

The telling point in all this was that all that was needed was an agreement by the President of the United States that he would limit research and development on star wars for a period of 10 years. That is what the ABM treaty requires. It is not such a big concession. It is not such a major threat to security. Research would continue within laboratories but it would not get to the point where there would be a series of prototypes in outer space. At the same time, it would have meant that the super powers were again saying that they would not allow weapons in outer space. If the American President did not have the wit to see that, then surely his allies and friends in Canada should have told him that he should go no further, that he should get back to the bargaining table.

The Prime Minister and Secretary of State for External Affairs have expressed optimism and are saying that we have put down a foundation on which we can build. It is clear that the only way that foundation will be reinforced is by changing the attitude of the United States administration. That change will only come about if its friends and allies are prepared to speak up and say that it is time for a change.

I rise during this Adjournment Debate simply to express both my deep regret and my feeling of betrayal that the Government has withdrawn substantially from its previous position. It is now complicit in the approach being taken on the issue of arms control, an approach that will prevent the world from making the breakthrough which is so desperately needed.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in the wake of the Reykjavik summit and in view of the Hon. Member's expressed concerns about the Strategic Defence Initiative and its role in the discussion held in Iceland, it is important to re-emphasize the Government's current policy on this issue. The Reykjavik meeting was specifically dealt with by the Secretary of State for External Affairs (Mr. Clark) in the statement he made in the House on October 21, but I will offer the House the following additional comments to supplement his remarks.

• (1815)

The Hon. Member will recall that the SDI is a research program aimed at investigating various concepts of defence against ballistic missiles. The successful implementation of an effective ballistic missile defence would alter the basis of nuclear deterrence from the threat of retaliation to denying a potential agressor the military objectives of a nuclear attack. Senior U.S.A. officials have stressed that should SDI prove ballistic missile defence to be feasible—and this will not be determined for several years yet, if ever—the U.S.A. foresees a co-operative transition with the U.S.S.R. to a greater reliance on defensive systems. This has been the U.S.A. negotiating position at the Geneva Arms Talks.

The Government considers SDI research to be prudent in light of similar Soviet activity in recent years. Despite this, the U.S.S.R. has until recently refused even to discuss the relationship between stategic offence and defence in Geneva.

The discussions in Reykjavik on this matter centred primarily on the relationship of the SDI to the Anti-ballistic Missile Treaty. In Reykjavik, Secretary General Gorbachev suggested all ABM research be confined to the laboratory. As the U.S. found this interpretation even more restrictive than the current terms of the ABM Treaty, the proposal was clearly unacceptable to them. It should be emphasized that prior to this point, President Reagan had agreed to a 10-year commitment to the ABM Treaty. Furthermore, any linkage established by the U.S.S.R. that agreement on other arms control issues be tied to our resolution of the SDI/ABM question would represent a step backwards from previous Soviet positions.

We have been assured by the U.S.A. that SDI research is being conducted within the restrictive interpretation of the ABM Treaty, in spite of the view in some circles in the U.S.A. that a broader interpretation is legally warranted. We are satisfied with the assurances we have received from the administration. The position of the Canadian Government continues to be that both sides should adhere strictly to the ABM Treaty.

Since Reykjavik both sides have indicated a willingness to discuss their remaining differences and build upon the progress registered there. The Government welcomes this and urges the leaders of both nations to complete the task at hand.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Tuesday, October 28, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

The House resumed from Tuesday, October 21, consideration of the motion of Mr. Mayer that Bill C-12, an Act to amend the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee.

Mr. Jack Scowen (Mackenzie): Mr. Speaker, it is a pleasure to be able to address the House today on a Bill related to western agriculture. I have been a seed grower in northeastern Saskatchewan for the past 36 years. I am familiar with the subject and, as a farmer, am pleased with the progressive changes that have been made to the Prairie Grain Advance Payments Act by the Minister.

These changes will allow the Minister to be able to implement certain policies that are more or less routine without having to go through an Order in Council. This will give the Minister an opportunity to act quickly when the need arises. Such things as eliminating the need for landlord signatures will be another regulation assisting the producer; interest rates for those in default will be more realistic; and emergency payments for unthreshed grain and others will make the Act less cumbersome to administer.

Producers who participate in both the Prairie Grain Advance Payments Act and the Advance Payments for Crops Act will be eligible to receive a total of $30,000. A few honey producers and maybe even wild rice producers in my constituency will benefit from this measure, as well as canola and flax growers.

The actual grain-on-hand rule change rather than prescribed tonnes per acre for the advance payment will be a help to high producing producers. Also, this change eliminates the need for a percentage of the Canadian Wheat Board initial payment to enter into the cash advance.

I was happy to see that there will be more flexibility in dealing with outstanding defaulted accounts. Maybe now a producer who is hospitalized with a serious heart attack, for example, and who cannot deliver when the quota is on will not be charged the roughly $2,500 in interest even though he is able to deliver before the end of the crop year. This shows some common sense in this area. The Minister will be able to approve emergency grain drying advances and emergency unthreshed grain advances without Order in Council.

Again, the Minister will be taking steps immediately as the situation warrants. However, I respectfully submit that the Minister could improve the grain drying clause and assist producers greatly by making the advance as soon as the producer requests it. If grain drying were done in the early harvest season there would be better quality grain for market and less left in the field unthreshed.

I come from an area in which we have a problem with great amounts of rain in September. Wheat harvested tough in August and early September will weigh 65 pounds per bushel and will Grade No. 1 or 2 when dry, while the same wheat harvested after the rains in late October will weigh 56 to 60 pound per bushel and will Grade No. 3 or feed. The same applies to all crops. Grain drying in August and early September is also two-thirds cheaper so the producer gains both ways. The Minister would encourage better quality with more bucks in the producers' bank accounts. I will be bringing this to the attention of the committee and will be submitting an amendment at that time.

• (1110)

I would like to congratulate the Minister responsible for the Wheat Board for putting forward an excellent Bill and for the leadership he has shown in his Department. I am sure he will bring forward further constructive recommendations.

Grain producers in Canada are suffering severe financial problems due to the price war that is going on between the EEC and the U.S. In spite of what members of the Opposition are saying, however, there are some bright spots in the agricultural sectors of Canada today.

I have not heard one word from hog producers about supply management since the price started to go up. This tells me that there is a good dollar being made there. Beef producers and chicken and turkey producers are enjoying much better prices with lower feed costs. Milk producers have their own long-term agreement and now also have lower feed costs. Grass seed and other forage crop producers are experiencing excellent prices and good yields. Honey producers generally had a lower yield but prices were good. I also heard that wild rice producers had a good yield and that prices are good. This, of course, does not help the bulk of farmers who are grain producers.

Just to indicate how serious the situation is, let me tell the House where the producer stands today. In the 1950s when there was a surplus of grain, before the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) sold grain to China, barley was trading among farmers and feed lots at three bushels for a dollar or 33 cents per bushel at the farm. This was because of a surplus in the system. All elevators were plugged. With that 33 cents per bushel, a farmer could buy 1.5 gallons or 6.8 litres of fuel.

Today's initial price from the Canadian Wheat Board is $1.40 to the farmer. This will not buy one gallon of fuel. It is more likely that it will buy 3.5 litres of fuel. However, if the farmer has registered his number, he will be able to buy one gallon of fuel with that one bushel of barley because the Government has taken steps to reduce the cost of fuel to the farmer.

The same applies to wheat. The Canadian Wheat Board's initial payment to the farmer is $3.20. With that money, he cannot buy two gallons of fuel. In the 1950s, combines cost less than $5,000 but now cost over $100,000. The comparison could go on and on and the answer would be the same. The cost of producing grain in Canada, even though there are better varieties and better yields, is far too high for the return per unit.

Some young producers who borrowed money to get started have paid interest to the amount of the original loan and still owe the original amount or more. Prices did not follow the inflation that was occurring at the time and all experts predicted that farmers would pay with the inflated dollar. Many producers are very good at what they do but they do not stand a chance if we carry on with the same old approach we have been using.

I do not think the federal Government can solve this problem alone. We must have co-operation from all segments of society. Each group connected to the problem is fighting to protect its own empire and will not give in to lower costs but rather is looking for ways to increase costs. In my opinion, these groups are fiddling while Rome burns.

Prairie pools and co-operatives have not dropped charges by one cent per bushel. Neither have they offered to pay any of their producers part of the money that is held back in dividends. Banks and financial institutions have not brought rates down but rather have thrown other roadblocks in the farmer's way. Chemical and fertilizer companies still charge the maximum price. Each one is valiantly protecting his own empire but hollering at the federal Government to do something.

The federal Government has done many things, the latest being a distribution of $1 billion which the farmers will have soon. However, we cannot do it all if we do not get co-operation from the rest of those involved. The Farm Credit Corporation will have to show leadership and come up with innovative ideas to get us over this hump. Why not take 25 per cent of the crop as a payment? Why not lower interest rates to 6 per cent and readjust them when prices get better? Why not allow producers who take in family members as investors to do so without having to pay penalties on the loans? Why not have set-asides for those who have no alternatives? Banks and financial institutions should follow that example. Other innovative ideas must be there and all should be used.

Grain handling companies and chemical and fertilizer companies should do everything they can to bring down the costs to the producers. If every organization co-operated, we may be able to save the grain producers of Canada. If we do not save them, cheap food in Canada will be something of which we can talk when we talk of the good old days. We might even have to pass a law to make it illegal for financial institutions, Governments, Crown corporations and the like to own land. What happened to that pool of money that was supposed to be available to lend to farmers at 6 per cent? The empire builders are again protecting themselves and a good idea lies dormant.

Now that I have that out of my system, Mr. Speaker, I would like to talk about a more pleasant subject. Very briefly, I would like to take a few minutes to tell the House about my great constituency of Mackenzie in Saskatchewan.

Mackenzie is the largest federal constituency in Saskatchewan and is comprised of some 75,000 square miles in north-eastern Saskatchewan. The people of my riding are a hard-working, aggressive, God-fearing, family-oriented mixture of races and religions who have all learned to live in harmony with the land in both the north and the south. The bulk of my constituents live in the agricultural area south of the tree line, about 30 miles north of my hometown of Nipawin.

Our type of agriculture is grown in what is called the parkland area of Saskatchewan. We grow over 100 varieties and kinds of crops including all grains, canola, flax, forage seed crops and faba beans. All the alfalfa dehydrating plants in Saskatchewan as well as a canola oil extracting plant are located in the constituency.

Honey is an important crop in the agricultural scheme of things with about 30 per cent of all Canada's honey production coming from the Mackenzie riding. This industry creates numerous permanent jobs and provides a great source of summer employment for young people who do field work and

work in the extracting plants. All honey grown in the riding is Canada No. 1 and is shipped around the world.

Seed is a big industry in my constituency. Besides the usual grain and oil seeds, we produce many varieties of forage seed, mostly for export. Clover and timothy seeds are brought in from Norway, Sweden and Finland, countries with wet falls. My constituency has a climate similar to that of those countries but we have better harvesting conditions and are able to send back to those countries seeds which have not been mutated by different weather or soil conditions. This industry not only distributes many millions of dollars to producers, but also provides a very good source of employment to our people.

• (1120)

Our cattle and hog industry is well respected in Canada. We sell breeding stock to all countries in the world. Recently we sent Aberdeen Angus and Herefords to Scotland to improve their breeding stock. Their cattle were getting a little too small.

Our research station in Melfort, Saskatchewan serves 10 per cent of all the agricultural land in Canada. Over 50 per cent of Saskatchewan is covered with forest. The forest industry is very important and provides many jobs. There is a major sawmill at Carrot River and many other smaller mills for lumber and railway ties. There is a large stud mill, a chip board mill and a plywood mill at Hudson Bay, Saskatchewan. Many more people are employed in the pulp business all through the forest area. These products go to the pulp mill in Prince Albert which is now launching an expansion to produce paper. We have started a silica sand mining and refining plant in Hudson Bay. It will expand into all branches of industry where silica sand is used, and eventually employ 1,500 people. This is the only silica sand plant in the west. Canada imports roughly 250,000 tons of silica sand a year.

Tourism is a big business in my constituency which attracts people from all over the world to hunt moose, elk, bear, deer, and migratory birds. Saskatchewan has more lakes than Alberta and Manitoba combined—maybe not more water, but more lakes—and many of those lakes in my riding have good fishing and all summer and winter sports.

Mining is a big business in northern Saskatchewan. In my riding, we have the richest known deposits of uranium in the world. Key Lake and Rabbit Lake are producing now and others will come into production when these mines slow down. Key Lake produces more uranium than the rest of the world combined. There will be an even richer mine coming into production a few years down the road at Cigar Lake.

There are 13,500 square miles of gold producing rock in the La Ronge area. That is a lot of gold up there. As the man says, "There is gold in them thar hills". In the La Ronge area, Starrex Mine is a developing mine. It is 70 miles north of La Ronge. It will be in production in early 1987, and some other mines in the area will be coming into production. This year over 100 companies, mostly Canadian, are exploring and getting ready to start operations. They are spending over $25 million in my constituency.

Mining activities are also taking place in other areas in Mackenzie. At Hudson Bay Mining and Smelting at Flin Flon copper, zinc, and some gold and trace metals are being processed and have been for many years from the Saskatchewan side of my riding. Hudson Bay Mining and Smelting is now operating a new mine at Sturgeon Landing, which is south of Creighton, Saskatchewan. The main mineral is nickel, but there are other minerals and they are being processed at Flin Flon. There are also some platinum finds in the La Ronge area that look promising.

There is also a very interesting agricultural industry in northern Saskatchewan which is now employing a lot of natives as well as others, that is the wild rice industry. The lakes have been planted and I am told they have a good crop this year. That should bring many dollars into the North, as well as providing a lot of work. It is a very work oriented process to harvest wild rice since a lot of it is done by hand.

Many good things are happening in the riding of Mackenzie. The native people in the North are participating in most of these activities. They are building better schools, roads, homes, and places to congregate. The native people have become a strong voice in business in the North. They are forging ahead with the opening of the North. I am sure you will be hearing more from them in the future.

All this activity is going on in spite of the low prices in all segments of lumber, mining, and grain farming. They will work harder and times will get better. They always have that spirit that things will improve tomorrow.

I thank you, Mr. Speaker, for this time allotment and again commend the Minister responsible for the Canadian Wheat Board (Mr. Mayer). I call on all Members of this House to give speedy passage to the Bill to amend the Prairie Grain Advance Payments Act.

Some Hon. Members: Hear, hear!

Mr. Speaker: Questions and comments.

Mr. Caldwell: Mr. Speaker, first of all, I would like to congratulate the Hon. Member for Mackenzie (Mr. Scowen) on his speech outlining the activities in his area. It is always important that other Members of Parliament explain their ridings and what they are all about, because we have a diversity across this country. I was interested in his comments regarding some solutions to the current grain situation in western Canada and, of course, across the whole region. Our area does not grow the type of crops his area grows, but we certainly have problems with our grain industry in Ontario.

I was interested in his comments regarding a possible set-aside program. Is the Hon. Member referring to a set-aside program in order to increase prices, to take crops out of production, or is he talking about possible benefits to the soil by taking crops out?

Mr. Scowen: I was talking about trying to get a lesser amount of production. There really are two parts to that set-aside program. One would be that part of the debt would be set aside until things return to normal. On the other hand, we should set aside some crop production in order to bring our surplus down and more in line with what we can sell. Our soil conservation has suffered because of continuous summer fallow crop in western Canada. It is time we added a little more to that soil with some forage seeds.

Mr. Gottselig: I would like to commend my colleague, the Hon. Member for Mackenzie (Mr. Scowen), on the excellent speech that he delivered. I would like him to expand on a few of his points. He mentioned the Melfort research station and the work that is going on there. Is there some special work there that would relate to what he mentioned on the set-aside program in terms of production? I was also interested in his comments on the diversity of the economy in the constituency of Mackenzie. That probably is a reflection of the necessity to diversify from the strict agricultural production as we have known it in Saskatchewan. Would he agree with me that the main reason the Minister has introduced these changes in the Act, is to take the power out of the hands of the bureaucrats in Ottawa and give it to the Canadian Wheat Board officials in order that they can respond in a much quicker fashion to the needs of our producers? The primary producer in this whole equation is the one whom we are trying to help.

• (1130)

As a producer and also as an agent for several landlords, I am familiar with all the points he mentioned. The provision not requiring a landlord's signature is an important one for a producer who has three or four landlords perhaps scattered across Canada and even in the United States. With the mail system being what it is today, we know that it takes a long time to get letters back and forth. I think it is a very important part of the whole equation.

Mr. Scowen: Mr. Speaker, I believe I mentioned that it would help producers in that particular case. I would like to refer to the diversity in agriculture in my particular area. Homesteaders came to the area from the Prairies. Most of them migrated there during the 1930s, but some settlement took place in the very early 1900s. That part of the country was mostly opened up as settlers were squeezed out of the Prairies and took up homesteading there. They found that they were able to plant alfalfa in small areas which they were able to break up. We must not forget that they had to break up little chunks here and there to prove up their homesteads. As a result they were able to obtain a very high seed yield.

Not knowing the circumstances, not knowing what was going on there, they thought that if they cleared bigger fields they would get more. That proved to be their downfall. There was a little insect called the leaf cutter bee and that fellow was tripping the seed very nicely for them. They killed him when they cut down the bush and cleared it away, so the alfalfa production dropped off substantially. Then they went into alsike clover, red clover, various other grass seeds, and so on. This is what brought about seed production in Canada. Other countries discovered that we were able to produce these seeds and asked us to produce for them.

The northern and southern parts of my constituency have always got along well. The southern part of the constituency is what we call the farming area. People from that area have found jobs and have worked in the northern part of my constituency about which I have spoken.

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, as a Member from the grain growing area of the southern Prairies, I am pleased to join in the debate on Bill C-12, an Act to amend the Prairie Grains Advance Payments Act.

By way of background may I say that it is obvious that the Canadian grain producer is facing a farm income crisis. Some 80 per cent of the Canadian wheat crop is marketed internationally and has accounted for much of Canada's favourable balance of trade. Lately, record world wheat harvests have increased stocks and depressed prices. It is regrettable that most of the problem relates to undue susidization of foreign grain production, much of which would be impractical without massive government assistance.

Canadian grain farmers have proven themselves to be among the most efficient in the world. They are ready, willing, and able to compete in the international market-place. Unfortunately, however, the play of the traditional market forces of supply and demand has been distorted by the disappointing trend toward subsidization world-wide.

It began back in the early 1960s when the European Common Market established its Common Agricultural Policy or CAP. This was a time when Europe was a major importer of grain and a good customer of Canada. Today, with an artificially high production supported by CAP and by domestic and import subsidies, the EEC has become one of the largest producers. In fact it is the third largest wheat exporter in the world today.

Over the past number of years the European Economic Community has been offering its excess production into the world market at prices which in fact are less than the cost of production. During this period the United States lost a portion of its traditional share of the world grain export market. It appears that U.S. attempts to convince the EEC to change its policy fell upon deaf ears. In order to reduce its massive carry-over inventory of grain and to regain its traditional percentage of the world grain market, last year the United States passed its Farm Bill which announced increased subsidies to U.S. farmers, with particular emphasis upon export enhancement programs. The level of subsidization is such now that the EEC and the U.S. spend $3.75 on farm support for every dollar spent by the Canadian Government on support for its farmers. In other words, the superpowers are paying something in the order of four times as much per bushel in farm support as we are able to pay.

Obviously these massive subsidies offered by the EEC and the United States have substantially depressed world grain prices. It appears that each superpower is quite prepared to structure export deals at virtually any level in order to make sales. One can only hope that taxpayers in western Europe and the United States will eventually rebel at the massive amounts of money being thrown away.

Canadian farmers are no longer competing with their counterparts in the United States and the EEC on the basis of efficiency—a playing field on which Canadian producers would do very well. Farmers are now trying to compete with the Treasuries of these two superpowers. It is well recognized that we in Canada simply cannot compete with those Treasuries. Our problems are compounded by our dependence upon export wheat markets. As I mentioned earlier, 80 per cent of our wheat production goes to export, while in the European Common Market it is only 20 per cent. Our domestic market represents 25 million people, compared with 250 million people in the United States and over 300 million people in western Europe.

I should like to illustrate in practical terms just what impact the grain subsidy war, this international shoot-out, has had on our farming community. At this point I want to thank the research department of the Saskatchewan Wheat Pool for some of the information to which I am about to refer. In the Province of Saskatchewan, net realizable farm income in 1984—and that is gross receipts, including payments from government programs such as western grain stabilization, crop insurance, and so on—less depreciation and operating costs averaged $15,000 per farmer.

In 1985 the net realized income per farmer was $10,000, and for 1986 it is projected to be $9,000 per farmer. This sum represents not only the farmer's labour but also the return on a capital investment of almost $500,000. Out of this net realized income, the farmer must not only provide for his living expenses but also try to make payments of principal and interest. Without government support programs, net realized income would have been a negative figure for 1985 and 1986. As a matter of interest, at the same time the minimum wage in Saskatchewan is $4.50 per hour. If that is projected over a year at 40 hours per week, an individual could receive $9,360 per year without any investment at all.

To make matters worse, the farm cost-price squeeze is eroding farm asset values, so that equity is decreasing and with it borrowing leverage. When farmers lose their buying power, the entire agri-business complex suffers—dealers, agents, manufacturers, and small businesses alike.

It is against this background that the Government has become heavily involved on two fronts—international and domestic. The Government has become involved internationally because of the problem of low farm grain prices resulting from unfair practices beyond our borders. We must do everything possible to discuss, negotiate, and encourage an end to the subsidy wars. That is why the Prime Minister (Mr. Mulroney) raised the matter of the subsidies and agricultural trade at the Tokyo Summit. That is why in June the Minister of State for the Canadian Wheat Board (Mr. Mayer) held a meeting of the grain exporting nations in Vancouver and why he participated in an international meeting in Australia and why he continues at every opportunity to lobby for a return to sanity in the world grain markets. That is why the Secretary of State for External Affairs (Mr. Clark) and the Minister for International Trade (Miss Carney), recently in Uruguay, were able to fight for and secure the inclusion of agriculture on the agenda for the upcoming GATT talks.

• (1140)

The World Bank has studied this trend of growing subsidies and cautions strongly against them. In its recently released World Development Report, the World Bank estimates that farm support world-wide will reach $100 billion this year. The Bank refers to these subsidies as an escalating vicious circle and notes that higher farm revenues resulting from subsidies are largely wiped out owing to rising land prices and rents.

The Government recognizes the importance of Canadian agriculture and the damaging effects of our competitors' subsidies. That is why our Ministers have been at the forefront of this issue on the international stage. Progress is slow. Clearly the process will take time. In the meantime, our farmers need support and they deserve it. Through no fault of their own they are suffering.

The name of the game today, Mr. Speaker, is survival. That is why this Government is also acting on the home front. This is why we are improving existing legislation, such as the Prairie Grains Advance Payments Act, to make it more responsive to the farmers needs. The Act is designed to assist producers of wheat, oats and barley in meeting their short-term commitments by providing interest-free cash advances when sales opportunities are limited. Eligible producers are those who farm within the Canadian Wheat Board designated area and who hold current permit books. An individual farmer can receive up to $30,000 under the program. Bill C-12 will improve and streamline the operation of the Act.

The substance of Bill C-12 is, first, to delete several Order in Council requirements in the regulations under the Act. These requirements included approval of the application form, approval of emergency advance payments for grain unthreshed because of difficult conditions at harvest-time and the setting of the advanced rate for the crop year. Elimination of the necessity for Orders in Council will do away with potential administrative delays in implementing various aspects of the program.

Second, landlords who do not wish to participate in the advance program will no longer be required to co-sign an advance payment application submitted by a tenant. Until now a tenant wanting an advance had to have the landlord's signature on the application. Sometimes that was difficult to obtain. The amendment proposed would simply have the tenant sign an affidavit indicating he has clear title to the grain covered by the advance. This straightforward change will

make the program easier and lessen the paperwork for those who are participating.

Third, a further amendment will ensure equitable treatment to prairie grain producers by basing cash advances on the amount of actual stored grain rather than on the present basis whereby an advance is calculated by the number of tonnes of grain prescribed per quota acre. Changing the method of calculation to actual volume in storage will enable a producer with high yields to benefit from the program also.

Fourth, another amendment has to do with interest rates on defaulted accounts which presently are set at the beginning of the crop year by Order in Council and remain unchanged until the account is settled in full. In order that participants might benefit from falling interest rates, an amendment will allow the interest rates for defaulted accounts to fluctuate in relation to current rates. At the same time, further proposals will provide the Canadian Wheat Board with greater latitude in dealing with producers who can show that extraordinary circumstances prevented them from being able to complete their repayment obligations.

I wish now to list briefly a number of other initiatives taken by the Government to support and help producers survive during this difficult time of unfair and cutthroat foreign competition, competition fueled by foreign government competition, competition which bears no relationship to the usual market forces of supply and demand; an environment in which the efficiency of our producers is being overwhelmed by offshore subsidies.

In grain farming there are basically three variables: input costs, volume and price. Volume is dictated in large part by the good Lord. It depends on decent growing conditions, moisture, wind, frost, insects and so on. On the other hand, input costs and price supplements are areas in which government can assist and, indeed, this Government has done so in a very big way.

The major input cost of many producers is interest, the carrying charges on loans for the purchase of land, machinery, equipment and operating money. We are told that at this time there is approximately $25 billion of agricultural debt outstanding in Canada. Therefore, a 1 per cent variation in interest rates has a potential, if upward, to drain some $250 million out of the farming economy. Conversely, if those rates move downward, it has the potential to enhance the farm community by the same $250 million. That is why the course of economic renewal laid out by the Government in the fall of 1984 remains so important, not just to agriculture but to all of Canada. The policies of economic revitalization through responsible deficit reduction, more efficient government and encouragement for the small business sector has not only improved job opportunities for Canadians but resulted in stable inflation and, most important, interest rates that are 3.5 per cent lower than when we took office. Interest rates that are 3.5 per cent lower mean that the farm community is paying out roughly $800 to $900 million less in interest costs each year than was the case previously. The prime rate and the farm credit rates are at their lowest level since the spring of 1978, eight and a half years ago.

This spring the commodity based loan program was established. This was an innovative experiment for existing farm credit clients in financial difficulty. This is a program in which the principal will fluctuate in relation to the price of the borrower's main commodity and a program which provides up front assistance through lower payments when the farmer's cash flow is least.

Our Government amended the Western Grain Stabilization Act to permit timely interim payments in the spring when these moneys are needed most by the farmer. The Western Grain Stabilization Act is a program whereby the federal Government contributes $2 into a fund for every dollar put in by producers, the idea being to supplement farm income when prices are low. Last year some $522 million was paid out and this year already an interim payment of $580 million has been made.

A previous Government instituted the capital gains tax which for 13 years hung over the farm community and prevented many, many farmers from realizing their retirement ambitions because their moneys having been plowed back into the farm, were tied up in the land which it was impossible to sell without payment of a king's ransom on a gain which was largely inflationary. Canadian farmers know it was our Government that moved quickly to eliminate that tax for most farmers by immediately instituting the $500,000 lifetime capital gains exemption.

Our Government improved federal-provincial crop insurance by raising coverage from 70 per cent to 80 per cent without premium increase. Federal-provincial crop insurance is a program administered by the particular province and contributed to 50 per cent by the farmer and 50 per cent by the federal Government. This program last year paid out $375 million to Saskatchewan farmers alone.

Last year the Government responded to the disastrous drought conditions on the Prairies with the Prairie Crop Disaster Assistance Program which distributed $150 million to those western grain farmers hard hit by drought. There is more, Mr. Speaker, because our Government recognizes the predicament of Canadian farmers who, through no fault of their own, are suffering considerable hardship. The Government remains committed to helping Canadian grain farmers who are facing depressed incomes. The objective is to enhance their cash flow by approximately $1 billion. As the Minister of Agriculture (Mr. Wise) has said this will be new money and will be distributed to the Canadian grain farmer. The form of the assistance is now being determined in consultation with the provinces and the farm community so that the system of delivery will be fair and equitable to all concerned. It is vitally important that cash gets to the farmers' pockets with a minimum of administrative cost. It is equally important that it be seen by most to be done fairly and evenly.

• (1150)

The Throne Speech made it clear that in meeting its commitment to Canadian agriculture this Government will spare no effort in seeking to continue to protect the interests of our farming community in the face of unfair pricing and subsidy practices beyond our borders. That is good news, not just for the producer but for virtually everyone else in Saskatchewan and the grain economy. It is well known that farm dollars are circulated many times over through the entire network of suppliers, agents, dealers, and merchandisers.

In conclusion, Bill C-12, will not of itself solve the problems facing Canadian farmers, but it will help. It is similar to a number of other initiatives such as farm debt review, rural transition, commodity-based loans, western grain stabilization, fuel rebates, help to cattle producers, improved crop insurance and drought assistance. Because it helps and because it is timely, it is part of the ongoing commitment of this Government to Canadian agriculture.

We are talking about survival, and every little bit helps. These common sense amendments in front of us today will result in elimination of potential administrative delays and will allow cash advances for harvested grain to be more readily available. These measures will assist cash flow when it is really needed. With the world grain market in its current precarious state it makes good sense to pass these amendments now to ensure that farmers obtain the maximum benefit. I therefore call upon all Members to give rapid passage to these proposals.

Mr. Speaker: Questions or comments.

Mr. White: Mr. Speaker, I listened with great interest to my colleague's remarks. I congratulate him on his continuing interest in and the work he has done on behalf of Canadian farmers. The economy of my constituency of Dauphin—Swan River in western Manitoba depends, for the most part, on agriculture, as does my colleague's. I believe, as does he, that this Government has proven its commitment over the past two years to western agriculture. He mentioned that the Government cannot compete with the Treasuries of either the EEC or the U.S. However, I believe, as does he, that we have gone a long way toward helping our farmers. He mentioned briefly the $1 billion pay-out announced by the Prime Minister (Mr. Mulroney) about three weeks ago and I would like to ask him if he could expand on the consultations and method of payment under that particular program.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, my colleague is indeed right when he raises the significance of the $1 billion which has been promised to Canadian farmers in this time of need. It has been stated by the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise) that this payment will be forthcoming in consultation with the provinces and the farm community. That is vitally important because it is not for the Government to sit here in isolation in Ottawa and determine how money should be distributed to the farm community. That decision cannot be made in an ivory tower sort of atmosphere. It clearly requires the participation of the farm community. That is why it is significant that the Minister of Agriculture has had meetings with representatives of the farm community, and it is my understanding that further meetings will be held.

It is one thing to request a payment of $1 billion and another thing to point out the need for it. That is a well known fact and I think all of us in this House understand the plight that the grain farmer finds himself in through no fault of his own. However, it is also important that the system of delivery of this benefit be seen to be fair and equitable. It has to be structured in such a way that it is accepted by the farm community and seen by most everyone to be of assistance and not favouring one particular sector or group over another.

If I have one disappointment in all of this it is perhaps the reticence of the leading farm organizations to come forward publicly with concrete suggestions. They have been very quick to note the problem at great length. They have been very quick to request cash in the form of a deficiency payment. The problem is set out in many, many pages and the solution involves one sentence. However, I think they know, as do we, that there is a lot more to it than that. Is the payment to be structured as a per bushel payment? Is it to supplement the price? Should it be done through the price of domestic wheat? Should it be paid by the acre? If so, should there be a minimum or maximum number of acres? Should there be an export enhancement scheme? There are so many ways in which this benefit can be delivered and it is time, indeed I encourage farm organizations to come forward with some concrete suggestions, to assist the Government in its deliberations. I console myself with the thought that undoubtedly these proposals are being made privately, but I think it would be encouraging if the major farm organizations in the nation would have the courage to come forward with some concrete proposals rather than expecting Government to structure a program and then reserving the right to complain about it afterwards.

Mr. Riis: Mr. Speaker, I am a bit perplexed this morning. I have been listening to a number of Hon. Members describe in graphic detail the plight of the grain farmer. The point of this Bill is to advance payments as quickly as possible to those farmers. We are trying to co-operate. I would like to hear an explanation as to why members of the Government are prolonging this debate. We want to get on and deal with this as efficiently, effectively and quickly as possible. I do not know why government Members keep prolonging the debate on this Bill.

Mr. Speaker: Has the Hon. Member made a comment or asked a question? The Hon. Member for Swift Current—Maple Creek (Mr. Wilson).

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, be it a question or comment I certainly welcome the opportunity to respond. It is my understanding of the operation of this place that my constituents are entitled to have me express an

opinion in debate. In doing so I have expressed the feelings of my constituents in southwestern Saskatchewan about this Bill. It is one part of a program designed to enhance the position of the Canadian grain farmer in light of the unfair and disastrous competition he is facing. If the Hon. Member for Kamloops—Shuswap (Mr. Riis) is perplexed once again this morning, I cannot do much about it because it is not the first time he has been perplexed.

Mr. Mayer: Mr. Speaker, I do not think there is a question at all here of filibustering. It is a question of the Government talking about some important legislation in the House. This Government, as the Hon. Member for Kamloops—Shuswap (Mr. Riis) will know, has made a major commitment to Canadian agriculture. We want Members on all sides of the House to have an opportunity to participate in this very important debate. Some very useful suggestions have already been made. I, as the Minister responsible, look forward to the study of the Bill at committee where we hope to take into account some of the suggestions that are being made here this morning.

• (1200)

Mr. Riis: Mr. Speaker, many members of the New Democratic Party, and I suspect of the Liberal Party as well, want to speak on this Bill.

Mr. McDermid: Where are they?

Mr. Riis: The Hon. Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) asks where they are. We are quite prepared to discuss all the concerns of the farm community at some length. However, we feel that it is important to deal with this Bill expeditiously. Members can relate their concerns in Committee of the Whole. We in the Liberal and New Democratic Parties want to proceed with this Bill. I do not know why members of the Government are prolonging this debate. We still have the third reading and Committee of the Whole stages in which to examine this Bill in detail. I find this very confusing. The New Democratic Party wants to have this Bill passed expeditiously in order to put money into the hands of farmers as quickly as possible. I urge members of the Government to move expeditiously as well.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I was beginning to think the Hon. Member for Kamloops—Shuswap (Mr. Riis) did not want to hear my speech. I have listened for many hours to members of the New Democratic Party while wondering why they spoke on and on. I suppose it was because they believed in something very strongly and had some news to tell the Canadian people. I like to talk about good news as well and there is lots of good news with regard to agriculture because the Government has made a commitment to agriculture in western Canada.

I know it was difficult for the Member to listen to the excellent speeches made by the Member for Mackenzie (Mr. Scowen) and the Member for Swift Current—Maple Creek (Mr. Wilson) outlining the many programs and initiatives which the Government has put in place over the last two years to assist agriculture. I commend the Minister of Agriculture (Mr. Wise) and the Minister responsible for the Wheat Board (Mr. Mayer) for the influence they have had on the Government and for the excellent legislation they are bringing forward to assist all Canadian farmers. This Bill is an example of that.

The Prairie Grain Advance Payments Act was introduced in the early 1960s and has been a great help to farmers. However, it is time to update and renew it. Members have already spoken eloquently on how the Prairie Grain Advance Payments Act is being updated. Grain producers in Canada have been facing very serious problems, most of which are financial. The reasons for this are well known as costs continue to escalate and prices continue to drop.

I have always found it amazing that people will produce far more than the world is capable of utilizing. Although there are people in the world who require food, our systems are not adequate to get the food to the people who require it. I am amazed that the European Economic Community is now talking about dumping food which has spoiled in storage bins while people in Africa do not have sufficient food to sustain themselves. This problem in agriculture can be traced to the international markets which are affected by the subsidies which have been previously outlined. It is due to this that the Government has taken such an active part in the international community to attempt to eliminate the approximately $100 billion of subsidies which go to agricultural producers. That is in the interest of Canada.

We are low cost producers and low subsidizers of agricultural production. We have many natural advantages for the growing of crops. We have the best grading system in the world and a well evolved marketing system. It is, therefore, definitely to our advantage to ensure that the international community works toward eliminating these subsidies. That is why the Prime Minister (Mr. Mulroney) was able to raise this issue so well at the Tokyo Summit. The word went out from there that the Government of Canada is interested in bringing common sense back to the world trading picture.

In Uruguay the Secretary of State for External Affairs (Mr. Clark) was able to convince his fellow GATT signatories that the time had passed for papering over the problems and that it is now time to get down to serious discussions, to move toward action and away from talk. These efforts were successful and the GATT nations have agreed, for the first time, that agricultural trade will be a priority item on the agenda.

The amendments to this Act are part of the Government's over-all approach to agriculture. We are moving to improve existing programs while bringing forward new initiatives which will be of valued assistance to agricultural producers. This commitment was made in the Speech from the Throne and it is

one of the strongest commitments to agriculture that I have ever heard in a Speech from the Throne. We will work closely with the provinces and producers to ensure that the assistance offered by the federal Government is truly helpful and will enhance the cash flow of Canadian farmers. The assistance offered by the Prime Minister will amount to $1 billion. The Government will participate in the changing of agricultural programs.

Several weeks ago the Minister of State responsible for the Wheat Board signed an agreement with the Soviet Union whereby it will buy 25 million tonnes of wheat and feed grain over the next five years. The Soviet Union is a very important customer of Canada. I am very pleased that it will continue to buy grain from us and count on us to deliver quality grain at a fair price. In the past two years we have reached agreements with other valued customers including Egypt and Brazil. Canada has a fine reputation on the world market for efficiency, reliability and quality. This has allowed us to find markets for grain even in a world situation of substantial surplus.

The figures recently released by the International Wheat Council indicate that world-wide volumes of wheat and flour trade dropped by 17 per cent over the 1985-86 crop year. However, at the same time Canada was able to increase its market share by 1.3 per cent. We were able to solve the work stoppage earlier this year at the port of Thunder Bay through negotiations. The people at the port have returned to work and moved a record amount of grain over the Thanksgiving weekend. Approximately 700,000 tonnes were moved through that port during the Thanksgiving weekend. It is a fabulous record and farmers are truly happy that labour in the port of Thunder Bay is responding to a difficult situation. I believe they will catch up to any lost transportation which resulted from the strike and that we will not lose any sales because of this temporary stoppage of grain movement.

• (1210)

These instances of productivity and efficiency in the grain industry must not go unrewarded. Indeed, the Government is committed to seeing that the exact opposite occurs. The negotiations on the world scene and here at home that I have described are several of the ways that we can support our farmers in this time of depressed world markets and prices.

The Prairie Grain Advance Payments Act has worked in the past and it will work even better in the future as a result of these changes.

Many of us who are knowledgeable about agriculture believe that there may be ways to rebuild these programs so that they can be more advantageous to our farmers.

Some years ago I put forward a program that I called the assured market plan, which would have taken the moneys under this program of advanced payments and those of the stabilization Act and put them into a plan by which the Wheat Board would pay farmers at the beginning of the crop year to commit a certain amount of production to the Wheat Board. This contract would allow the Wheat Board to call upon them throughout the year as supply or demand required. This would allow things like unit trains to develop and permit a change in the quota program which is now so important to western farmers.

The Wheat Board and the Wheat Board advisers took that plan and came up with something called MAP. It was not acceptable to western farmers and the Market Assured Plan has slipped by the wayside.

However, I believe a similiar if not better plan is being developed. The Wheat Board is now offering contracts to western farmers who produce No. 1 and No. 2 feed barley and oats because in 1984 there was a poor barley crop and concern throughout the Prairies that there would not be sufficient supplies to meet the kinds of markets that the Wheat Board could develop for export feed grains. Consequently, since we were worried about supply, I think we lost some early sales which could have been made.

In June, 1985, the Board had an open quota and found that there was a lot of barley in the system. Toward the end of the crop year, it had trouble finding sufficient sales to move the vast quantity of barley that was stored on prairie farms by farmers who were optimistic about receiving a better price. If the Board had known about those supplies sooner in the crop year, export markets could have been found for that barley, and at better prices. There is a problem in conveying the information about what is in the bins on the farms to the Wheat Pools and the Wheat Board so they can sell it into markets that they know are available. This is one reason why this year the Wheat Board is attempting to contract for barley early in the crop year so it will know what is in place and can make proper plans to move it to export positions.

I think it is important to explain this program so that some of the concerns that are being expressed by the community can be laid to rest. For instance, if a farmer does not take out a contract, will the contract barley be called upon before the quota barley, and will that farmer have to wait to deliver his supplies until all contract supplies are in place? Not only is that not the case, the opposite could be true. If the Wheat Board knew that it had signed for this contract barley, it might open the quotas to try to bring in new supplies early to determine what other supplies are on the Prairies and thus better gauge their export markets.

The livestock community also showed some concern that if too many producers sign up for contracts, they may bid up the price of off-board grain. I do not believe that will happen. I am sure that if the Wheat Board detects this, it will decrease the amount of bushels of grain under contract to make sure that adequate supplies are available to the domestic market. It is not necessary to contract in order to ensure that delivery opportunities are available. There is still freedom in the system and I personally hope that that freedom continues.

Let me use oats as an example. While there are fewer markets for feed oats, it is still an imporant crop in the

northern part of the three prairie provinces. Many of the producers have been asking for more freedom to deliver oats into markets that they have found, such as double cleaned oats for the race horse markets of the western United States. They are competing very well with oats from Minnesota. We have the opportunity to put those oats into that California market at a lower price than our competitors, but those producers are having difficulty in getting permits from the Wheat Board to deliver to those markets. In fact, they have found it impossible in some cases.

We have the opportunity to produce oats for human consumption, which is done very little in western Canada. In fact, we import a good deal of that product into Canada at the present time. There are entrepreneurs in western Canada who are prepared to take the risk to produce that product in our own market and believe they can also market it into the United States. However, they are having difficulty getting permits from the Wheat Board to do so.

I believe it is time for the Wheat Board to open up to individuals who can find markets in the United States and to give them permits to see if they can succeed. I believe it will work well and the opportunity is here for the Wheat Board to be more lenient and open with the permits it offers to individual farmers and small producers who, on their own initiative, can find markets for oats in other countries. I believe it is time for the Wheat Board to take this into consideration.

This would be conducive to the growing and marketing of specialty crops and products from specialty crops. The Prairies have done an excellent job in diversifying and producing such commodities as canola, a rapeseed product developed through research, and finding excellent markets through the specialty crops system. Many producers are now growing lentils, birdseed and canary seed. I believe that the rapid expansion in the horticultural area means a great future for Canadian farmers. I hope our marketing system will bend to make sure that farmers can take advantage of any opportunities for their products.

I support the amendments to the Prairie Grain Advance Payments Act. As soon as we hear the views of Members of Parliament, I believe we should pass this Bill because many farmers in the Prairies will take advantage of these amendments.

Mr. Deputy Speaker: Questions or comments? Debate.

• (1220)

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I am pleased to rise in my place today to speak to the amendments to the Prairie Grain Advance Payments Act. These amendments display the continuing concern of our Government. Our Government was elected in September of 1984 at which time we were given a mandate for reform. Revising the Prairie Grain Advance Payments Act is one more indication of the concern we have in terms of acting in the best interests of western farmers in particular. The amendments to the Prairie Grain Advance Payments Act indicate that we take our responsibilities seriously. I commend Hon. Members, particularly on this side of the House, for the ideas they have put forward. I think this indicates that we take our responsibilities seriously. It shows our concern for the economic well-being of our agricultural producers generally. We recognize the great place that agriculture plays in our country.

Canadians spend over $40 billion a year on food—a considerable amount of money. We have to thank our farmers for their efficiency in producing this food at a very low price. We do not always recognize the input of farmers when we open the fridge and take out some milk, or cheese, or when the meat goes on the table. I would like to pay tribute to those agricultural producers who are producing under sometimes adverse conditions but, nevertheless, very efficiently. They are showing that they can compete with anyone in the world when it comes to producing food on an efficient basis.

For us as prairie farmers 41 per cent of our cash receipts come from the sale of wheat. Wheat is king in Saskatchewan, particularly in the area I represent. However, there are many problems that exist beyond our borders, and other Members have dealt at some length with them. We rely on exports for the largest percentage of our sales. Over 80 per cent of our production must be exported into a world market, a market which is presently congested and in which granaries are overflowing. Many countries which used to import our wheat are now exporting wheat themselves.

The area which I have the honour to represent contains some of the finest farm land in the world. I am sure that everyone has heard of the great Regina Plains. This is an area of level, fertile and highly productive soil farmed by people who can compete with anyone in the world. My riding contains most of the irrigation in Saskatchewan which allows us to produce a wide variety of specialty crops as efficiently or more efficiently than anyone else in the world.

Grain producers across Canada are caught in a vicious cost-price squeeze, largely as a result of the shoot-out between the European Common Market and the U.S.A. We must provide support for these agricultural producers. We do not have the luxury of choice in the matter.

During the last recess and during the recent election in Saskatchewan I spoke to many of my constituents. Members of the Saskatchewan electorate recognize the support they have received from the provincial Government led by Premier Devine. They have endorsed the provincial Government's past record by giving him a new mandate. The deficiency payment which was first announced by the federal Government in the Speech from the Throne and which was later mentioned by the Prime Minister (Mr. Mulroney) in the House, as well as by the Minister of Agriculture (Mr. Wise), is a recognition by the federal Government of the need to provide some support to our agricultural producers. My constituents have indicated their appreciation for this announcement. They have also indicated their appreciation for the priority that agriculture is receiving from the Government. In simple terms it is a matter of survival

for our producers. The deficiency payment, as well as other program changes we have made, will lessen the strain on our producers.

I would like to mention some of these changes, beginning with the removal of the capital gains tax on farm land. This was a very positive step, one well received by the agricultural community. The drought program under which payments were made to livestock and grain producers as a result of successive droughts in western Canada was also well received. Changes to the Western Grain Stabilization Act to allow for interim payments, a change we had requested for some time, were made by the Government. Fuel tax rebates, shared-risk mortgages and commodity-based mortgages are but some of the changes our Government has brought about. They have been recognized and well received by agricultural producers.

All is not gloom and doom on the agricultural scene. We have been making progress in having agricultural subsidy programs discussed at world level meetings. Such a discussion took place recently at the Tokyo Summit. Such discussions will be on the table at the next round of GATT negotiations. Important steps have been taken by our Government to allow for these subsidy problems to be discussed at world level meetings and in order for some solutions to be arrived at.

I believe that more diversification is required on the Prairies. The recent work stoppage at Thunder Bay is a prime example of the vulnerability which exists in our grain marketing and handling system. At the time of the work stoppage considerable effort was put into having grain cleaned and shipped out of the Prairies on a unit train basis. I would like to see this concept improved even further. We should have cleaning plants on the Prairies where grain is grown. The screenings could be utilized for livestock feed. Grain would be shipped in unit trains and loaded directly on to ocean-going vessels. This would eliminate the cleaning and handling charge at the terminals. It would also create a good deal of employment on the Prairies where we have a steady supply of reliable workers available. It would also encourage and foster some of the new and innovative procedures which will be required in agriculture as we move into the 1990s and beyond.

I would now like to spend some time discussing the changes to the Prairie Grain Advance Payments Act. Certainly, very valid points have been made this morning. One that I certainly support is the necessity of not having the landlord sign the cash advance for the producer. I look after several farms for non-resident and resident Canadian owners, and with the mail service being what it is today, particularly in terms of American landowners, there are great delays in having applications for advance payment returned. Most often farmers rely on the advance to pay up their day-to-day bills. Quite often they have large Farm Credit payments to make in the fall and interest-free cash advances assist producers who are going through very tough times.

Another excellent change being made is the current calculation for advances based on the number of tonnes of grain prescribed per quota acre. In the past, the high yield producers could not benefit fully. The proposed amendment changes the method of calculating the advance on the basis of the actual volume of grain the producer has in storage. This will be of particular benefit to those in my area who irrigate and produce very high volumes of grain.

• (1230)

The interest rate problem was with us throughout the early 1980s. When interest rates fell, farmers were still locked in to paying very high rates. The Prairie Grain Advance Payments Act was no different. Interest rates on defaulted accounts were set on the beginning of the crop year and stayed the same until the account was paid off. This Bill will change that. To avoid this problem, the Bill proposes that interest rates for defaulted accounts be allowed to fluctuate in relation to current rates.

These amendments will allow for more flexibility in dealing with outstanding defaulted accounts. The Board will be granted more latitude in dealing with producers who show that extraordinary circumstances prevented them from completing their obligations under the Act. I have and I am sure other Hon. Members have heard stories of illness, accidents or other conditions that prevent farmers from delivering grain on time.

Several regulations, routine and administrative in nature, are altered by Order in Council each year. The Government believes that this process takes too much time and creates unnecessary paperwork. It has seen fit to delete these requirements from the Act. As recommended by the Bill, the application form will no longer require Order in Council approval. Instead, the Canadian Wheat Board will be responsible for the approval of the form. The advance rate for the crop year will no longer require an Order in Council. The rate is set by the Wheat Board and its initial payments are already set by Order in Council. The current process is redundant and time consuming.

With these amendments, the Government has yet again demonstrated its commitment to reform and its concern for farmers. I strongly urge all Hon. Members to adopt these amendments and to pass Bill C-12 quickly.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would like to congratulate my colleague, the Hon. Member for Moose Jaw (Mr. Gottselig), on his contribution to this debate. I know the Hon. Member represents a vast grain growing area of south-central Saskatchewan and that he is a grain farmer himself. I am sure he notes with approval the strong commitment to the Canadian grain farmer in the Throne Speech and particularly the statement that the Government will spare no effort in assisting farmers and will work with provincial Governments and the farm community to develop a way of delivering a benefit of approximately $1 billion to grain producers in Canada.

Considering his expertise in the area and his farming background, I wonder if the Hon. Member would care to comment on his view of the best way to devise a method of delivering this $1 billion to the farming community.

Mr. Gottselig: Mr. Speaker, I thank the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) for his kind words. The key to this deficiency payment announcement was the method by which it was announced. It was first announced in the Throne Speech which indicated that we would spare no effort to assist those agricultural producers. It was later mentioned in the House by the Prime Minister. The Minister of Agriculture indicated that he would initiate discussions with the provincial Governments at the Deputy Minister level. Probably more important than that was the fact that we would involve the agricultural producer groups.

All too often in the past, we have seen programs announced from this great ivory tower without any concern for the people who are affected by them. The agricultural producer groups which have a grassroots level input can now enter into these discussions. This will provide a direct link with the producers and will allow us to institute the delivery of this program in a way that will be decided by the producers. I believe the key is that the producers themselves will put forward their ideas as to how this program should be delivered.

Mr. Gauthier: Mr. Speaker, given the fact that we have heard 10 speakers on second reading stage of this Bill and the fact that we all know that farmers are expecting passage of this Bill, would the Hon. Member not agree that we should interrupt the debate now and put the question?

Mr. Gottselig: Mr. Speaker, as my colleague, the Hon. Member for Swift Current—Maple Creek mentioned, I feel that I am here to represent my constituents. They want to hear our position on this issue. I do not feel that expressing my opinion on behalf of my constituents is holding up the business of the House.

Mr. Gauthier: Mr. Speaker, I was not questioning the Hon. Member's right to speak in the House. I am simply saying that the principle of the Bill is to be discussed at second reading stage. We all know that in principle, this Bill is a good one and should be passed quickly. Why are government Members filibustering the Bill?

Mr. Gottselig: Mr. Speaker, I do not believe that expressing my opinion on behalf of my constituents is filibustering the Bill. Perhaps the Hon. Member chooses to see it that way. His Party is well known for filibustering a great many things. I do not believe that we are filibustering this Bill.

Mr. Riis: Mr. Speaker, Parties decide to filibuster when they are in fact attempting to stop a Bill. If the Hon. Member is interested in representing his constituents, he would be well advised to take steps right now that would enable payments to get into the hands of farmers as quickly as possible rather than prolonging debate hour after hour.

It is not that the debate is not interesting. It is an interesting and useful debate. We are hearing various concerns from various parts of the country and that is fine. However, we are anxious to help the farmers and to put money into their hands. Hon. Members say that they want to represent their constituents. Believe me, their constituents would appreciate being represented by Hon. Members who took action to see that the money got into their hands as quickly as possible.

Mr. Mayer: Mr. Speaker, just to set the record straight, the House Leader of the NDP knows that farmers presently receive money under the Prairie Grain Advance Payments Act. This Bill has nothing to do with either limiting or increasing the amount of money available.

Last June, we very much appreciated the position taken by the New Democratic Party. Members of the NDP were in favour of passing this Bill at that time and if we could have done it then, all of the proposed amendments would have been in effect at the beginning of the new crop year beginning August 1. Unfortunately, it was the Official Opposition that held it up.

This Bill has been before the House this morning for an hour and a half and it was before the House for about an hour and a half a week ago. In total, it has been before the House for three hours. It is a piece of legislation that affects the agricultural community. A great many Members of the House directly represent farmers. This provides them a very good opportunity to rise in the House to speak on agricultural matters. Three hours is not a long time to talk about a Bill that will affect agriculture.

We appreciate the position taken by members of the New Democratic Party. If their point of view had carried the day, this Bill would have passed last June. We do not feel that three hours of discussion on an important piece of legislation will in any way hold it up.

Mr. Riis: Mr. Speaker, so that the record is perfectly clear, the Minister responsible for the Wheat Board indicated that members of his Party were concerned about agriculture and about their constituents and therefore wished to make some comments on this Bill. I want to make it perfectly clear that there are many of us as New Democrats who also represent farm communities. As we originally decided, it would be in the best interests of the farm community to treat this Bill expeditiously. As a matter of fact, I recall requests to do just that. In our efforts to be co-operative, helpful, and assist in the movement and passage of this Bill as quickly as possible, many of our representatives of farm communities have decided to raise their comments at the appropriate place, not at the debate in principle.

• (1240)

I have been listening to the debates carefully this morning. Quite frankly, we have gone far beyond the debate in principle. The members of the New Democratic Party say that we should get the Bill into committee where we can deal with the specifics. We will then have another opportunity at third reading, and so be it. Again, I urge the Government to be expeditious and get on with the passage of this Bill, as it requested us to do originally.

Mr. Gottselig: I would like to add my comments to this debate. I have had the good fortune to sit in the House since November of 1984. In connection with serving my duty days, I have been here many times on Opposition Days. If the New Democratic Party showed as much concern for holding up the business of the House on some of those days as they are indicating now, more would be accomplished.

Mr. Deputy Speaker: Resuming debate.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this House has proceeded with debating of Bill C-12 long enough. Knowing that farmers are waiting for this Bill, I move, seconded by the Hon. Member for Mount Royal (Mrs. Finestone):

That the question be now put.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find this a very extraordinary procedure. We had a member of the New Democratic Party yesterday standing up and chastising the Speaker for not allowing him the privilege of debating what he considered to be a very important issue. As the Hon. Minister of State for the Canadian Wheat Board (Mr. Mayer) indicated earlier, this is an important piece of legislation from the standpoint of the agricultural community. On this side of the House, we have a strong representation in the agricultural community. We have a number of Hon. Members who want to speak out on this issue, not only in support of the Bill, but indeed to outline to the House and to the Canadian people the tremendous record that this Government has in agriculture.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I cannot help it that the NDP does not have enough Hon. Members from the agricultural community to make a point that its members want to make. I cannot help it that they are not interested in agriculture. I cannot help it that they were wiped out in the Province of Saskatchewan because of their supercilious stand on agriculture in western Canada, particularly in the Province of Saskatchewan.

Ms. Mitchell: Let's comment on today's polls, shall we?

Mr. Mazankowski: I am glad the Hon. Member for Yorkton—Melville (Mr. Nystrom) is back, because he was literally whitewashed.

Ms. Mitchell: What about today's polls?

Mr. Mazankowski: He lost.

Mr. Mayer: He was blue washed.

Mr. Mazankowski: He was blue washed, that is right. He lost every provincial seat in this federal riding, I am told. That has been a traditional New Democratic Party area. I guess that the presence of his Leader and himself did not help matters. I understand they took the Leader into Saskatchewan for a day and a half and they polled him, because they were going down the tube. Unfortunately, the day and a half may have been the difference.

Ms. Mitchell: What's happening federally is that you're going down the tube. What's happened to your polls?

Mr. Mazankowski: Federally? We win in Pembina, we win in Saskatchewan, and the NDP loses in B.C. One of these days they are going to have to go back to the drawing board, which means that their policies are wrong on trade, their policies are wrong on job creation, their policies are wrong on economic renewal.

Ms. Mitchell: That's not what the polls are saying.

Mr. Mazankowski: Polls do not win elections, and you know that. The polls are wrong, and I am a Pole, as well. I am not only frank, but I am a Pole as well.

Mr. Mayer: You are the kind of Pole who wins elections.

Mr. Mazankowski: The NDP has the wrong stand on interest rates and economic renewal. It is the first time in eight years that the major economic indicators have been in the single digits. People across the country know that there have been some major changes and progress has been made. One of them is in the field of agriculture, both domestically and internationally. This Minister and the Minister of Agriculture (Mr. Wise) have done a tremendous job in promoting the interests of agriculture in the international arena. I would like to compliment them.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Just because our Hon. Members want to stand up and support these two excellent, competent Ministers who have distinguished themselves in the most exemplary fashion and who want to speak out on behalf of the farmers of Canada, they should not be denied that privilege by a silly manoeuvre by the Official Opposition.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Do they have a farmer over there? No. Well, they do not care. I do not know whether there is a farmer in the NDP caucus.

An Hon. Member: One.

Mr. Mazankowski: One. Well, that tells you the story. We have lots of farmers and a lot of Hon. Members who are interested in the farming community. We have to have the opportunity to debate the issue. I know that good news is very hard for these people to swallow across the way. It is quite obvious that is what they are trying to achieve by cutting off the debate.

We are going to oppose this motion, Mr. Speaker, because we still have some Hon. Members who want to speak—

Mr. Riis: This will look good in the polls.

Mr. Mazankowski: —in the event they have the opportunity to speak on this motion and say what they wanted to say originally. Then we will allow it to come to a vote. But we have Hon. Members who want to speak and the Official Opposition, or the NDP, will not deny the Hon. Members on this side the right to speak and the right to be heard on behalf of the people, the farmers of western Canada, and all of Canada. The farming industry is an important industry. It is in dire straits. It is in serious difficulty. This is the kind of debate that should be held in this institution. That is what we are trying to do.

Mr. Deputy Speaker: Questions and comments.

Mr. Riis: I do not have a question or comment. What I want to suggest to the House Leader for the Government is, in fact, that the farmers of this country do not want to hear a lot of rhetoric. They want to see some action. What we said is, let us have some action in this House of Commons rather than have farmers sitting listening to hour after hour of Tories getting up and filibustering the Bill that is before the House which is designed to help the grain farmers across the country. We are saying, let us get on and handle this Bill as expeditiously as possible. I cannot believe that the Deputy Prime Minister (Mr. Mazankowski) has stood here and said he wants to talk this Bill out. He is going to vote against taking action on this Bill.

Mr. Mazankowski: You are trying to deny freedom of speech.

Mr. Riis: I want to say very clearly that we are very concerned about the plight of the family farm. We see family farms being replaced by agri-business and corporate agriculture right across Canada. We see an opportunity today to take some action and do what we can in the House of Commons to deal with this. Not long ago the Minister of State for the Canadian Wheat Board (Mr. Mayer) asked us to do whatever we could to assist him. What did the Minister ask us to do?

• (1250)

Mr. Mazankowski: You don't know what you are talking about.

Mr. Riis: The Government House Leader should listen carefully so that he understands how this place works.

Mr. Mazankowski: I am listening.

Mr. Riis: A request was made of the opposition Parties to pass the Bill before us as quickly as possible. We were asked whether we would co-operate with the Government. At that time we said: "You bet we will". We also said that if the Bill helps Canadian farmers and provides support for farm families, we would support it and that we would do whatever we could. As a matter of fact, we said that we would pass it with the absolute minimum of speakers. The Government House Leader can sit there and laugh because he was not the House Leader at that time.

Mr. Mazankowski: I am laughing at you.

Mr. Riis: The request was for our co-operation. We said that we would co-operate with the Government. We want to help family farms and grain producers. Assuming that if it was important to pass it in June, it would be even more important to pass it quickly today, we said that we should get the Bill into committee so that it could be dealt with as quickly as possible, get it back for third reading, and get on with other business of the country.

Perhaps the Deputy Prime Minister noticed what the polls indicated across the country today. The people of Canada have lost confidence in the Government. They have lost confidence in the leadership of the Prime Minister (Mr. Mulroney). They have lost confidence in the Progressive Conservative Party. Quite frankly, in every region of the country the Conservatives do not have the support of the majority of citizens. I cannot believe that the Deputy Prime Minister and Government House Leader stood in his place today and said: "We are going to stop the movement of this Bill".

Mr. Mazankowski: I did not say that at all.

Mr. Riis: He said that they wanted to slow down the movement of this Bill, that they wanted to keep the people talking but not to provide action. We are saying that members of the opposition Parties want action. We want to move the Bill forward as quickly as possible.

Mr. McDermid: What a phoney.

Mr. Riis: The Hon. Member should reconsider the word "phoney". I believe it is unparliamentary. Presumably he will have an opportunity to make his speech. I guess they now want to prolong the debate on this motion.

I say to the Deputy Prime Minister and to the Minister of State for Canadian Wheat Board that if the request for speedy passage was valid in June of this year, surely to goodness the same request is valid today. We want to co-operate. We want to get on with other business of the House. We have other legislation in line. We have Bills which are awaiting passage.

Why is it that government Members want to filibuster and prolong debate unnecessarily—

Mr. Deputy Speaker: Order, please. Could I ask the Hon. Member to conclude his comment?

Mr. Riis: Mr. Speaker, I forgot that it was a comment; I thought I was on debate. Rather than a comment, perhaps I will direct a simple question to the Government House Leader. They have the co-operation of the opposition Parties to deal expeditiously with the Bill. Knowing all the legislation which is awaiting passage, knowing the state of affairs in the country, and knowing what the people of Canada through today's polls think of them, why will they not co-operate with the opposition Parties when they say: "Let's deal with it now. Let's get it into committee where it can be properly dealt with, not at this stage where it is being debated in principle only"?

Mr. Mazankowski: Mr. Speaker, I am very pleased to answer that question. The House Leader of the New Democratic Party has sort of toned down his rhetoric and emotion. If he is suggesting that three hours of debate on an important piece of legislation affecting western Canada, particularly prairie grain producers, is too long—

An Hon. Member: Two hours.

Mr. Mazankowski: Is it two hours? In any event the value which he places upon this institution and the value I place on it are different. The fact of the matter is that we have every intention of seeing that the Bill goes through to committee today. I appreciate the support of the Opposition in facilitating it.

However, I repeat that Parliament is a debating place. If Members of Parliament representing agricultural constituencies are to be denied the right to speak as a result of the tactics in which the Official Opposition and the NDP are engaged, I think it is an affront to this institution. It is an affront to Parliament. It is an affront to the people who sent those Hon. Members to represent them on the floor of the House of Commons. We are not filibustering our Bill. We are giving Hon. Members who are desirous of an opportunity to be heard and to speak on the Bill an opportunity to do so. I hope the Hon. Member, in his expression of goodwill, would allow that to take place.

I also hope that the Hon. Member for Ottawa—Vanier would withdraw the motion because I can assure him that with a couple of more short interventions the Bill will be passed into committee.

An Hon. Member: No.

Mr. Mazankowski: The expert on parliamentary procedure in the back row over there says "No". I understand that he is taking his cues from her. That is fine; that will be recorded as such. The record will show that the NDP and the Liberal Party combined to move what in effect was an attempt to close the debate or to move closure on debate affecting the agricultural community of Canada. That is the sum and substance of it.

Mr. Gauthier: No, it is not, and you know it.

Mr. Mazankowski: That is the way it will be interpreted. The Hon. Member wants to deny western Members an opportunity to speak, and I regret that very much.

Mr. Gauthier: Mr. Speaker, we agree with the Government that the Bill is urgent. We agree that it should be passed quickly. If the Government is disposed to do so now, we would comply and the question could be put.

What are government Members telling us? Do they want to call it one o'clock? If so, that is fine with me. However, I say to the Minister: "Please do not vote against your own Bill". That is what he is doing.

Mr. Mazankowski: Mr. Speaker, I have no intention of voting against my Bill. I have every intention of voting against the silly tactic of that Hon. Member. All I am saying to him is that we will prolong the debate so that all our Hon. Members can speak, and then we will vote on it. If he were a gentleman about the whole exercise, he would withdraw the motion in the spirit of goodwill and in the expression of goodwill advanced by the House Leader of the New Democratic Party. We will allow our Members who have not had a chance to speak to continue to speak, and then we will take the vote.

Mr. McKnight: Mr. Speaker, I just want to make a few brief comments on this matter. With the representation found in government ranks and with the capable speakers found in government ranks who want to put forward to their constituents some of the good news and to explain a Bill which is important to the people I represent, I find it strange that the House Leader of the New Democratic Party would ask: What is the difference between June and now? I should not have to explain it to the Hon. Member who has expertise in agriculture. He knows the number of farmers who are represented by his Party and the great farm vote which his Party received in the Province of Saskatchewan last October 20. I think it was two ridings. The difference between June and now is what is called the crop year. The crop year ends on July 31. That is why it was urgent when the Official Opposition, the Liberal Party, denied consent to have this piece of legislation passed in June, in time for farmers to take advantage of it in the new crop year. The difference between now and last June is the fact that there is a crop year.

The actions about which the Hon. Member talked are evident to Canadian farmers. Those actions include the removal of the gas tax, the removal of the diesel tax, the removal of capital gains, and interim payments on western grain stabilization. I see that you, Mr. Speaker, are signalling that it is almost one o'clock. I would have liked to talk about drought payments, flood payments, livestock payments, and the $300,000 which was put into the dairy program. However, I see Your Honour rising, so I will take my seat.

Mr. Deputy Speaker: The period provided for questions and comments is over.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PARLIAMENT HILL

IDLING OF MINISTERIAL CAR ENGINES—ENVIRONMENTAL CONSEQUENCES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, last November this House unanimously approved a motion to put an end to the practice of idling car engines within the confines of Parliament Hill so as to protect the environment. To this end, your predecessor, Sir, had signs put up informing all drivers to shut off their car engines when waiting. Unfortunately, infractions are taking place every day. Ministers' cars and, most prominently, the Prime Minister's (Mr. Mulroney) limousine and cavalcade are the regular "idlers". This is a small number of vehicles, true, but the attitude displayed toward the environment is symbolically very important. How can citizens take the environment seriously if the Prime Minister and his Cabinet fail to give a good example?

I call upon the Prime Minister and his Ministers to change their ways, respect the will of this House, and set a good example by please turning off the engines of their cars.

* * *

[*Translation*]

INDUSTRY

DOMTAR'S TWENTY YEARS IN LEBEL-SUR-QUÉVILLON, QUE.

Mr. Guy St. Julien (Abitibi): Mr. Speaker, in the midst of a black spruce forest about 80 kilometers north of Senneterre, the Domtar company at Lebel-sur-Quévillon is celebrating its twentieth birthday this year. Domtar has created a municipality, schools, an entire community, where people have managed to settle a part of this planet that seemed particularly hostile to human settlement but was rich in space and resources.

The Domtar plant produces Kraft pulp from resinous wood at a rate of 800 tonnes a day or 260 tonnes per year. The plant employs 605 workers and annually pays $11 million in salaries and fringe benefits.

Mr. Speaker, initially, workers and their families saw coming to Quévillon for several years as a way to save a substantial amount of money, but they finally became attached to this part of the country where they found a great spirit of camaraderie and friendship.

Today, more than 900 people are employed by Domtar in the company's various departments, and this year, 100 employees will be celebrating their twentieth anniversary with the company.

We congratulate these workers and their wives and children on the life they have made for themselves in the Abitibi region.

[*English*]

MEMBERS OF PARLIAMENT

STATEMENT MADE BY MR. TAYLOR UNDER STANDING ORDER 21

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, stereotypical slurs on any minority in Canada whether racial, religious, ethnic, linguistic, or sexual are deeply offensive to all Canadians who value equality and human rights. Such attacks are particularly serious when they come from a long-time Conservative Member of Parliament. The words used last week by the Hon. Member for Bow River (Mr. Taylor) with reference to lumberjacks—

Mr. Speaker: Order, please. The Chair having already commented on the words at which the Hon. Member takes umbrage and the Chair having made those interventions in quite, I think, unequivocal language, must remind the Hon. Member that it is not the appropriate place under Standing Order 21 to carry on admonishments of Members when a Member has already been admonished by the Chair. I say this fully aware that the Chair has made it clear that the issue in this matter is a legitimate issue for this Chamber. The Hon. Member yesterday raised a point of privilege. There may have been some misinterpretation as to what the Chair said. The Chair has taken that matter under advisement and will return to the Chamber with it.

I would hope all Hon. Members will accept that the Chair feels that the continued use of Standing Order 21 for attacks on any particular Member, when that Member has been admonished by the Chair, is an inappropriate use of Standing Order 21.

With respect, the Hon. Member for Burnaby (Mr. Robinson) raised a point of privilege yesterday and was given a very full hearing. The Chair will be returning to the Chamber at the appropriate time, with sufficient notice to the Hon. Member for Burnaby, to make a ruling upon the particular matter which he raised.

* * *

ENERGY

NATURAL GAS DEREGULATION—IMPORTANCE OF ACCESS TO UNITED STATES MARKET

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I believe that full deregulation of natural gas can be completed by the targeted date of November 1, 1986, and I wish to congratulate governments and industry for their zeal in accomplishing this.

In my view it is imperative that the result of deregulation is free access to all markets, including the United States. Only by free access can the deregulated price reflect the true market value, and only by free access can the industry develop to its full potential.

• (1405)

I would encourage government agencies to review the gas export surplus test and adjust the test so that it will encourage exploration, development, and production of natural gas. Long-term contracts will meet the need for security of supply and keep those much needed jobs in Alberta. The adjacent border price test needs flexibility so that the situation can be monitored and action taken only if a problem arises.

* * *

CANADA POST CORPORATION

OPPOSITION TO POSSIBLE POSTAL RATE INCREASE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I would like to read to the House a letter from the Canadian Federation of Independent Business to the Minister responsible for the Post Office (Mr. Côté). It reads:

It is most distressing that the politics of rumour and innuendo have become the hallmark of a new session of Parliament. In this environment Canadians are now being asked to ponder yet another postal rate increase, which at this point you have chosen not to deny.

The Prime Minister and the Government, with much fanfare, have trumpeted the values of hard work and entrepreneurship through both the Throne Speech and Small Business Week.

With one hand offered to small business in congratulation for creating 70 per cent of the jobs during this Government's mandate, does the other hand wait to slap another unfair burden upon the independent business people of Canada?

[*Translation*]

Introducing further postal increases is not the way to deal with Canada Post's deficit. The time has come to show the will, courage and vision that are necessary to deal with the many problems facing this Crown corporation.

You may be certain that the Canadian Federation of Independent Businesses will vigorously oppose any increase in postal rates and support all Canadians who have had enough of paying more and more for less and less as far as our postal services are concerned.

* * *

MULTICULTURALISM

GOVERNMENT'S PERFORMANCE AND OUTLOOK ON FUTURE

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I have good news and bad news about this Government's multiculturalism policy.

First, the good news. The Government, and more specifically the Prime Minister, has promised to increase the number of appointments of people from minority groups to sit on Government councils and commissions. Mr. Speaker, considerable progress has been made in the past two years. This Government has appointed more people from various ethnic groups than the former Administration.

And now, the bad news. What we have done is not enough. We must do more to reflect Canada's ethnic and linguistic reality, but I have every confidence in the Secretary of State and Minister responsible for Multiculturalism (Mr. Crombie). We are determined to reach our goal, which is the same equality for all Canadians.

* * *

TAXATION

NON-PAYMENT OF TAX BY CORPORATIONS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, today, the grand prize for untaxed corporations goes to Sterling Trust.

This company paid no taxes at all in 1985 and enjoyed tax credits for the years 1979, 1983, 1984, with profits exceeding $10 million. This was possible owing to lucrative tax rebates arising from measures introduced by the previous Liberal Government and to action taken by this Conservative Government.

* * *

GOVERNMENT EXPENDITURES

SPENDING DONE BY PREVIOUS LIBERAL ADMINISTRATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this morning's *Globe and Mail* editorial appears under the heading: "The money machine".

Two years after the defeat of the Liberal Party, the *Globe and Mail*'s editorial writer urges us to remember that the Liberal Government spent more than any other Government for political and partisan purposes; that the Liberal Government abused the system; that it failed to observe Treasury Board guidelines; that the Government privately spent taxpayers' money; that under the Liberal Government, for the first 20 months the job creation program was administered exclusively by Ministers and a few MPs, with no consideration for objective eligibility criteria; that this profligate spending for partisan purposes was done with borrowed money.

Mr. Speaker, the Liberal caucus here in the House took part in and approved these infamous expenditures. As the *Globe and Mail* says, Mr. Speaker, "They bear remembering".

S.O. 21

• (1410)

[*English*]

PEACE

GREAT PEACE JOURNEY'S QUESTIONNAIRE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, 20 representatives of the Great Peace Journey from many countries around the world were here today and it was unfortunate that neither the Prime Minister (Mr. Mulroney) nor any senior Minister of his Government found the time to meet and greet them. This group is visiting heads of states in 14 regions of the world to discuss five questions with world leaders. They have already met with Prime Minister Gandhi of India; the Foreign Minister of Australia, Mr. Hayden; and Prime Minister David Lange of New Zealand. In December they will meet with leaders of the Soviet Union and the United States. They have requested written answers to five questions and I wish the Government would at least study the questions and then determine how it wishes to answer.

The five fundamental questions from this group are:

(1) Are you willing to forbid your country's defence forces from leaving your own country's territory if all other UN countries do the same?

(2) Are you willing to forbid nuclear weapons and other—

Mr. Speaker: Order, please. I very much regret that the Hon. Member's time has expired.

* * *

LABOUR CONDITIONS

NORTHERN ONTARIO—REDUCTION IN UNEMPLOYMEMT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, yesterday statements were made in the House implying that no jobs had been created in northern Ontario since this Government came to power. In 1980 northern Ontario's unemployment rate was 7.7 per cent. By 1982, under a Liberal Government, it had jumped to 13.5 per cent. The Conservative Government reacted to this situation and created more than 29,000 jobs, bringing unemployment in northern Ontario down to 10 per cent.

In the last two years 19,000 jobs were created in northeastern Ontario, and 10,000 in northwestern Ontario. There are 7,000 less unemployed workers in northern Ontario, and this is significant progress.

Our Government's policy on job creation is successful, and it will continue to introduce policies and programs to benefit every region of the country. Our record of achievement in job creation is one that is clear. No Member who sat on his hands while the previous Government raised the unemployment rate of northern Ontario from 7.7 per cent to 13.5 per cent can lecture this Government on job creation in northern Ontario.

Mr. Speaker: The Hon. Member's time has expired.

* * *

LABOUR RELATIONS

PORT OF VANCOUVER—REPORTED BREAKDOWN IN NEGOTIATIONS BETWEEN EMPLOYERS AND UNION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have just learned that waterfront employers in Vancouver have announced that contract talks with the longshoremen's union have broken down. I am very concerned about this because there are still nine days to go before the end of the 30-day limit which the parties agreed to impose in order to continue negotiations. I also understand that the union does not want to go out and is willing to work all cargoes, including grain. On behalf of Members of Parliament I would like to appeal to the parties concerned to do everything possible to resume negotiations, in their own interests and those of Canada.

* * *

CROWN CORPORATIONS

RESULTS OF DE HAVILLAND'S SALE TO BOEING

Mr. Bob Hicks (Scarborough East): Mr. Speaker, have you noticed that the opposition Parties have been extremely quiet lately about the sale of de Havilland to Boeing? Do you know why? It is because this is one of the great success stories of this decade. No jobs have been lost. In fact many more are anticipated. How about orders? They have increased dramatically. To quote this morning's Ottawa *Citizen*, "The roar of rivet guns, punch presses and lathes rarely stops at the sprawling de Havilland Aircraft of Canada Ltd. plant in northwest Toronto these days. They can't make airplanes fast enough".

I am sure all Canadians and all Members of this House will agree that the forward thinking, perceptive and timely action taken by the Government should be very widely applauded.

* * *

• (1415)

[*Translation*]

UNEMPLOYMENT INSURANCE

SITUATION OF EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): This past weekend, Mr. Speaker, I had the pleasure of traveling to the Quebec City region where I met with people from Lévis, Quebec East and Langelier. Quebec City residents are wondering why this Prime Minister (Mr. Mulroney) and

this Progressive Conservative Government chose to waste $41 million of the taxpayers' money by relocating the Drummondville prison in the Prime Minister's riding. These people want to know why the Government did not take $30 million to give immediate refunds to the 50,000 early retirees who are penalized as a result of the profligacy of the Prime Minister and the Progressive Conservative Government.

* * *

SMALL BUSINESS

SUCCESS OF LEMAIRE ENTREPRENEURS OF DRUMMONDVILLE

Mr. Jean-Guy Guilbault (Drummond): To highlight Small Business Week, Mr. Speaker, I would like to pay homage to three Drummondville entrepreneurs who stand as a shining example for all small- and medium-sized businesses, the Lemaire brothers of Papiers *Cascades*, Bernard, Laurent and Alain. With their father Antonio and their sister Madeleine they set up a system to recycle old paper in Drummondville. Their company has expanded over the years and has now become a multinational concern. Among other achievements, *Cartonneries Cascades* now operate plants in Quebec, Ontario and the United States, as well as three more in France.

Established in 1964, Cascades now include 25 companies with 3,200 employees and have posted sales of $400 million this year. The shares of this group, issued in November 1982 at $5 and valued at more than $150 last July, reflect the outstanding success of Quebec's *Régime d'épargne-actions*. The Lemaires and other such entrepreneurs are the vanguard of a new generation of Quebecers whose efforts and endeavours strengthen the Canadian economy.

ORAL QUESTION PERIOD

[*English*]

NATIONAL RESEARCH COUNCIL

BUDGETARY CUT-BACKS—REQUEST THAT PRIME MINISTER INTERVENE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. The repeated cut-backs in vital programs for the National Research Council are a betrayal of the Prime Minister's promises during the election, a betrayal of our young people, and are making this country more vulnerable in our ability to compete world-wide. Will he overturn the extremely harmful cuts to the National Research Council made by his Minister of Science and Technology and re-establish the priority that he gave Canadians to understand would be paramount in his Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as my right hon. friend will know, the Government of

Canada inherited a situation where, over the previous 15 years, per capita contribution of GNP to research and development had declined to the point where it was the lowest of the OECD countries, I believe. We had to begin the process of improving that situation as a percentage of GNP because we believe that it is very important in enhancing our competitive position, aside from the obvious benefits that it brings to the country. We are committed to a strategy of increasing the per capita contribution of GNP to research and development. That has been our policy. We are in the process of developing it and we hope to achieve substantial results from it.

[*Translation*]

DEGREE OF PRIORITY ACCORDED RESEARCH

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister was inaccurate in his summary of the facts. In any case, during the election campaign he made a personal commitment to increase the National Research Council's budget by 20 per cent. Since he became Prime Minister, he has cut the NRC's budget by $120 million. Why does the Prime Minister think that spending a $41-million surplus on a prison in Manicouagan riding was a more important priority for this country than spending the same $41 million on research?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Liberal Party keeps picking on the people of Port-Cartier. Yesterday, one of his Members was picking on the people of Matane, after ignoring them for 15 years, and the Hon. Member would have us believe there is a connection with what we spend on research and development. We have announced a policy that is clear and that promotes research and development. We intend to work together with the private sector, universities and R&D institutions, and by the time we finish our term, I think we will have substantially increased the per capita contribution to vitally needed research in this country. Ours is a forward-looking and realistic policy which reflects not only our country's needs but also its economic potential.

• (1420)

[*English*]

STATEMENT ATTRIBUTED TO NOBEL PRIZE WINNER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, perhaps I could cite an authority that the Prime Minister might recognize. After learning of the cut-backs to the National Research Council our Nobel Prize winner, Dr. John Polanyi of the University of Toronto, was asked what advice he would give to young scientists in Canada today and he replied: "I think I would go to the United States". Can the Prime Minister conceive of a more damning indictment of his governmental policy than to have one of the leading scientists of our country recommend to the young people of Canada who are interested in scientific research that their only recourse is to go south of the border to the United States?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would have to take a look at the records again, but my recollection is that not so long ago Canada's contribution had declined to 0.9 of 1 per cent of GNP during the record of the previous Government, which is, I think, the lowest of all the OECD countries. It has since moved up gently. When we took over I believe it was at 1.13 per cent.

Mr. Turner (Vancouver Quadra): Check your facts on that one!

Mr. Mulroney: The fact of the matter is that the Government of which the Hon. Member was a part drove scientists out of Canada into the United States. We are in the process of trying to bring them back. The Hon. Member should stand up and help us, as opposed to expressing the negativism in which the Liberal Party constantly indulges.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION ON CUT-BACKS

Mr. David Berger (Laurier): Mr. Speaker, the Prime Minister ought to check his facts or else he ought to reread his book. My question is also for the Prime Minister.

In trying to defend the indefensible cuts at the National Research Council the Minister of State for Science and Technology said yesterday: "Please, I do not enjoy this. None of my colleagues in Cabinet enjoyed what we had to do". Why did the Prime Minister and his cabinet colleagues have to do this? How can he justify cuts which are damaging Canada's ability to compete, and which are destroying Canada's pre-eminent research institute and the morale of scientists across the country? Why did he and his cabinet colleagues—

Mr. Speaker: Order, please. The Hon. Member will realize, of course, that he has repeated the same question.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, what I do not enjoy doing, and what my cabinet colleagues do not enjoy doing, is having to correct in the shortest time possible 20 years of deliberate policies of neglect in the area of science and technology.

Some Hon. Members: Hear, hear!

Mr. Berger: Mr. Speaker, by his own mouth the Minister and his cabinet colleagues stand condemned.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT MINISTER TABLE DOCUMENTS ON WHICH DECISION TO MAKE CUT-BACKS BASED

Mr. David Berger (Laurier): Mr. Speaker, I want to ask the Minister whether he is prepared to table in the House the studies on which he based his decision to cut the 20 million, as well as a list of the groups he consulted and of recommendations made by members of the NRC.

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, last night there was a meeting of the standing committee at which I tabled very important information. It is terribly unfortunate that the Hon. Member does not consider it important enough to attend such meetings.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

OLYMPICS

SALE OF TICKETS FOR 1988 WINTER OLYMPICS IN CALGARY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of State for Fitness and Amateur Sport. As the Minister knows, some 85 per cent of the tickets for the 1984 Summer and Winter Olympics were made available to members of the general public who wanted to attend the most popular events. Considering that there is a report out which states that some 50 per cent of tickets for the upcoming Olympics in Calgary have been reserved for a small so-called Olympic family, can the Minister confirm that this is the case? Can he tell Members of the House why so many people in the general public are being excluded if such a policy is in place?

• (1425)

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can confirm that the report is erroneous. The Hon. Member is misinformed. Seventy-five per cent of ticket sales for the Calgary Olympics will be made available to the general public and 25 per cent will go to the so-called Olympic family, including national organizations, sponsorship groups, the IOC itself, and others. That compares favourably with the Los Angeles Olympics and falls under IOC Rule No. 60.

PUBLIC'S ACCESS TO POPULAR EVENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister will know that the reports were not about events in general but about the most popular events. It has been suggested that public access to tickets for the more popular events including hockey games, figure skating, and speed skating, will be considerably more restricted than he has just said. Will the Minister reassure the House that that is not the case and that the Canadian Olympics will indeed be open to the general public?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): The Calgary Olympics will indeed be open to the

general public. I cannot confirm that each and every event will have 70 per cent availability. The Board of Directors of the organizing committee is currently reviewing the situation for specific events but I can guarantee the Hon. Member, the House and Canadians, that 75 per cent of total sales of tickets for the Calgary Olympics will be made available to the public.

REQUEST THAT MINISTER INTERVENE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with respect to the Minister, he knows that the issue is not 75 per cent of tickets in general. The people of Canada want access to the most popular events. Will the Minister take steps to ensure that the general public will have full access to hockey games, speed skating and figure skating, and that at least the same percentage of the general public will be able to attend these Olympics as attended recent Olympics? Will the Minister give us that guarantee?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can assure the Hon. Member that there will be an improvement over the sales that took place in Los Angeles. While I have the opportunity, I would also assure the House that the Olympic Games in Calgary will be the best ever Winter Olympic games in the history of the Olympic movement for Canada and for Canadians.

ALLOCATION OF TICKETS TO CORPORATE SPONSORS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is also for the Minister responsible for fitness and amateur sport. Canadian taxpayers are putting out $200 million in revenue for the Calgary Olympics. They put out $62 million to build the Olympic park and $35 million to build the speed skating oval. How can the Minister explain to the Canadian public that big business will have access to the best seats in the house while the ordinary taxpayer will get the leftovers?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, once again the Hon. Member is totally wrong. The taxpayers are not making any direct contributions to the Calgary games. The $200-million contribution made by the federal Government is non-tax-revenue dollars. I am glad to inform the Hon. Member of that.

Mr. Broadbent: Where does it come from?

Mr. Blackburn (Brant): What did you do, print it?

Mr. Jelinek: Second, the best seats will be available to the public, but the organizing committee is abiding by International Olympic Rule No. 60 which ensures that 25 per cent of tickets go to the Olympic family. That is not only big businesses that are investing in Canada and in the Olympic Games for the sake of Canadians—

Mr. Speaker: Order.

SEAT ALLOCATION DISTRIBUTION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Minister not agree that the seat allocation to the Olympic family and corporate sponsors is greater for the Calgary Olympics than it was for the Los Angeles Olympics and for the Montreal Olympics? I will tell you what the average guy in Sudbury wants to hear from you. He wants to hear that you are going to go up to bat so that he has a better than fifty-fifty chance to get the best seat in Calgary—

• (1430)

Mr. Speaker: Order, please. The Hon. Member did ask a question.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I do not have to go to bat for the public to get a fifty-fifty chance. I have already gone to bat for the public to get a 75 per cent chance and the best available seats.

TICKETS FOR HOCKEY FINAL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. Will the Minister confirm that what he is saying is that an elite is going to have as much as 50 per cent of the tickets to the final hockey game at the Calgary Olympics?

Some Hon. Members: Shame, shame!

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): I have just made it as clear as I possibly could that 75 per cent of all ticket sales for the Calgary Olympics are going to the public, and 25 per cent are going to the so-called Olympic family. If the Hon. Member is asking me to look into specific events with specific cases, I will be very happy to do so. But I remind the Hon. Member that the responsibility for the ticket sales rests with the organizing committee. I will stay on top of the issue and make certain that the Canadian public, and indeed the public at large, are treated fairly and equitably.

REQUEST THAT MINISTER INTERVENE WITH OLYMPIC COMMITTEE

Mr. Iain Angus (Thunder Bay—Atikokan): By way of a supplementary question does the Minister know that according to the current policy only 8,200 of the 16,000 hockey seats for the final game will be available? Will he intervene directly with OCO and say on behalf of the Canadian people that they have to have 75 per cent of those tickets for the hockey game, for speed skating, for figure skating, and for the other major events? Will he make that commitment?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): I repeat that the Olympic Organizing Committee is reviewing the whole process on a case-by-case basis. I will make representations to OCO to make certain that Hon. Member gets as good a seat as possible.

Oral Questions

CANADA POST CORPORATION

PLAN TO PROMOTE POSTAL RATE INCREASES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is addressed to the Minister responsible for the Post Office. In their communication plan the Post Office Authority are instructing divisional directors how to manipulate Canadians in order to sell them postal rate increases and service cuts. How can the Minister allow Canada Post to manipulate Canadians instead of serving them with home delivery to new houses, better customer service, and lower rates?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Marchment Commission consulted Canadians across the country to find out about their concerns with respect to the postal service. Since then, these concerns have been examined by the Canada Post Corporation. We have received the Corporation's recommendations, we are studying them and we will make our decisions known in due time.

UTILIZATION OF HUMAN AND MATERIAL RESOURCES—REQUEST FOR EXPLANATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my supplementary is directed to the same Minister. How much does this public relations project cost Canada Post? Why are human and material resources available for advertising campaigns but none to ensure door-to-door mail delivery for new homes?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think Canadians have expressed the desire to have better service and better management at Canada Post, and I can inform the Hon. Member that since this Government came to power, the Corporation's deficit has been reduced considerably, productivity has increased and absenteeism has gone down.

Mr. Speaker, all this reflects better management.

[*English*]

JUSTIFICATION FOR POSSIBLE RATE INCREASE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my supplementary question is directed to the Minister responsible for the Post Office. Will he tell Canadians how he can justify a further increase in postal rates just after having gone through the process of cutting back on home delivery, and taking boxes off the street so that it is much more inconvenient for people to mail their letters? How can he justify a further increase in postal rates while he is continuing to cut back on postal service?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, may I simply remind my colleague that there is absolutely no question of reducing postal services; I believe I did mention that Canada Post have drafted a business plan. It was submitted to the Government, we took it under consideration and will announce our decision at the appropriate time.

INCREASE IN POSTAL RATES—PUBLIC OPINION—GOVERNMENT POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, here is what I want to know from the Minister: When is he going to announce his higher price for postage stamps and, when Canadians tell him what they think, will he let ordinary people express their views that now is not the time to increase the cost of stamps, or will he simply and blindly follow the advice of Canada Post officials?

Hon. Michel Côté (Minister of Regional Industrial Expansion and Canada Post): Briefly, Mr. Speaker, I would remind my colleague that the Marchment Commission was set up to seek the views of Canadians with respect to postal services. It did just that, presented its recommendations to Canada Post and the Government, and they will be considered.

* * *

[*English*]

NATIONAL DEFENCE

CANADIAN PATROL FRIGATE PROGRAM

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question is directed to the Minister of National Defence. It involves the Canadian Patrol Frigate Program. We all know that unfortunate delays have taken place in this Canadian Patrol Frigate Program revolving around problems with steel. Recent press reports indicate that there are going to be further delays. Are there, in fact, going to be more delays in this program, and if so, why?

Hon. Perrin Beatty (Minister of National Defence): I understand there was an article in *The Halifax Chronicle Herald* on October 24 which indicated that there might be further delays in the CPF Program. We are informed by the President of Saint John Shipbuilding Limited that they are on track in terms of timing.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF FINNISH MINISTER OF SOCIAL AFFAIRS AND HEALTH

Mr. Speaker: I wish to draw to the attention of Members the presence in our gallery of the Honourable Matti Puhakka, Minister of Social Affairs and Health of Finland.

Some Hon. Members: Hear, hear!

INDIAN AFFAIRS

FUTURE USE OF FORMER CANADIAN FORCES BASE IN MANITOBA

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development, whom I welcome back from his visit to Manitoba. Will the Minister explain to the House now why he has permitted his colleague, the Minister of National Health and Welfare, to interfere in the decision regarding the future use of the CFB radar base at Beauséjour? Why has the Minister yielded to the idea of building a prison there rather than following the Treasury Board recommendation of September 3 that this site ought to be used to help fulfil the claim for land entitlement from the Long Plains Indian Band?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, without accepting the premise that the Treasury Board made a recommendation on September 3, which is not accurate, I would like to say yes, I did so have discussions with the Member of Parliament regarding the use of that. It is the long established policy within Indian Affairs to have discussions with the affected parties, with the province, and with the community. More important, there has not been any agreement on entitlement signed between the Province of Manitoba and the Government of Canada. The band in question has not entered into negotiations for entitlement.

SETTLEMENT OF LAND CLAIM

Mr. Keith Penner (Cochrane—Superior): I want to ask the Minister if he allows the Beauséjour site to slip away from him, where will the land come from to make this settlement and at what cost? Has Premier Pawley of Manitoba agreed to an alternate site? Do I have to remind the Minister about his trust responsibility?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): No, Mr. Speaker, I will fulfil that responsibility at a par or I would hope better than my predecessors who were represented in the former Government of this country, not my immediate predecessor. But I will tell the Hon. Member that discussions have taken place between the band and the Government of Manitoba. But again the Hon. Member knows before entitlement can take place there have to be discussions and an agreement on how to fulfil entitlement.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—RATIFICATION OF AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister. Yesterday the Minister of International Trade said of the freer trade talks, and I quote from *Hansard*: "At the appropriate time, these negotiations will be ratified in the House". Yet her press secretary is quoted as saying later "this was a mistake".

• (1440)

Whom do we believe, the Minister or her staff person?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I will reply to the Hon. Member's question. Yesterday the Minister used the term "ratified" in the colloquial sense, in that all activities of the Government come under the scrutiny of the House and the trade negotiations are no different.

METHOD OF RATIFICATION—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, since the Prime Minister indicated earlier that this comprehensive deal, if it is to be established, had to be "ratified", could he explain exactly what is the policy of the Government? Does it intend to take this immensely important issue before the people of the country through the House of Commons or not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have responded to that question in the House. I have communicated in writing with the First Ministers with regard to that issue. There is no difference at all between the position taken by the Minister for International Trade and myself.

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ENVIRONMENTAL AFFAIRS

UNITED STATES FUNDING OF MEASURES TO COMBAT ACID RAIN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. In March of this year he told the House that millions of dollars were committed in the United States to abate acid rain. Would the Minister inform the House how much money the U.S. has put into the abatement of acid rain since March?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the answer is $400 million on nine major projects.

SULPHUR DIOXIDE EMISSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, would the Hon. Minister care to translate that amount of money into tonnage reduction of U.S. sulphur dioxide emissions spewing over the border into the Canadian environment since March?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I can only assume that that was yet another lecture from the Hon. Member for Davenport on the need for the Government to take acid rain seriously. This Party and this Government do not need any lessons from that Member or that

Party. This Government has done more in two years than the Liberal Government did in two decades.

* * *

ENERGY

JOB LOSSES IN ALBERTA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday the Minister of Energy, Mines and Resources described the situation—the tens of thousands of projected lay-offs in Alberta—as being a catastrophe. Does he agree that the situation developing in that province is catastrophic? If so, what does the Government plan to do about it?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we have acknowledged this situation as being a fact and in the past several months the Government, my predecessor and I have taken a number of measures. I will be in Calgary later this week to discuss further steps to be taken by the Canadian Government, the Province of Alberta and the industry, this time in the field of gas.

[*English*]

REQUEST FOR ANNOUNCEMENT OF GOVERNMENT MEASURES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. We have made proposals in terms of a negotiated floor price to protect small operators or small companies in the Province of Alberta and in other western provinces. Since the Minister has agreed that the situation has gone on for many months, when does he plan to take some specific action and make some specific announcements?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): In recent months, Mr. Speaker, the Government has unveiled a series of supportive measures for the oil and gas industry, and we are monitoring the situation. The Government of Alberta has announced and will announce other measures. A federal-provincial conference on energy, the first since 1978, will be convened in January. This Government is concerned over the energy issue, along with all interest groups, the provinces and the private sector.

* * *

HEALTH

SEX EDUCATION—PREVENTION OF AIDS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. According to Dr. Everett Koop, Head of US Health Services, sex education is the best way to fight AIDS, which is expected to become twelve times as prevalent over the next five years. Could the Minister inform the House whether his Government intends to set up a prevention program?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I know what the Surgeon General said with regard to the program in the United States. We have already taken similar steps. If the Hon. Member looks at the five-year plan of the Government, she will find that it was a plan not only to increase funding for AIDS research, but for education and for a very clear message in terms of the educative need so that people will protect themselves from the spread of the disease.

[*Translation*]

REQUEST FOR ADDITIONAL FUNDING

Mrs. Lucie Pépin (Outremont): Mr. Speaker, could the Minister give the House the assurance that new money will be earmarked for education programs and, more specifically, for sex education programs?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is on that committee. The former Government brought in a small program. When AIDS first became known, there was a response at the time. Obviously the issue has grown bigger; there have been more cases. Thus we brought in $39 million in a five-year program. It is new money, as the Government has indicated, for education and research. I hope the Hon. Member starts supporting it.

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SCIENCE AND TECHNOLOGY

ANNOUNCED CLOSURE OF ASTRONOMICAL OBSERVATORY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Both he and the Prime Minister have repeatedly said that it is the objective of the Government to double our efforts in scientific research and development. Given that commitment, why did we learn today that one of our world-class astronomical research observatories will be closed in the very near future?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, what the Prime Minister has indicated in his book, and what I have repeated many times is that we will spend as much as is necessary to position Canada and its industries in the new frontier effectively and in every possible way.

Mr. Orlikow: The Minister did not answer my question.

ALGONQUIN PARK OBSERVATORY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my supplementary question is directed to the same Minister. Will he confirm that because of the cuts to the NRC the observatory at Algonquin Park cannot be expanded and therefore will be shut down in the next year?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I can confirm that, as a result of reorganization or reallocation, the NRC expansion plans for the observatory scheduled for next year will not proceed.

* * *

[*Translation*]

FINANCE

MINING SECTOR'S DEDUCTIBLE SHARE BUYING PLAN

Mr. Guy St. Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of State (Finance). The flow-through shares system in the mining industry is creating and sustaining employment and helping development in Abitibi-Témiscamingue and across Canada. The system provides the Government with an excellent source of revenue through all kinds of taxes, and the Abitibi region would like this program to continue. My question is as follows: Is there any truth in the rumour reported in a Toronto newspaper and originated by the Government of Quebec, that the Government of Canada intends to abolish the flow-through shares plan in the mining industry?

Mr. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I want to thank the Hon. Member for his question and his interest in the mining industry.

[*English*]

The Hon. Minister of State for Forestry and Mines and myself are very pleased with the increased activity in the mining sector. As for flow through shares, we are studying them and their use in the context of our broad tax reform. The Minister of Finance will be meeting on November 17 with The Mining Association of Canada on this matter.

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CANADIAN HUMAN RIGHTS COMMISSION

RESUMÉS OF TRIBUNAL APPOINTEES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. There are now two different versions of the resumés of recent appointees to the Canadian Human Rights Tribunal. One version has been laundered of all political references, and the Minister has denied any responsibility for that operation. As he is the Minister responsible for the Canadian Human Rights Tribunal and for his own office, will he undertake to look into the discrepancy and explain to the House why it happened and who did it?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, there may be two versions, but there is only one version of the truth. It is simply this—there may be two different resumés which are in existence. The one I sent forward from my office is the copy of the resumés we had in my office, the only ones I have seen. There is another one in the Human Rights Tribunal. They are completely separate and they are not related.

• (1450)

REQUEST FOR EXPLANATION OF DIFFERENT VERSIONS

Hon. Bob Kaplan (York Centre): I ask the Minister, as the Minister responsible for reporting to this House on behalf of the Canadian Human Rights Tribunal, to look into the discrepancy and tell the House why there are two different versions circulating.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, all I can tell the Hon. Member is that as far as I am concerned I went ahead with the people who have been appointed, the 28 recently appointed in addition to the 71 appointed earlier this spring, on the basis of competence. That is the only criterion I want to have for these people who are going to serve in this very important position. I understand that the Standing Committee on Human Rights will have an opportunity to go through the scrutiny process. I invite the members of the committee to ask whatever appropriate questions they think are germane.

OMISSION OF POLITICAL AFFILIATION NOTATIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Justice. Given that those resumés went intact to the PM's office, to the PMO and to the Justice Ministry and in the next step to the Human Rights Committee were purged of all political affiliations, somebody purged them. Who done it?

Some Hon. Members: Oh, oh!

An Hon. Member: The butler.

Some Hon. Members: Oh, oh!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not think this is a humorous thing at all.

Some Hon. Members: Oh, oh!

Mr. Orlikow: You finally agree on something.

Mr. Hnatyshyn: I am simply saying to the Hon. Member that if he is really serious about this matter—

Mr. Broadbent: We are.

Mr. Hnatyshyn: —he would be asking the question in the committee with respect to the competence of the people who have been appointed. We have scrutiny of appointments. The fact is, and I have explained this to the House many, many times, that the resumé I have in my office is the one that I had and the one on which I relied for the appointments. How the other resumé came into existence, I have no idea how that happened.

MINISTERS' OFFICE CHANGES

Mr. Howard McCurdy (Windsor—Walkerville): Let me ask the Minister, Mr. Speaker, whether it is possible that the resumés were purged when there was the office cleanup for the change of Ministers?

An Hon. Member: Answer the question.

Mr. Broadbent: It is possible.

Mr. Speaker: The Hon. Member for Regina East.

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FINANCE

CAPE BRETON INVESTMENT TAX CREDIT—REPORTED MANIPULATION BY INVESTORS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is addressed to the Minister of State for Finance. This morning we learned through a *Globe and Mail* report that the Cape Breton Investment Tax Credit is being manipulated by some of the same individuals using some of the same methods as were used in the SRTC scam. Is the Minister aware of the ability of some of these investors to inflate their costs to pay for overpriced consultants and to provide excessive commissions and benefits from the tax credit?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Ministry of Finance and the Government have been very assiduous in trying to close loopholes and in monitoring matters of that type. I would like to tell the Hon. Member that the Cape Breton Tax Credit is monitored by the Department of Regional Industrial Expansion. All projects must be approved by that Department. Those sorts of things are monitored carefully.

REQUEST FOR INVESTIGATION

Mr. Simon de Jong (Regina East): I have a supplementary question, Mr. Speaker. While the Government squeezes such organizations as the National Research Council, it is losing hundreds of millions of dollars through tax loopholes. Will the Minister guarantee that each project approved will be investigated so that we will not have the same problem as we had under the SRTC?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, unlike the SRTC, this particular program requires that projects be approved in advance by the Department of Regional Industrial Expansion.

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[*Translation*]

BANKS AND BANKING

ESTABLISHMENT OF INTERNATIONAL BANKING CENTRES—GOVERNMENT POSITION

Mr. Guy Ricard (Laval): Mr. Speaker, my question is directed to the Minister of State (Finance).

In his Budget, the Minister of Finance said that free zones and an international banking centre would be established in the Montreal area.

Recently, we heard that a moratorium was expected on these projects. I wonder if the Minister of State (Finance) could inform the House whether a moratorium will be issued and if so, why? Would it apply to the free zones or the international banking centre or both?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, not at all. The Government has not changed its decision to promote the establishment of international banking centres. Discussions are continuing with representatives of the governments and cities concerned.

* * *

[*English*]

MULTICULTURALISM

CANADIAN MULTICULTURALISM COUNCIL

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. In reply to my question to him concerning the leaked McCreath Report which concludes that the Canadian Multiculturalism Council is nothing more than an extension of the Conservative Party, the Minister said he had not read the report. Surely after 10 days he has seen and read the report and plans some meaningful action. If the Minister is interested in restoring the reputation and integrity of this national advisory board, why has the Minister not asked or received the immediate resignation of the Vice-Chairman, Mr. McCreath, and why does the Minister refuse to initiate a full review of the mandate and operation of this very important national council?

Hon. David Crombie (Secretary of State): Perhaps the Hon. Member will be interested to know, Mr. Speaker, that I will be meeting with the Council next weekend. At that time that and other matters will be discussed.

REQUEST FOR VICE-CHAIRMAN'S RESIGNATION

Mr. Sergio Marchi (York West): Mr. Speaker, that is simply not good enough. The Minister should answer the question. It is no wonder that the Tories finished last in the Multifax ethnocultural poll conducted last week. It is no wonder whatsoever.

If the Minister cares about restoring the usefulness that this Board can mean for all ethnocultural communities, which is now wounded by the comments of its own Vice-Chairman, will he not do the honourable thing and ask the Vice-Chairman to resign, and initiate a full review?

Mr. Speaker: Order.

Hon. David Crombie (Secretary of State): Mr. Speaker, as the Hon. Member I hope knows, the appointments were made two years ago. There were 60 people on that Council, all of whom have made an enormous contribution, and I will be meeting with them next week. If anybody is wounding that Council or the good name of multiculturalism, it is the Hon. Member.

* * *

TAX REFORM

REQUEST THAT GOVERNMENT TABLE PROPOSAL

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of State for Finance. If the Government is truly committed to a fair and meaningful debate on tax reform, it must present a clear specific government proposal that can serve as the basis for public discussion. First, will the Minister table in this House the Government's specific recommendations concerning tax reform so that Canadians will know exactly on what they are to be consulted? Second, will the Minister undertake to hold televised public hearings on Canadian tax reform?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, as I said last week, the purpose of this exercise is to begin with consultation, not to make up our minds before we consult. As for specifics, I will repeat what I said last week. The purpose of the consultations and of tax reform is to improve fairness, to simplify the system, to encourage Canada's economic growth and to improve the balance across our different sources of taxation. There are a number of other objectives. Those are clear. That is what we are consulting on.

[*Translation*]

ESSENCE OF PROPOSED REFORM

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have spoken to many people since the Minister of Finance made his announcement, and they keep asking me what they are being consulted about.

That is why I wish the Minister would at least let us know whether, as part of this consultation process, the Government intends to find ways to increase the number of dollars it is getting from Canadian families. In another words, will the proposed tax reform remain neutral about the sums of moneys collected from the average Canadian?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Minister of Finance has said on a number of occasions that most Canadians will have more money in their pockets and pay less taxes after tax reform is completed. That is the Government's point of view and that is its objective.

* * *

LABOUR RELATIONS

PORT OF VANCOUVER—REPORTED BREAKDOWN IN NEGOTIATIONS BETWEEN EMPLOYERS AND UNION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Labour. Last night the B.C. Maritime Employers Council announced that it had broken off talks with the ILWU despite the fact that the 30 day cooling off period has still nine days to go. Will the Minister appeal today to the Employers Council to resume talks with the ILWU to avoid an unnecessary and very damaging lockout?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I appreciate the Hon. Member's concern. I had the privilege of hearing the end of her statement a little earlier. I believe that the appeal has already been made by the Hon. Member. We are, of course, reviewing all our options in this particular matter.

REQUEST THAT MINISTER CONTACT EMPLOYERS' ASSOCIATION

Ms. Margaret Mitchell (Vancouver East): I will repeat my question to the Minister because he has not answered it. Will he contact the Maritime Employers Council today and ask it to resume negotiations?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as in all these difficult situations, we will look into the matter, analyze our options, and act accordingly.

* * *

• (1500)

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES PRESIDENT'S STATEMENT

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Prime Minister and concerns U.S. support for the Contras. President Reagan says it is vital for America to intervene to prevent the establishment

of a communist base as an outpost of Soviet power in Central America which will ultimately threaten North America. Does he agree with that statement?

Right Hon. Brian Mulroney (Prime Minister): That is clearly the opinion of the President of the United States. As my hon. friend knows, we have a different view.

CANADIAN POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, that question was put to the Prime Minister on the *MacNeil-Lehrer* report and I wish he had been a bit more forthcoming. Will he then say in this House what the real view of the Government is on that question? Does the Prime Minister agree with the position taken by the President?

Right Hon. Brian Mulroney (Prime Minister): I just said that I do not.

* * *

AGRICULTURE

GOVERNMENT ASSISTANCE FOR GRAIN GROWERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister responsible for the Canadian Wheat Board. Farm organizations have been quick to request funds in support of grain growers but slower with specific advice on how the money should be distributed. Have those farm organizations been consulted and have they provided input on how they feel the benefit can be best distributed fairly and equitably amongst the farm community?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member will know that this is the biggest farm aid package ever put together to assist farmers. He will also know that the Minister of Agriculture has deliberately put in place a process by which farmers and the provinces can have some input. I think that is a refreshing change from the previous Government which used bureaucrats sitting in Ottawa to hatch out programs.

I think this process will serve farmers well. There has been one meeting already with the—

Mr. Speaker: Order. The Hon. Member for Ottawa—Vanier on a question of privilege.

* * *

PRIVILEGE

BROADCASTING OF PROCEEDINGS OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to raise with you a question of privilege which I think is of some importance to the House. It deals with something that happened yesterday in the Standing Committee on Research, Science and Technology. This is not a reflection on the Chairman of that committee. I do not want at any time to reflect on his intentions. However, he ruled at the beginning of the meeting—

Mr. Speaker: Order, please. The Hon. Member is rising on a question of privilege, having given the Chair notice. It is a matter of considerable interest to all Hon. Members. Therefore, will Hon. Members please allow the Hon. Member to be heard?

Mr. Gauthier: Thank you, Mr. Speaker. I want to quote verbatim from the transcript of that committee meeting last night. The Chairman of the committee said:

> Members of the committee, I have given permission to the press to record this meeting and for the television cameras to be in the room behind the press table. Is there any objection to that?

I immediately said yes, I have objections to that procedure. I explained to the Chair that in my view he did not have the power to authorize televising of those deliberations. I sent you a letter this morning, Mr. Speaker, and I will not read the whole letter because I think it will be—

Mr. Prud'homme: No, it is interesting.

Mr. Gauthier: No, I think it would be unusually long. I want to make two points. No committee chairman has the authority to allow televising or broadcasting of committee hearings. Indeed, parliamentary immunity which accompanies electronic *Hansard* at this time would not, unless so authorized by the House of Commons, cover the proceedings of a committee. That last point is, I think, the most important one to which I will refer.

I was trying to protect not only my interests but the interests of all Members of this House. As of now, the House has not allowed broadcasting by radio or television of committee proceedings. Citation 16 of Beauchesne's Fifth Edition says that:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals. Thus, privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law.

I will try to prove to you that last night my rights and those of all Members, and indeed members of the fourth estate, the press, were in jeopardy had the Chairman been allowed to proceed.

I must say, before I go on, that the Chairman saw the wisdom of my comments and withdrew his permission. Nevertheless, I felt threatened, and I say this with all generosity, by his arbitrary decision. It made me uneasy. I for one believe that certain committee meetings can and should be televised, and therefore I am in total support of any expansion of coverage of our deliberations by the fourth estate. On the other hand, I felt that had this happened last night it could

have prejudiced some witnesses as well as prejudiced the right of freedom of the press because they would not have been covered by immunity, in my opinion. Citation 21 of Beauchesne says:

> The most fundamental privilege of the House as a whole is to establish rules of procedure for itself and to enforce them.

I suggested to the Chairman last night that he should consult with the Clerk and with you to find out what rules and procedures would prevail if the House decided to televise these proceedings. I quote again from Beauchesne, Citation 41(1):

> The control of the House over its publications is absolute. And,
>
> 44(1) Unauthorized recording or broadcasting of debates is not allowed.

It was put to me at the time that the committee could do whatever it liked by unanimous consent. I think if you go back to the precedents you will find that this is not true. Committees, including this House for that matter, cannot do what is illegal or unauthorized by constitutional law or by practice simply by unanimous consent.

I would like to quote a few more extracts from Beauchesne which I think reinforce my point that the privileges of the whole House were threatened last night. Citation 75 concerns the extensions of privilege. It says:

> Committee reports and the verbatim transcripts of committee hearings are documents published under the authority of the House and are entitled to the same absolute privilege as House documents.

The decision to televise proceedings of standing committees has not been taken by this House as yet, as far as I know, and therefore the absolute privileges of the House were not protected last night. I ask that you seriously consider the transcript of the committee hearings last night. I would like to make the point that I felt somewhat intimidated by the decision of the chair. Not knowing what our privileges would be had this proceeded, I felt the arbitrary decision of the Chair was unwarranted. If a witness before that committee, or anyone making comments, had been reported by the press, those statements could have been the object of some litigation. I suspect there could be a court of law which would have said that the witness or the person making those comments was not protected by parliamentary immunity and could have been subjected to some legal difficulties.

• (1510)

If you find that I have a *prima facie* case of privilege, I would be ready to move that the whole question of televising debates in committees be referred to the Standing Committee on Elections, Privileges and Procedure for examination.

In conclusion, I would like to reiterate that I am not reflecting on the Chairman's judgment. Maybe the Chairman was trying to act in good faith, but I believe, in the spirit of trying to keep order and get things moving, that the Government should take action. I propose to the House that we extend media coverage to the committees of the House of Commons.

Mr. Speaker: I thank the Hon. Member for his intervention. It is inappropriate to attempt to move a motion in argument on a point of order or question of privilege. The Hon. Member may very well want to move a motion at some appropriate time. That, of course, is open to him. I will hear other Members.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the good will with which the Hon. Member has raised this point. I do not think this is a question of privilege. I have not had a chance to review the committee proceedings in any great detail, but I find the Chairman did say: "I have made my point so there is to be no recording of this meeting". I appreciate that the Hon. Member was present, observant and familiar with the rules of procedure. I think he took the right position and that, as a result of the interventions of the Hon. Member, the matter was resolved in an adequate manner.

I think this issue is within your jurisdiction, Mr. Speaker, and that of the Board of Internal Economy on which all Parties in the House are represented. I think that is where the matter should be resolved. While it is timely to raise this problem, I think the solution to it should be reached within that forum.

Just in passing, I find it rather amusing that the Hon. Member referred to Beauchesne's Fourth and Fifth Editions. His House Leader suggested the other day that those rules were archaic and out of order. I just wanted to mention that.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I am the designated spokesman for the Board of Internal Economy. As the Deputy Prime Minister (Mr. Mazankowski) has pointed out, the Board has representation from all Parties in this House. The McGrath Committee recommendations covered this subject. The Government has referred this subject to the Board and the Board has dealt with it and is in the process of attempting to implement a solution. We hope a solution will be found as quickly as possible.

Mr. Albert Cooper (Peace River): Mr. Speaker, I would like to make two comments. First, this is not a question of privilege. I do not believe that the Member's privilege would have been in any way affected by what happened last evening.

My second point has already been partially made. This issue is being addressed by both the Board of Internal Economy and the Committee on Elections, Privileges and Procedure. I do not think the House need be seized with a motion to act because it is doing that through its various committees.

Hon. Herb Gray (Windsor West): Mr. Speaker, I think it is very important, at the very least, for you to confirm rulings of previous Speakers that the broadcasting of proceedings of committees is not subject to decisions of individual committee chairmen or unanimous decisions by committee members. Rather, I submit that, as was the case with the broadcasting of the proceedings of this House, there must be an order of the House in order to permit committees to have their proceedings broadcast.

It is very important that we have such an order of the House. As my colleague, the opposition Whip, has made clear, that which happened last night illustrates the peril of not having an order of the House in place which sets down a clear and consistent set of rules. If the Chairman of the committee in question had prevailed, there may not have been equal access for all the media to the proceedings. Also, as the opposition Whip pointed out, there may well not have been immunity with regard to what was said, either for the witness or the media transmitting the remarks. And there would not necessarily have been equal treatment of all Members with regard to the broadcast of the proceedings.

If I am wrong in what I am about to say, I know I will be corrected, but I believe that in the Government's response to the recommendations of the McGrath Committee it accepted the recommendation that there be a system for broadcasting of committees. My recollection is that in order for this recommendation of the McGrath Committee to be implemented there must be an order of the House. Such an order must be presented to the House by the Government House Leader.

A number of months ago there was consultation about an order which would permit the broadcasting of committee proceedings. The Official Opposition was then and is now prepared to have that order put to the House and to give it speedy consideration and passage, likely by means of unanimous consent.

In conclusion, I would like to urge the new Government House Leader to consider this matter on a basis of urgency and present this order to the House to enable us to have a system of broadcasting our committees very soon consistent with the spirit of the recommendations of the McGrath Committee, which recommendations, as far as I recall, the Government accepted.

The observations of the opposition Whip will have been most salutary if they speed up the action of the Government to put before the House an order which would allow the broadcasting of committees. Such an order is long overdue.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, in the past, I once authorized broadcasting the proceedings of a Special Committee of the House of Commons and the Senate on External Affairs—I remember it was a special sitting on the occasion of a visit to Canada by Mr. Gorbatchev, who, at the time, headed a parliamentary delegation from the Soviet Union—and I am therefore inclined to take a very cautions stand on the question before the House today.

As Chairman of the committee, and like several Hon. Members who referred previously to the Committee on Management and Members Services, I realize the McGrath Committee looked into this matter. I realize that the Committee on Elections, Privileges and Procedure would also like to look into the matter, but I submit, with respect, that this afternoon, at 3:30 p.m., I intend to raise this matter at a meeting of the Standing Committee on Management and Members Services, mainly to get a few more parliamentarians involved.

Second, and I think that is the beauty of the debate, we do not necessarily have to agree, even within the same party, on how fast we should proceed. I remember, Mr. Speaker—and I am delighted to see you sitting as Speaker of our House, since I said you were our Speaker—that there was some criticism, not of your election as Speaker but about the way we proceeded, because I think a number of the details of this election were not understood by most Hon. Members.

So I would submit, as, shall we say, one of the most senior Members of this House, that we should proceed with a great deal of caution. I admit I do not make a habit of being cautious, but I believe that instead of making a speedy decision in this case, our parliamentary committees should re-examine the question and draw their conclusions, and then we should have a debate in the House as soon as the Government decides to table the matter. But again, I would like to see everything done properly. I realize that the distinguished members of the press gallery have an important job to do. I realize that an I have been approached several times with the request that perhaps we could consider allowing the proceedings to be broadcast and televised. And I have done so in the past, on a special occasion. I created a precedent, but I made it clear at the time that it was not to be construed as a precedent according to the British system, where it practically has force of law.

I therefore submit, Mr. Speaker, that what we and what I personally would like to hear from the Chair is that all chairmen of parliamentary committees be given instructions that they are not to allow proceedings to be televised at this time until a decision is made by the House as a whole.

• (1520)

[*English*]

I hope that the Government House Leader will remind Members who are presently chairing the various committees that they cannot, on their own authority, allow such deliberations. We will have total chaos, where some committees will do so and others will not, without even giving the House of Commons as a whole a chance to deliberate on the subject and make a decision. I am very anxious to hear your decision, Mr. Speaker.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, being one of those who in the past spoke in favour of televising the debates of the House, obviously I would not want to object to it in principle. However it seems clear to me that it can only be done on the basis of specific guidelines. The House must have given consent. In addition, hopefully when the House will soon agree to televise committee proceedings, I maintain that the House and those who will make the decision will have considered all aspects of television broadcasting.

First of all, are accommodations used in a rational manner? I was told that yesterday there were more than 150 people in room 269, a small room where the atmosphere became unhealthy.

The high temperatures generated by lighting facilities required for TV cameras are one of the many aspects which the Board of Internal Economy will have to discuss before making their recommendations to us.

Indeed, I will go even further and quote a statement made before the committee yesterday by the Minister of State for Science and Technology (Mr. Oberle):

[*English*]

"Mr. Chairman, I am sorry. This is not my time to intervene, but if the cameras remain in the room, I would not want them to photograph my papers over my shoulder. So I want them 20 feet away from me". I cannot blame the Minister. He is there with classified documents and perhaps he remembers what happened to another Minister not long ago.

There have to be guidelines if the cameras are to be allowed into our committees. Personally, I advocate that committees be open to the public as much as possible via the electronic media, but this has to be done in a very standardized fashion. When this is brought before the House, I hope that a complete plan that considers all these aspects has been carefully drawn up before it is presented to Members of Parliament.

Mr. St. Germain: Mr. Speaker, on behalf of the Internal Economy Board I want to allay any fears. The Board represents all Members of the House, some of whom are seated here today. I want to assure Members that these considerations have and will be discussed and all aspects will be covered prior to the implementation, if implementation is the wish of the Board of Internal Economy, through the House.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I want to comment briefly to confirm the remarks made by the previous speaker and remind the House that the McGrath report contains very specific propositions concerning the way to proceed with the installation of TV cameras, not only in the House but in parliamentary committees as well. This was the object of many work sessions in consultation with press gallery representatives, and one proposition might enable us to implement the McGrath report recommendation which had been accepted by the Government. Therefore I would suggest that today's debate will make it easier for us to understand the situation and provide you, as Speaker, with an opportunity to gather all the necessary material to make a decision as soon as possible.

In conclusion I would say that this decision cannot be made by a committee chairman nor by one of the most important committees of the House, the Board of Internal Economy over which you preside. Basically the decision will be made by the Government House Leader who, after consulting with the House leaders of the two Opposition Parties, might introduce a resolution to be considered, debated and approved by the House.

Basically the decision must be made by the House as a whole and it cannot be the exclusive prerogative of any of the parliamentary committees. The decision must be made by all Members of the House and I, for one, hope that in the near future we will have television of committee proceedings, just as we now have televised debates here in the House.

I hope the Government Leader will respond quickly to these representations.

[*English*]

Mr. Riis: Mr. Speaker, the question we are discussing at the moment has actually been under deliberation for many months. I concur that the point being made by the Whip for Her Majesty's Loyal Opposition is a very appropriate intervention, considering what happened last night. I believe that what happened last night ought to cause some Members, at least on the government side, some consternation in terms of supporting this, considering the shellacking that the poor Minister received.

When it comes back to the House we will have an opportunity to evaluate the situation and I am confident that the majority will support the suggestion.

Mr. Speaker: The Chair will carefully distil that which borders on irrelevant argument from the very cogent points which Hon. Members have made. I do not think it is necessary for the Chair to rule on whether this is a point of order or a question of privilege.

The Chair indicated when the Hon. Member for Ottawa-Vanier (Mr. Gauthier) rose to raise this matter that it was a matter of very great importance to all Members in the Chamber. It would seem that the interventions that Members have made will go a long way to assist in the resolution of the matter.

The Chair takes note that the Hon. Member for Ottawa-Vanier, in raising this matter, is not in any way taking a position against the televising of committee proceedings. I think that ought to be properly noted.

The Chair, having listened with great care to the Hon. Member for Saint-Denis (Mr. Prud'homme), nonetheless feels impelled to remind the House that a former Speaker has made it quite clear that televising of proceedings in committee is not appropriate until there is an order of the House.

However, the disposition of all Members seems to be to resolve the matter. Since this is a matter in which the Chair will also be involved, I think a useful purpose has been served in this discussion this afternoon and I thank all Hon. Members, especially the Hon. Member for Ottawa-Vanier.

GOVERNMENT ORDERS

[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mayer that Bill C-12, an Act to amend the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee; and the motion of Mr. Gauthier (p. 807).

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, when we broke at one o'clock we were debating a Liberal motion to end the debate. I submit that had we spent that period of time debating Bill C-12 we would probably have finished the debate by now.

As a Member of Parliament who represents a rural Manitoba riding, I believe it is very important that I be allowed to join in the debate on Bill C-12 which has such an important effect on agriculture.

I disagree with the motion to end the debate because I want to say a few words on behalf of Manitoba farmers who are approaching me because of a lack of commitment to agriculture by the Government of Manitoba. Manitoba farmers are looking to the Government for leadership in agriculture, and I sincerely believe that they are finding that leadership.

• (1530)

I would like to take a few minutes to explain briefly to the House why it is important that all Members who wish to speak on Bill C-12 be allowed to join in the debate. My Party is a friend of the farmer. One need only go back to the Speech from the Throne to see that no other Government has given agriculture the type of priority we gave it in the October 1 Speech from the Throne. The Government gave agriculture top billing because we realize its importance to the economy—in fact, not just to the western economy but to the entire Canadian economy. We acknowledge with deep concern the tremendous difficulty our farmers are facing at this time.

In the Speech from the Throne the Government said it would stick to the course set over the last two years. Over the last two years the Government has channelled benefits to the farmers of our country in excess of $5 billion. That is a great deal of money in support of our farmers. Yet farmers are still not able to counteract the effects of huge subsidies beyond our borders.

It has been mentioned several times today that the Canadian Treasury is just not able to compete with the huge treasuries, the large populations and tax bases of the EEC and the United States. That is why two days after the Speech from the Throne the Government stuck to the course it set for itself regarding agriculture and pledged further help to our farmers.

While continuing to pursue every possible avenue at the international level aimed at restoring fairness and sanity to the world grain trade, the Government knows that our farmers cannot wait for international solutions. Make no mistake, our Government is a world leader in attempting to solve the international problems confronting agriculture. While the situation is international in nature, nevertheless, it deeply affects Canada's producers.

On October 3 the Prime Minister (Mr. Mulroney) announced that the federal Government had taken the lead and was putting together the largest aid package ever for our farmers. This package has been estimated to be worth over $1 billion. However, a price-tag cannot be put on the results this measure will have for our farmers, namely, security and peace of mind.

I said that the Government is a friend of the farmer. True friendship means sticking together when times are tough and doing everything in one's power to make tough times a little easier. The Government is such a friend. One need only consider the source of this Bill C-12, that being the Government of John Diefenbaker, to know that my Party and Canadian farmers go back a long way together. Not unlike that former Conservative Government, this Conservative Government has done much for our farmers.

In our first Budget we delivered a $500,000 capital gains tax exemption on the sale of farm property. Any Member of this House who opposes such a measure displays a real ignorance of agriculture in Canada. We introduced new flexible lending programs through the Farm Credit Corporation. We established farm debt review boards which give farmers in financial difficulty greater flexibility to negotiate ways of staying in business. I might note that such a system has been long sought after by the farmers of Canada. We amended the Western Grain Stabilization Act to trigger record pay-outs prior to spring seeding when farmers need the cash most.

There is more. There is the $1.5 billion dairy policy; the three-party stabilization scheme for red meat producers; a doubling of cash advances under the Advance Payments for Crops Act; and a rebate program which effectively removes all federal sales and excise tax on farm fuels. These are but a few of the matters upon which the Government has acted that have directly benefited our farmers. The amendments to the Prairie Grain Advance Payments Act are just a part of the Government's over-all approach of assisting our producers; but they are a very important part. These amendments will make the Act more responsive to the current needs of farmers.

I would like to take this occasion to commend the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) for his efforts to bring the Bill before the House under Prime Minister John Diefenbaker. The Act first introduced in 1957 has served farmers well. It was introduced to assist grain producers with their cash flow when their marketing efforts were hindered because of factors beyond their control. The amendments introduced in Bill C-12 will streamline the administrative process so that the program is more responsive to farmers' immediate market requirements. For example, landlords will no longer be required to co-sign advance

payment applications; high-yield producers will be able to obtain larger cash advances due to the method of calculation based on grain stored as opposed to acreage and quota; and interest rates on direct repayments and defaulted accounts will be set in relation to current interest rates.

I know that it has been said many times; however, it is quite true and worthy of repetition. Our farmers are among the most efficient and productive in the world. It is our duty to provide programs and legislation which support our producers through times of depressed international markets, something over which they have no control.

I urge all Members to give speedy passage to these amendments. The sooner we act, the sooner our farmers will benefit.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Swift Current—Maple Creek (Mr. Wilson).

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I wish to congratulate my colleague, the Hon. Member for Dauphin—Swan River (Mr. White), on a useful contribution to the debate on Bill C-12. I noted in his remarks that he outlined a number of initiatives that the Government has undertaken in support of western and, indeed, Canadian agriculture, a number of programs which will particularly assist grain producers over this difficult period. I think most Canadians would view these as, hopefully, short-term measures pending a return to sanity in the world grain markets. I am wondering if the Hon. Member has in mind any long-term solutions. He mentioned a number of what we hope will be short-term initiatives which the Government has undertaken on the home front. What does he envision happening in terms of a long-term solution to these problems?

Mr. White: Mr. Speaker, I thank my colleague for his question. He is quite right. Besides recently reducing input costs and developing immediate support programs such as the $1 billion support program, the Government has been working very hard on international solutions. One must look at three recent examples in this regard.

First, the Prime Minister placed agriculture on the agenda at the economic summit in Tokyo. Second, there was the meeting on the West Coast of grain exporters initiated by the Minister of State for the Canadian Wheat Board. Third, there were the efforts of the Secretary of State for External Affairs (Mr. Clark) in placing the topic of agricultural subsidies on the agenda for the upcoming GATT discussions, which is something very important to Canadian agriculture. Most recently, there was announced a multi-billion dollar grain sale to the Soviet Union. I think we have proven that as a Government we have a long-term commitment to agriculture and that we are genuinely interested in the future of Canadian agriculture.

Mr. Riis: Mr. Speaker, notwithstanding the comments which have been made by the Hon. Member for Dauphin—Swan River (Mr. White), I wish to ask either the Hon. Member, or perhaps another Member, the following question. Do I understand correctly that the Government intends to vote against the motion which is presently before the House? This was a commitment made by the Government House Leader and Deputy Prime Minister (Mr. Mazankowski) just before lunch. I am simply seeking clarification with respect to whether or not government Members will stick to their words. Is the Hon. Member for Dauphin—Swan River able to respond to my question?

Mr. White: Mr. Speaker, my interest lies in the fact that my point of view on behalf of Manitoba farmers be set out before the House. I am interested in having this Bill passed as expeditiously as possible.

Mr. Lewis: So are we all.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, it is indeed a privilege for me to speak on Bill C-12, an Act to amend the Prairie Grain Advance Payments Act. To bring into perspective the importance of this Bill in relation to farmers, we must look at the situation on the Prairies and on the farm. I have just spent some time in the riding of Assiniboia, which is the riding I have the opportunity to represent. This riding produces 40 per cent of all the wheat grown in Canada.

We have had a history of problems in my riding. We have had drought. There have been problems of international priority which the Prime Minister (Mr. Mulroney) addressed in Tokyo. However, particularly in relation to the Prairie Grain Advance Payments Act, we have a surplus of wheat on the Prairies. There are piles of wheat on the farms. Our Government is trying to move in terms of legislation which will deal with this situation, that is, through advance payments to farmers.

• (1540)

This morning I was very surprised to hear members of the Opposition trying to play down the importance of the Bill before the House. It was not long after the Government came into power that it made a move to amend the Western Grain Stabilization Act, thus making payments available to farmers. It was not long before it made a move to increase the amount of the advance payments to farmers from $15,000 to $30,000. The importance of this legislation is that the Minister of Agriculture (Mr. Wise) will be able to act efficiently and quickly to deal with the needs of agriculture.

I would like to speak about the record of the Progressive Conservative Party. Not since the days of John Diefenbaker have we seen a Government or a Prime Minister reacting to the needs of agriculture the way this Government and Prime Minister have. Members of the Opposition continually challenge the Government's record. Let us look at that record.

First, I would like to say that Canadian farmers can compete fairly with farmers around the world. However, Canadian farmers cannot compete with unfair competition on the part of the U.S. Treasury and the European Economic

Community. Canadian farmers have been productive and the Government has recognized that. The Prime Minister said to Canadian farmers through the Throne Speech that he will spare no effort in assisting the farmers through this difficult period.

What has been the record of the Conservative Government? We moved on western grain stabilization. We are now moving on advance payments. We moved quickly during the very difficult drought. I can personally attest to the fact that the Prime Minister asked me to communicate with him on a daily basis about the problems the farmers were facing with the drought. The Prime Minister wanted to know what the situation was on a daily basis. The Government responded. I believe the example of the Saskatchewan election attested to that in a very positive way.

Mr. Hnatyshyn: Absolutely.

Mr. Gustafson: The Hon. Member for Saskatoon West (Mr. Hnatyshyn) agrees. The farmers know who has been their voice in Ottawa. The farmers know that the Prime Minister has stood in the gap for them. Members of the Opposition tried to say that the drought assistance and deficiency payments were not new money. They tried to defuse the issue and the more they tried to defuse it, the more it became an issue. The farmers of Saskatchewan sent a strong message to Regina and they are sending a strong message of support to Ottawa.

When dealing with this Bill today, we are dealing with priorities. As a farmer, as Parliamentary Secretary to the Prime Minister and as one who has seen the positive work the Prime Minister has done, I ask opposition Members if they are saying that food is or is not a priority. In the eyes of the Government, food is a priority. Agriculture is a priority in Canada and it must remain a priority so that it may become strong and help build this great country.

Certainly we are facing a difficult time. Agriculture is facing problems. However, the Government is taking up the challenge to meet these difficulties and face them in a positive way. The Government is facing them in a way that will benefit all Canadians, not only farmers.

We often forget that when a farmer spends money buying machinery, improving buildings, buying parts for implements or buying the many other things which are needed, the entire economy of Canada is stimulated. I have heard the Deputy Prime Minister (Mr. Mazankowski) say many times in the House that money spent on agriculture benefits all of Canada some 25 times in roll-over benefits. It benefits Ontario, Quebec and the rest of Canada. Therefore, it is very important that agriculture be a priority.

Not only in Canada but in all of North America, as agriculture has been strong, the country has progressed in a positive way. We must never lose track of that. Agriculture must be a top priority. It was made a top priority in the Speech from the Throne and it was made a top priority in the Tokyo summit where the Prime Minister laid out the importance of the situation relating to agriculture and its international sales before the nations gathered there. The Government and the Prime Minister will continue to lay before the international market-place the importance of agriculture.

We just signed a significant agreement with Russia for 25 million tonnes. This is a sale which will benefit not only farmers but all of Canada. These are the kinds of agreements for which we are looking and these are the kinds of agreements we must have in order to initiate the strength in agriculture that can help build this great country.

Before I resume my seat, I wish to say one more thing about agriculture and food being a priority. We in Canada have a large surplus of grain on our farms. We must give credit to the farmers for producing this grain. As well, we have been blessed with the moisture required to produce so much grain this year. On the other hand, there are places in this old world where there are starving people. I believe that food is a priority and this requires an educational process. Certainly every man, woman and child in this world has a right to eat. This comes from a farmer's heart. A farmer understands, as do all Canadians, that we have obligations but we also have some great opportunities.

I had the opportunity to represent Canada at the World Food Conference in Rome. I do not think there is a country in the world that is respected more than Canada, not only for the way we have responded in agriculture but certainly for the way we responded in offering food aid around the world. Through the Canadian food grain bank, the people in the Prairies are collecting grain right now to be shipped to underprivileged countries. This is a great challenge for Canada and we take no back seat in what the Government and the people of Canada have accomplished. They have realized that a great need exists to make food a priority. However, it can only become a priority if agriculture is strong and if the Government sees it as a priority.

We all must see the importance of the fact that everyone in this world has a right to eat. I suggest that it is an obligation not only of the Government but of the Opposition and every Canadian to see that food becomes a priority.

Mr. Lewis: Mr. Speaker, I would like to ask a question of my colleague. He will know—

Mr. Nystrom: Sock it to him!

Mr. Lewis: I intend to. This is going to be tough and I think you may enjoy it.

During the Saskatchewan election, the Hon. Member for Yorkton—Melville (Mr. Nystrom) made a lot of noise about the Prime Minister's credibility. He suggested that the election results would put that question to rest. In fact, he staked his meager reputation on that one question. I would like my friend to enlighten the House as to how the credibility of our friend from Yorkton—Melville stood up when he staked his reputation on the theory that the farmers of Saskatchewan would

soundly reject the efforts of our Party to help the western farmers and, in fact, the Prime Minister's credibility. How did our friend's reputation stand up to that test?

• (1550)

Mr. Gustafson: I would like to respond to that question very positively. That question was asked on Global Television. I think that the Prime Minister's record stands for itself. The Saskatchewan people have spoken. I can assure you that in speaking with many hundreds of Saskatchewan farmers, they are very appreciative of the direction that the Prime Minister and this Government has taken, and the direction that any Hon. Member gives when it comes to advancing the positive direction of agriculture in Canada.

Mr. Deputy Speaker: Debate.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is nice to follow my good friend from Assiniboia. What he did not tell the House was that the Conservative vote went down in rural Saskatchewan by three or four points. The NDP vote went up in rural Saskatchewan by three of four points. In my riding, we ended up with our vote increasing by three or four points. We received 46 or 47 per cent of the vote. That bodes very well for the next federal election when we will sweep that riding and have nine or ten seats in Saskatchewan.

The Hon. Member for Assiniboia (Mr. Gustafson) is the only Member of Parliament from Saskatchewan to have a provincial Liberal member represent his riding. That is quite a phenomenon in Saskatchewan politics, but it happened in the riding of Assiniboia. For the first time in the history of Saskatchewan, we now have a majority Conservative Government that received fewer votes than the Opposition party. The NDP received more popular votes than the Conservative Party, yet, because of the redistribution of seats, and by some luck in certain areas, it ended up being the Government of Saskatchewan.

An Hon. Member: A 12 seat majority.

An Hon. Member: Statistics are for losers.

Mr. Nystrom: Maybe poles are for dogs, like John Diefenbaker said.

I agree with the Hon. Member for Assiniboia that this is a very important issue. We want to see this cash advance legislation go to committee as soon as possible. Farmers need this kind of legislation. It is a piece of legislation on which we can all agree. I think it should go to the parliamentary committee as soon as possible so that it can be passed and become law. After that we should address other important issues that affect farmers in Saskatchewan and across Canada.

As the Hon. Member for Assiniboia said, agriculture is the backbone of our economy. We are very fortunate to have the most productive farmers anywhere. Those productive farmers are facing a crisis through no fault of their own. They are in a crisis because of a trade war between the Europeans and the friends of the Prime Minister (Mr. Mulroney) in the United States, Mr. Reagan and his administration. Because of that trade war prices for many commodities are now at the 1933 to 1934 level. Because of that, it is incumbent upon the nation as a whole to come to the support of the farmers with a major deficiency payment.

I know the Government is talking about a farm aid Bill of around $1 billion. We in Saskatchewan are hoping that about $400 million to $450 million will come to our grain farmers. That will be a help. I certainly do not criticize the federal Government for that. In fact, farm leaders and all politicians in the Prairies have been calling for a deficiency payment for farm aid. We do not know yet what form that farm aid will take. Will it be in terms of a grant, or will it be a combination of programs? Will it be based on marketing, or on acreage? We do not know those details. All we can say to the Government is that it should move as quickly as possible to make sure that there are cheques in the pockets of the farmers before Christmas because they need that money.

Another thing that is very important, and which I hope urban Members of Parliament realize, is that although $1 billion sounds like a lot of money, it is still not going to make up what the farmers are losing because of a trade war and bad international prices. I understand that a few days ago there was a study published in Ontario which said that farmers in this country need around $4 billion in support programs to bring prices up to where they should be in order for them to make a living and stay on the farm. One billion dollars is about a quarter of that. It is part way, but it is certainly not going all the way. I urge the Government to very quickly dispose of this Bill and send it to committee so that we can debate other issues of importance to farmers.

I believe there are a lot of things we can do. Agriculture is number one. When the farmer is better off, we are all better off, regardless of where we live. If the farmer is better off and making a few dollars, there will be a creation of jobs in the small towns and cities from one end of this country to the other. That will be good for Canada. It will be good for the creation of jobs in Ontario, the Atlantic region, Quebec, and western Canada. We had better start supporting the farmers more than we have in the past.

An interesting statistic about farm aid was released a while ago in *The Globe and Mail*. The business community in this country is supported by some $14 billion annually of federal government subsidies, tax write-offs, and assistance. If we can support the business community with over $14 billion a year, there is no reason why we should not put up a few more dollars to support agriculture in Canada. I hope that the Government will be receptive to that message and will increase the pot rather than contract and restrict the pot in terms of money to support agriculture.

I have said many times that we need a deficiency payment. We need a large deficiency payment and we need it because of the trade wars between the Europeans and the Americans. South of the border, the American farmer is guaranteed

around $6 Canadian a bushel for wheat. He receives around $3 from the international price and around $3 from the American support program, which brings it up to $6.08 a bushel. Across the border in the riding of the Hon. Member for Assiniboia (Mr. Gustafson), which borders Montana-North Dakota, farmers are producing wheat for not much more than half of what the Americans receive when they sell their grain to the same customers around the world. For that reason, the country as a whole must support our farmers at this time with a big deficiency payment.

Another thing that makes it tough on us is that it is not only the support prices in Europe and the United States, but the Europeans and the Americans are also subsidizing the export of grain to many countries around the world. Many of these countries are traditional Canadian markets. I do not have all my files with me today, but I can recall the ballpark figures in many cases.

I recall the American adminstration trying to sell wheat and barley, for example, to Saudi Arabia, Syria, Israel, India, Yemen, and Algeria with a subsidy of around one-third of the export price. In other words, they will sell grain at $150 a tonne and subsidize it by about $50 a tonne. We cannot compete in those kinds of sales with that kind of subsidy.

If we are going to find markets for our grain, we have to sell it to those countries at one-third of what the price should be. Because of that, the initial price for grain in this country has dropped by about 19 per cent. I believe barley has dropped by about 27 per cent. Again, it is the farmer who is suffering.

In the last provincial election campaign in Saskatchewan, I had a chance to visit around 20 different ridings. Approximately 15 were rural ridings. Everywhere I saw farmers in a worse situation now than they have been in since the 1930s. Those farmers are looking for leadership from all three political Parties. Those farmers want us to come up with the answers. They want to know that we are on their side. If we help farmers out they produce food and, if they produce food, jobs are created across the country, particularly for young people.

• (1600)

Let us look at unemployment rates. In the last four years unemployment rates have risen in the Province of Saskatchewan and in the Province of Alberta, primarily because of difficulties in agriculture and also in oil. I notice the Hon. Member for Pembina (Mr. Van de Walle) is in the House. I congratulate him on his win. I understand that his colleagues call him "Landslide Wally". Perhaps that is appropriate for Alberta, but I am sure he realizes the kind of reaction there can be among people when they are afraid of the future when it comes to agriculture and oil production. In that it means jobs, the country should be coming to the support of the oil industry and of the agricultural industry in a time of trouble.

Those are some of the things we must do. Canadian farmers are asking for leadership in the House and across the provinces. Regardless of our jostling back and forth in the House on whether we did better than the Conservative Party or vice versa in the Saskatchewan election, the reality of the matter is that farmers are looking for all politicians to come to their rescue and do whatever they can. They are now suffering through no fault of their own.

I should like to make another point. I mentioned deficiency payments and support prices. Of course we are debating the Prairie Grain Advance Payments Act, so technically these things are out of order. However, we are speaking about the over-all problem, which is one reason I want the matter before the committee.

Another issue mentioned by the Premier of Saskatchewan in his campaign worth talking about is the production of farm chemicals in Saskatchewan or in western Canada in general. I support the idea. I am glad it was mentioned in the Saskatchewan election campaign. Last February, at the urging of a few dozen farmers, I introduced into the House a Private Member's Bill on generic farm chemicals. I hope the House will have a chance to discuss the idea of generic farm chemicals as soon as possible. There are large multinational companies such as Monsanto which are ripping off farmers by charging much too high a price for chemicals such as Round-up. The House should move to change the patent laws by reducing the patent from a 17-year monopoly to four years or five years, so that we can have production of generic farm chemicals in Canada just like we produce generic pharmaceuticals. If we could do that, we could entice westerners in particular to produce generic chemicals in western Canada.

Part of the solution was suggested by the Premier of Saskatchewan when he talked about chemical plants. However, I think the other solution can be determined in the House of Commons by changing the patent laws so that we can do this basically at cost for western Canadian farmers. I am not interested in paying high prices for farm chemicals. If we look at Round-up, for example, we find that Monsanto recovers its research and development costs every 24 days because of its sales around the world. Round-up is actually sold in Australia for half the price it is sold here in Canada. These are things which we as parliamentarians can change. We can do for farm chemicals what the country did many years ago for pharmaceuticals. We can change the patent laws so that big companies do not have 17-year exclusive monopolies, so that we can produce farm chemicals at cost and provide them at a much lower price to farmers across Canada.

A very thorough study of the issue was done by the Senate last year. The Senate is not full of radicals; it is a rather conservative institution, a conservative body. The Senate said that we should have generic farm chemicals, that we should get rid of long patents, and that if we did that chemicals could be produced at a much lower price. I think we should take it a

step further and produce them right in this country, particularly in western Canada. It would provide jobs for western Canadians in the process.

We require a vision of the country where farmers are in control of those factories and plants so that farmers themselves, not large companies or Governments, are making decisions about the production of farm chemicals. Perhaps that is radical. It is a bit of economic democracy, a bit of local control, and a bit of self-direction. However, we can trust farmers to be in control of their own business and in control of their plants. In the process they will produce jobs for people in western Canada and produce farm chemicals at cost.

For those reasons I hope we can wind up this debate very soon. We all agree with the particular Bill. Let us send it to committee and get on with other important issues like farm chemicals, deficiency payments, the future of agriculture in Canada, and the need to support it to ensure that farmers are given an even break because they are the most productive farmers in the world. They are doing a good job, but they are now suffering from factors beyond their control.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Gauthier, seconded by Mrs. Finestone, moves that the question be now put. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Mr. Mayer, seconded by Mr. Mazankowski, moves that Bill C-12, an Act to amend the Prairie Grain Advance Payments Act, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

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BELL CANADA ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Communications) moved that Bill C-13, an Act respecting the reorganization of Bell Canada, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, I welcome the opportunity to move second reading of Bill C-13, the Bell Canada Reorganization Act. A similar version of the Bill was considered in a previous session. That Bill, Bill C-19, was drafted as a result of the corporate reorganization of Bell Canada in 1983. The purpose of the present Bill is the same—to ensure that Bell Canada continues to meet its obligations to the Canadian public in the provision of telephone services.

The reorganization of the Bell companies created a new parent holding company, Bell Canada Enterprises. Bell Canada, the telephone company, is now a wholly owned subsidiary of Bell Canada Enterprises, and Bell Canada Enterprises has become involved in a wide range of other unregulated activities and investments.

The Bill before us has been fine tuned as a result of considerable detailed examination of the previous Bill C-19 by the Standing Committee on Communications and Culture. When the Bill came before the House, it was debated at second reading, and then it went to the Standing Committee on Communications and Culture for detailed examination.

[*Translation*]

The standing committee began studying this Bill a little less than a year ago, in December 1985. Representatives of 11 organizations, including interest groups, labour unions, telecommunications companies, delegates from business circles, Bell Canada, Bell Enterprises and the CRTC, appeared as witnesses.

Committee members got to know different viewpoints on the Bill and heard a few suggestions concerning the consolidation of CRTC regulatory powers with respect to telephone services.

Of course Bell Canada and Bell Enterprises were fearful that the Bill might jeopardize their international operations or even impose regulations. CRTC spokesman André Bureau stated that he and his colleagues were supportive of the Bill. According to him the provisions related to access to information from Bell Canada and to the authority to make a distinction between monopolistic and competitive operations were of prime interest to the CRTC.

[*English*]

I turn now to a clause by clause examination of what has been done in general terms but not in any great detail. In its subsequent clause by clause examination, the standing committee considered a number of Government and opposition amendments designed to improve and, as I say, fine tune the clarity of the previous Bill. In large measure these amendments were based on the very thoughtful submissions of the various witnesses, and they have been carried over into the present Bill C-13. We wanted to respect what the standing committee had done in the previous session of Parliament. Therefore, the amendments put through at that time were also reproduced in the Bill now before us.

• (1610)

When I look at these clauses I can say to you, Sir, that the first 10 clauses of Bill C-13 restate the provisions of the Special Act of Parliament under which Bell Canada was originally established a number of years ago. Essentially what those 10 clauses do is define the nature of Bell Canada's

responsibilities as a telecommunications carrier and bring it under federal jurisdiction.

The next clause, Clause 11, contains a provision requiring the CRTC to approve the disposal or sale of Bell Canada shares, all of which are now held by Bell Canada Enterprises.

Clause 12 will allow the CRTC to obtain information from Bell Canada Enterprises relative to the regulation of Bell Canada's operations.

Clause 13 contains provisions which allow the CRTC to decide whether particular telecommunication services offered by Bell Canada should be carried out on a competitive or monopoly basis.

The amendments adopted by the standing comittee during the last session affect present Clauses 6, 7, 11 and 13. In addition to these amendments, Section 6(2) was amended during report stage debate on Bill C-19 in the House. Section 6(2) is the section that limits the advance payment for telephone service that Bell Canada can charge to six months. The amendment allows the continuation of the historical six month provision but also gives the CRTC the flexibility to set appropriate terms of payment as conditions change.

Clause 7, Mr. Speaker, is the clause that contains the existing statutory prohibition against Bell Canada holding a broadcasting licence. The CRTC originally recommended that legislation be enacted to prohibit Bell Canada and all other members of the Bell group from holding a broadcasting licence. However, during the standing committee's deliberation on Bill C-19 several witnesses stated that the clause would impose undue restrictions on Bell Canada Enterprises and its competitive subsidiaries.

Accordingly, at that time, Clause 7 was amended to specify that only Bell Canada and its subsidiaries may not hold a licence but that Bell Canada Enterprises and its other affiliates may apply to the CRTC for a broadcasting licence. That amendment was carried out as a result of the deliberations of the standing committee. The amendment put forward by the standing committee was accepted by the Government because of the wishes or the arguments of the standing committee. It may be that that clause among others, but that clause in particular, may want to be revised by the members of the committee when it is before them.

The third amendment adopted by the standing committee affects Clause 11 which deals with the approval or disposal of shares and facilities. As you know, Mr. Speaker, for many years Bell shares were widely held by thousands of shareholders. Now there is only one shareholder to Bell Canada, namely, Bell Canada Enterprises. Clause 11 would give the CRTC an opportunity to examine proposals which migh effectively transfer ownership or control of Bell Canada to a province, a foreign interest or to a Bell competitor.

Since the object of this section is to prevent a change in control of Bell Canada without regulatory approval, an amendment was put forward and subsequently adopted by the standing committee to the effect that CRTC approval would only be required for share sales on transfers that would result in Bell Canada Enterprises ownership falling below 80 per cent.

The fourth clause which was amended by the standing committee is Section 13. It reads:

Orders requiring undertaking or divestiture of activities.

This section contains two provisions which are commonly referred to as the "in" and "out" power.

A major feature of the Bell re-organization was the intended division of activities that are subject to regulation from those other activities which are to be conducted in non-regulated subsidiaries of Bell Canada Enterprises.

To prevent cross-subsidization of competitive activities by monopoly activities, subsections 13(1) and (2) give the Commission powers to order Bell Canada to undertake an activity provided by an affiliate not subject to a sufficient degree of competition. This is what is known as the "in" power. On the other hand, the CRTC can also order Bell Canada to divest itself of an activity that the Commission determined was sufficiently competitive not to require regulatory supervision. That is known as the "out" power.

Amendments adopted by the standing committee do, I believe, clarify the fact that provincially-regulated affiliates of Bell are not affected by the "in" power. They also ensure that activities which would not otherwise be subject to regulation under the Railway Act, if conducted by Bell, cannot be the subject of an order. Finally, they require the application of a more restrictive test before the Commission may order the company to undertake an activity or to divest itself of that activity.

[*Translation*]

Mr. Speaker, I want to take this opportunity to commend all committee members for the outstanding job they did during the previous session. The document submitted today attests to the thorough study of the contents of the Bill and the basic understanding of the issues involved. Committee members will of course have a further opportunity to examine this Bill, and I can say in advance that I will be pleased to consider any recommendation they might make.

In concluding, Mr. Speaker, I believe the Bill under study takes fair account of the interests of Bell Canada subscribers as well as those of Bell Canada Enterprises and their shareholders. I stress the fact that the CRTC does need the powers provided under the Bill to continue efficiently to regulate telephone services made available by a monopoly.

[*English*]

I have studied the recommendations that were put forward by the standing committee when this Bill was previously considered by the House and by the standing committee in its deliberations. I think they did a very good job in analysing the various clauses in the Bill and in making recommendations that improved them over-all. It may be that they will want to

suggest other measures that will provide further improvement. I can assure them all that I will be willing to take into consideration any further suggestions they might want to put forward.

When considering this Bill for second reading, Sir, I would ask Hon. Members to keep in mind that this Bill is designed to maintain the excellent telephone system that has evolved over many years. At the same time, it is designed to allow the Bell group of companies to freely pursue a wide range of unregulated activities, both in Canada and internationally. I look forward to the work of the committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Official languages—(a) Request that legislation be introduced. (b) Content of amending legislation; the Hon. Member for York West (Mr. Marchi)—Multiculturalism—Canadian Multiculturalism Council—(a) Request for resignation of Vice-Chairman. (b) Request for investigation; the Hon. Member for Parkdale—High Park (Mr. Witer)—Human rights—Violations in U.S.S.R.

GOVERNMENT ORDERS

[*Translation*]

BELL CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (Kingston and the Island that Bill C-13, an Act respecting the reorganization of Bell Canada, be read the second time and referred to a legislative committee.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I want to thank the Minister for her comments on our Committee's activities, and I hope the same spirit of solidarity and interest in the subject at hand will be maintained, especially of our telecommunications system and how it affects Mr. and Mrs. Average Canadian.

• (1620)

[*English*]

Bill C-13, an Act respecting the reorganization of Bell Canada, has three objectives. First, to assure the CRTC's ability to carry out efficient monitoring and control of our regulated monopoly telephone system, Bell Canada. Second, to ensure fair and reasonable rates for subscribers with ongoing universal, affordable service to all users within Bell's area of operation. Third, to ensure that the regulation of Bell Canada allows it to grow to meet the challenge of the new technological era in which it finds itself, while not unduly impeding the profitability of Bell Canada Enterprises, its new parent. I believe the Minister acknowledged that to be an important aspect of the relationship as well.

Unfortunately the Bill, in its present form, does not ensure that any of those three objectives will be attained. The Bill contains major flaws. Its passage will not ensure fairness for Bell subscribers and may even facilitate unfair competition with our broadcasting industry. I bring to the Minister's attention that I expressed this concern when the Bill last came to the House as Bill C-19, when it went to committee and came back into the House. It is an ongoing concern not only of mine but of the broadcasting industry. I hope she will, as she has said, be open to an amendment in this regard. It is most regrettable that the Bill does not reflect the views widely expressed during the time when broad consultations took place.

Before embarking on an analysis of Bill C-13, it may be useful to review the legislative history which led to its introduction. In view of the importance of the Bell group of companies and the potential impact its corporate reorganization could have, the CRTC was directed on October 25, 1982, by the then Minister responsible, Francis Fox, to conduct an inquiry under Section 50 of the National Transportation Act into Bell Canada's proposed reorganization under the CBCA. The CRTC was directed to report its findings by March 31, 1983, so that the Government could take them into account in its over-all analysis of the reorganization. The Liberal Government also called for consultation hearings to be open to all interested persons. We were always a Government open and interested in consulting with other people before we took action.

Mr. Fox indicated that the general form of the reorganization was consistent with the Liberal Government's attitude toward increased competition and industrial development in the high-tech telecommunications sector. He stressed that the Government had been indicating for some time that all Canadian companies should make changes to enable them to be competitive, both here at home and in foreign markets. He said:

> The Bell Canada group of companies forms a vital part of the telecommunications sector in Canada.
>
> While Bell Canada is most readily identified with the provision of telephone services in Quebec and Ontario, the Bell group is also involved in many other activities. The most major corporate reorganization of this important group of companies is obviously of great interest to the Government.

He pointed out that the proposed reorganization had raised questions and concerns regarding the impact on Bell subscribers and on the ability of the CRTC to continue to regulate Bell's monopoly in the provision of telecommunication services.

Mr. Fox said that the Government must be satisfied that the reorganization was in the over-all public interest.

The CRTC held its hearings in February, 1983, and many viewpoints were expressed on the issue. On the basis of the briefs and recommendations submitted to it, and taking its own study into consideration, the CRTC made its recommendations on April 18, 1983. It recommended that the proposed reorganization be implemented on condition that certain legislative provisions be adopted to strengthen and clarify the CRTC's power over Bell Canada and its affiliates, thereby protecting the interests of the subscriber.

On April 23, 1983, the Liberal Government announced its intention to study the CRTC's recommendations and draft the necessary legislative provisions to protect the interests of Bell Canada customers. That Bill was tabled, a subsequent Bill was tabled, and we are now speaking to Bill C-13. It has many of the legislative provisions initially recommended by my party. It should be noted, however, that the present Government has introduced significant changes to Bill C-13 which diminish the intent of that legislation.

During the last session, when the previous Minister introduced this legislation as Bill C-19, which by the way died on the Order Paper when this Government chose to prorogue, I had been speaking to my concerns involving many of the issues which had appeared after a long and arduous study and which formed part of the CRTC report tabled in 1983. It is a fascinating document which I think is well worth rereading. Many groups appeared with informed opinions to share with those interested in the improvement of both our telephone system and business systems in general. We are not fully satisfied that Bill C-13 in its present form will bring all activities of Bell Canada under the regulatory authority of the CRTC.

As I said, I have a number of areas of specific concern with respect to this Bill. These concerns include the furnishing of services, the potential for unfair competition in the broadcasting field, the lack of adequate safeguards for an indirect takeover of Bell Canada, and the impact of the divestiture clauses.

I will begin by considering the matter of furnishing service. My dissatisfaction with Clause 6 of this Bill stems from the fact that it fails to recognize that a customer has the right to be supplied with the most efficient and least costly telephone. We must not forget that the telephone is the outside line to the world and it is very important to shut-ins and our senior citizens. If they cannot afford the ever-escalating price of the telephone itself, let alone the service, it would be most unfair. I think the Minister would be the first to agree.

The Bill says that Bell Canada must furnish telephones of the latest improved design then in use by the company in the municipality or territory concerned. That could be anything from the newest of the high-tech touch tone to the fanciest of telephone answering systems. That is not necessarily what all people want. Many of the features are in excess of the requirements of a basic telephone service. I recall trying to get a plain old black telephone as they were bringing the new telephone systems into this House and I was trying to figure out how to use all this fancy stuff. I would love to have the little old black telephone back in some instances.

• (1630)

I would like to bring to the Minister's attention that one must be mobile and able to go to a boutique to select a telephone. When you order a telephone service, they do not automatically come with a piece of hardware to plug into the wall once the wires have been installed. The consumer must go to the boutique and is often overwhelmed by an array of new fandangled equipment. I am sure this can be a very intimidating experience for a frail, elderly citizen who had enough difficulty getting to the shop and must now cope with the modern technology. The telephone boutique does not always have in stock the least expensive but most efficient and effective piece of equipment.

A member of my staff moved into a new apartment. Since the information was not volunteered, she inquired as to what kind of minimum cost telephone was available. She was told that only the most expensive telephone was available. Her choice was either to take the touch-tone telephone which was available or wait six months until the least costly equipment would again be in stock in that particular boutique. The difference in what I pay for my telephone and what this person was forced to buy through Bell Canada is $8.80 a month. That is a lot of money. It is close to the cost of purchasing cable television on a monthly basis.

I do not think that was the intention of the Minister or Bell Canada. However, those boutiques should carry enough of the least costly phones to service everyone. Consumers have the right to be supplied with the most efficient but least costly piece of equipment. The consumer needs better protection. I do not think that Bill C-13, in its present form, will be instrumental in ensuring a universally affordable telephone service.

The furnishing of services and prepayment is referred to in Section 6(2)(c). The Government has changed this section from the version which appeared in the former Bill C-19. The present version of Section 6(2)(c) provides that if the CRTC fails to prescribe an amount which the telephone subscriber must pay in advance to obtain telephone service, Bell will automatically be able to charge a six-month prepayment regardless of whether the customer is a good or bad credit risk.

The Government maintains that the six-month charge is academic, that the customer will never actually be charged a six month prepayment by Bell because the CRTC will always prescribe the lower amount. If the Government is so confident that the CRTC will protect the telephone subscriber, why does it persist in holding that six-month prepayment clause over the heads of customers? I do not know why that could not have been removed or made more clear.

The Government also maintains that even if the CRTC fails to address the issue of prepayment, Bell will refrain from exercising the right given to it in this Bill to charge a six-month prepayment. Why give a company the legal right to charge something and then say that you do not expect it to use that right? That does not make much sense. Sooner or later the company can be expected to act on its right. That is only normal. Telephone subscribers will be asking some very direct questions as to why the Government has failed to protect them.

There are many people in the country who do not have the funds to pay a lump sum, semi-annual amount in advance should Bell deem it necessary prior to fulfilling its own obligation of connecting a telephone. The monthly rate of $8 or $10 multiplied by six is a substantial sum. Is it fair for the average struggling student, who finds it difficult enough to pay rent, heat and everything else, let alone tuition, to be expected to provide a six-month advance payment? What about the sick and elderly? I do not think it is very clever to leave this clause in the Bill.

I believe that the amount of an advance payment, if any, is best determined by the CRTC on an ongoing basis in order to ensure consistency with the needs of the subscriber. The CRTC will, no doubt, take note of the fact that with a public monopoly utility such as Bell the customer will not decline to pay and run away. I do not think they have to worry about that. I suggest that they will pay their monthly bill. Bell does not need up-front money with the income it presently has.

I wrote this part of my text in June, anticipating that this Bill would come back before the House was prorogued. At that time I did not know the extent of the profits which Bell Canada was privileged to earn. We should all be very pleased that its profits are so high because it means it is a very well-managed and highly efficient company. This has nothing to do with the state of the economy but rather with knowing how to perfect management.

The recent ruling of the CRTC directed Bell Canada to return $243 million in surplus profits to its subscribers. Bell anticipates approximately $207 million worth of profit in 1986-87 and the CRTC has directed Bell Canada to reduce its long distance rates. I suggest that this substantiates my point that up-front money is certainly not necessary for Bell Canada to function effectively and efficiently. It is a detriment, an unnecessary cost and often a burden to the general population.

At times I may speak rather harshly of Bell Canada. I will take this opportunity to recognize that Bell Canada is a very fine corporate citizen. It shows leadership in many areas in the country. In particular, it lends the services of its personnel. There was a very fine demonstration of that when Rick Hansen was in Ottawa last weekend. Bell Canada's Pioneer Club has been very supportive of his efforts. I would like to salute Bell Canada for that effort.

Clause 7 of the Bill prohibits Bell Canada or any company controlled by Bell Canada from operating a broadcasting undertaking. This is a continuation of the prohibition contained in the 1968 Bell Canada Special Act. Parliament has consistently opposed allowing Bell Canada to enter into the broadcasting field. The Parliament of Canada imposed certain restrictions and obligations on this regulated public service monopoly for having such rights of monopoly. One restriction was that they should not enter the broadcasting field. The report states it much better than I could. On page 69 it says:

> The Commission therefore recommends that legislation be enacted as follows:
>
> 2) prohibiting Bell Canada and other members of the Bell group from applying for or holding a broadcasting licence;

I suggest that that included Bell Canada affiliates as well as Bell Canada subsidiaries. They have said:

> The Commission is of the view that Bell and the other members of the Bell group should continue to be subject to the limitation prohibiting the holding of broadcasting licences, which under the Broadcasting Act includes licences to operate cable television systems.
>
> At this stage of rapid evolution in the communications industry, the Commission would be concerned with the degree of concentration that could arise in the industry if the Bell group were allowed to enter the broadcasting field. In this regard it is noteworthy that, in 1982, the size of Bell Canada, as measured by the book value of its telecommunications assets alone, was in excess of $10 billion, compared to assets of approximately $1.2 billion for the entire Canadian private television, radio and cable industries.

• (1640)

I strongly recommend that all Members who have cable companies, television companies and broadcasters in their ridings pay very strict attention to this clause because there will not be satisfaction among their constituents if they decide now to put these companies into a competitive position with the very well financed Bell Canada, particularly its affiliate Bell Canada Enterprises. It had a net profit of $1 billion. The report goes on to say:

> The Commission would also be concerned if the Bell group were to enter the cable industry, with the conflict of priorities that could arise in the group as between the development of the cable and the telephone distribution systems. The Commission considers that the public interest is best served at this time by the separate, and to some extent, competitive evolution of the cable and telephone distribution systems.
>
> With regard to Bell's suggestion that the Commission's power to award broadcasting licences would permit it to consider telephone cable cross-ownership issues in the future, it should be noted that it is not certain that telecommunications policy matters can properly be taken into account in licensing decisions under the Broadcasting Act.

I hope the Bill will give serious consideration to this area. Due to the recent reorganization of Bell, the company—now Bell Canada Enterprises—will be in a position to circumvent the prohibition contained in Clause 7 of the current Bill. Let us consider the following examples. The new holding company, Bell Canada Enterprises, could incorporate a subsidiary such as "Bell Canada TV", and for very little cost connect the transmission facilities of such a subsidiary through its affiliate, Bell Canada, to virtually every home in Canada at a very reasonable rate. Such a transaction does not run afoul of Clause 7 as it now stands because Clause 7 only catches companies controlled by Bell Canada. They used to be controlled by Bell Canada as subsidiaries to the old corporation, but now they are subsidiaries of Bell Canada Enterprises,

affiliates of Bell Canada. Bell Canada no longer controls them, due to this reorganization.

The most obvious endeavour for BCE to become involved in would be cable television. The Canadian Cable Television Association fears that this gap in Clause 7 of the Bill would have a major impact upon its members. The association has expressed its concern to the Minister, but she has obviously not listened. I recommended in the committee and in the House that the word "affiliate" be added in that clause. No such change has taken place and I suggest that the Minister look at that clause again.

It is significant that the CRTC, in its April, 1983 report to Cabinet on the proposed reorganization of Bell Canada, concluded that the Bell Canada group should continue to be prohibited by law from holding broadcasting licences. The CRTC's rationale, which resulted from an exhaustive review of the arguments on both sides at a lengthy public hearing, was a concern over the degree of concentration of control which could arise in the Canadian broadcasting industry if affiliates of Bell Canada Enterprises were allowed to hold licences. The Commission concluded that the public interest would best be served by the separate and, to some extent, competitive evolution of the cable and telephone industries as separate entities. I emphasize the world "separate". The commission's conclusions are as valid today as when they were made. I have already read those conclusions into the record.

It is regrettable that the Government has not seen fit to respond to the serious concerns which have been raised by broadcasting companies regarding Clause 7. I have often relayed those concerns in the House and in the committee. I believe that Clause 7 of the Bill should have precluded the entire group of Bell companies from holding broadcasting licences. It is not too late for the Government to change its mind by amending Clause 7. I will urge the Government to do so before many Canadian jobs are jeopardized.

Clause 11 of the Bill provides that any sale by Bell Canada Enterprises of more than 20 per cent of the shares of Bell Canada must receive CRTC approval. I am quite delighted to at least see that provision because there was no limit in the Bill at the outset. While I had proposed a 10 per cent limit, the Government countered with a 20 per cent proposal which is now in the Bill. At this time it is under 6 per cent of external holdings and I do not know why the Government has increased it to 20 per cent.

The requirement in that clause for CRTC approval can be circumvented if a company acquires control of BCE itself. I point out to the Government that as a result of this gap in Clause 11, a company can acquire control of Bell Canada itself, without having to receive CRTC approval. This sounds very far-fetched. I read it again and talked to the Ontario Securities Commission. I suggest that the potential of and control within certain types of bonds that have been issued should be rechecked.

There may be those who would scoff at the suggestion that a huge company like Bell Canada Enterprises could be taken over, thereby yielding control to the successful buyer of Bell Canada. However, an article in the Toronto *Globe and Mail* on June 11, 1986, points out that a group of Toronto stockbrokers is attempting to take over BCE. The article states that: "Bell Canada Enterprises of Montreal, one of the country's largest business empires, is worried that stockbrokers might have found an indirect way to control the giant utility holding company". The article points out that such a takeover may indeed be a possibility and that BCE is concerned. If BCE is worried about this situation, why is the Government not worried or prepared to block that loophole in the Bill?

There has also been a lack of effective mechanisms to obtain information. I bring to the attention of Hon. Members the important April 18, 1983 CRTC report on the proposed reorganization of Bell Canada. At page 33, it states:

> It is the Commission's duty to ensure that the telephone subscribers of Bell Canada do not cross-subsidize the activities of the other companies of the Bell group. This duty requires that the Commission be in a position to determine the fair value of Bell's resources utilized by other corporate members having regard, among other things, to the value of such services in the market-place.
>
> In the Commission's opinion, it will not be possible to ensure the fulfilment of this duty unless it has access to contracts between third parties and BCE or its subsidiaries in circumstances where these may be relevant to transactions between Bell and its affiliates.

It may be grand that Bell has the expertise to lend to other parts of the world, but that does not mean we should have to pay for it as part of our telephone operating costs and have it reflected in our subscriber rates. I believe that Bell Canada Enterprises should pay the full share, as they properly belong as part of its costs.

I return to page 33 of the CRTC report:

> Another issue arising out of the proposed change in the status of Bell Canada within the Bell group relates to the Commission's power to require information from Bell affiliates to be organized, analysed and presented in the form the Commission considers necessary or desirable in order to enable it to discharge its mandate.

• (1650)

The CRTC stated further:

> In the Commission's opinion, it will not be possible to ensure the fulfilment of this duty unless it has access to contracts between third parties and BCE or its subsidiaries in circumstances where these may be relevant to transactions between Bell and its affiliates.

Clearly, Clause 12 of Bill C-13, as I have said, should have provided the CRTC with the legal right to obtain such information, presented in an organized and readily-understandable fashion, from Bell's affiliated companies. Unfortunately, the Bill does not so provide. Such a provision would have enabled the CRTC to properly fulfil its mandate.

In a presentation delivered on behalf of the Canadian Consumers' Association Dr. Myron Gordon told the CRTC:

> If—for legal reasons—the corporate veils created by the reorganization cannot be pierced by the CRTC, then the CRTC's ability to set fair and reasonable rates for telephone services would be destroyed. This is a strong, but nonetheless true statement.

The views of Dr. Gordon and the Canadian Consumers' Association were directed to ensuring that the subscribers of Bell's monopoly services were not adversely impacted by the reorganization. I share those particular concerns. I suggest that in this Bill the Government has demonstrated its neglect for the interests of Bell subscribers and its failure to act on the report of the CRTC in the proposed reorganization changes and modifications that would be required to ensure that the monopoly part of Bell Canada be maintained and fairly assessed.

Again, I bring to the attention of Hon. Members the following words of the Commission:

> With these considerations in mind, the Commission has concluded that, in order to ensure that its ability to exercise its mandate is not impaired after the reorganization, there should be legislative clarification of the power to compel the production of such documents and information from BCE and the other Bell affiliates as the Commission considers relevant to enable it to carry out its mandate. This power should also enable the Commission to require that such documents or information be organized, analysed and presented in such form as the Commission may determine.
>
> These powers, and those already vested in the Commission must, of course, be used responsibly and with discretion. They are all, including the power of the Commission to determine what is relevant in any particular situation, subject in any event to the scrutiny of the courts . . .
>
> The Commission therefore recommends that there be legislative clarification of its power to compel the production of such documents and information from BCE and the other Bell affiliates as the Commission considers relevant to enable it to carry out its statutory mandate. This power should also enable the Commission to require that such documents or information be organized, analysed and presented in such form as the Commission may determine.

That is not unreasonable in helping to determine subscriber rates or activities. It would certainly not be in contravention of Section 321 of the Railway Act.

With respect to the divestiture section, Clause 13(1) of the Bill ensures that a telecommunications activity of a Bell affiliate cannot become dominant in its market without attracting regulation. Clause 13(2) provides the CRTC with the means to prevent Bell Canada from engaging in a competitive activity, as opposed to its normal monopoly activity, by ordering Bell to divest itself of the competitive activity.

The stifling effect that a dominant carrier such as Bell Canada can have on the growth of competition is a product not merely of its size but also of its monopoly control of basic telephone services. It is something like a cash cow, which is exactly what it is. It is a constant flow of dollars which many people would love to have.

Access to revenues generated by monopoly services creates the distinct danger that these revenues will be used to subsidize competitive activities regardless of CRTC regulation, to the detriment of competitors which have no monopoly revenue to draw upon. The Bill does not by any means go far enough in preventing this scenario from happening.

In conclusion, I point out that the former Minister of Communications, the Hon. Member for Frontenac (Mr. Masse), during talks with his provincial counterparts acknowledged his sense of obligation to ensure that Canadians are provided with a universal telephone service at reasonable cost. In fact, Bell Canada has a mandate to provide, on an exclusive basis, as a regulated public utility monopoly, telephone service to all customers in its territory at a reasonable rate. This service has evolved over the last century into more than a privilege. It has now become almost a right for all Canadians.

I have tried to outline the shortfalls of Bill C-13. What it all boils down to is the fact that we can create children but we cannot create our own parents. By creating its own special parent company through reorganization Bell Canada has weakened the powers of the regulatory body, the CRTC, whose function it is to protect telephone subscribers. This Bill fails to give the CRTC the tools with which it can do the most effective job.

I look forward to the necessary changes to the Bill so that it will truly reflect what was in the minds of the founders of Bell Canada—a universal telephone system.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Bill before us today, Bill C-13, respecting the reorganization of Bell Canada, is a slightly recycled version of another Bill, Bill C-19, introduced by the Conservatives in the last session which, of course, was simply a recycled version of a Liberal Bill, Bill C-20, introduced in 1984. However, whatever it is called and whatever number it bears it is a mistaken piece of legislation. It shows a lack of telecommunications policy. It is a Bill dealing with one specific question on which the Government has capitulated in order to give Bell Canada what it wants.

Bill C-13 is virtually unchanged from its predecessor, Bill C-19. I know that the Minister said that there had been some improvements made as a result of recommendations presented in committee. I suggest that they are trivial changes and that the Minister has not learned much from the committee hearings.

The New Democratic Party certainly fought this Bill hard in the House and in committee, as did many citizens' groups, consumers' groups and ordinary Canadians concerned about their telephone service. They fought the old Bill and I suspect, like us, they will be fighting the new one very hard as well.

Bill C-13 represents yet another instance of the Government putting the interests of a large corporation ahead of the public. Most Canadians need their telephones. Virtually all Canadians are telephone subscribers. The largest company providing telephone service is, of course, Bell Canada. Canadians want good service at reasonable rates. It is certainly in the public interest that we have regulations to ensure that this be the case. The Bill before us does not take us in that direction, but instead makes it possible for the company not to avoid entirely regulation but allows certain aspects of its operation to avoid regulation. It certainly ensures that consumers will not receive adequate protection in terms of rates charged.

Canadians are the greatest telephone users in the world. The telephone is an essential means of communication in our large country. Many people would be isolated without one. It is an important matter. Yet the Government has absolutely

capitulated to a large corporation which simply wants to bully its way through the courts and through Parliament in order to get what it wants.

The Bill before us would legalize the reorganization of Bell Canada. It is an example of how a corporation with a monopoly and guaranteed profits is allowed to spin off profits made in a regulated field into other areas and into other parts of its corporation. The Bill will permit Bell Canada to do in the 1980s what the CPR did earlier. The CPR became an enormously wealthy corporation and yet train service deteriorated. The public was not well served by it, yet corporate profits remained at an enormous level thanks to a privilege which it had as a monopoly.

• (1700)

I would like to review a bit of the history of this Bill. When the Bill first appeared as a Conservative Bill, it was tabled in the House by the former Minister on December 20, 1984. It was very similar to the Bill previously introduced by the Liberal Minister earlier that year.

It is worth noting that on May 10, 1984, the then Opposition House Leader wrote the Liberal House Leader urging him to split the old Bill C-20 into two Bills, one being called the Bell Canada Reorganization Act, an Act which could receive a quick second reading and referral to committee, according to the letter. When in Government, the Conservatives did exactly that. They split it into two Bills so they could sneak it through very quickly. However, they found a lot more opposition to it than they had anticipated but now the Bill is before us again.

At the beginning of a study of this Bill, a couple of points must be made. It is a short Bill. It does not deal with very much. Effectively, it outlines what already exists in regard to the regulation of Bell Canada. It is not what the CRTC, consumer groups and the former Government wanted. It is what Bell Canada wanted. It pushed and finally twisted enough arms to receive acceptance from Liberals and Conservatives. This shows what corporate power in Canada can do.

Bell Canada took on the CRTC, the Restrictive Trade Practices Commission, the Bureau of Competition Policy and any number of intervenors from consumer and public interest organizations. It fought them all. In the end, the Government backed off and the result is a Bill which only legislates what is already in place and allows Bell to join Canadian Pacific in being a major company which has prospered in a heavily protected government-created monopoly. Now it will be permitted to take the assets it gained thanks to that protection and use them as a basis for a diverse acquisition seeking conglomerate now known as Bell Canada Enterprises.

As much as anything else, this Bill sugggests the Conservative trend to deregulation: let the public interest be damned and let companies get away with what they want. In this case, it is to take the money and run. Bell Canada will be free to do as it pleases in the market-place with assets that it acquired thanks to its monopoly status. The existing Bell telephone service will remain under CRTC regulation but, and I stress this, without the important financial support which had provided cross-subsidization and had held down telephone rate increases. With increasing costs looming, we can expect increasing costs for basic telephone services.

I think we have to look at this Bill as being a failure in the development of public policy. It does not put the public, consumers and ordinary Canadians first. It would not have happened if we had a federal Government with a decent telecommunications policy and enough guts to take on Bell Canada and fight it in the public interest. That, I am afraid, we do not have. The Liberals did not want the Bill in the first place but capitulated. The Conservatives never put up a fight at all. Bell has managed to impose its corporate will on the country. It has got what it wants.

Let us look at how Bell has managed to do this. On June 24, 1982, Bell Canada announced a planned reorganization to create "a new, non-regulated parent company called Bell Canada Enterprises, Inc.". The Chairman, Mr. de Grandpré, described this as being a purification of Bell Canada's regulated activities. In his words, it would make the task of the CRTC easier by separating off Bell's regulated activity so the CRTC would not have to be bothered with all its other activities. He said that Bell Canada would remain the regulated utility but this reorganization would simplify the regulatory process. He said that under the old structure, Bell controlled about 80 different companies, regulated and non-regulated, leading to distortions. Of course, many Canadians did not agree with this and were concerned about the interests of consumers.

The spokesperson for the Public Interest Advocacy Centre said that this was an ingenious scheme to avoid regulation and that in football terms, it is an end-run again but around the other end. Other opponents of the legislation said that it was a recognition that Bell is really in the investment business, not the telephone business. Unfortunately, this has proven to be correct.

Bell Canada simply created Bell Canada Enterprises as its holding company, displacing Bell Canada. The profitable subsidiaries and the revenue for planned acquisitions went to Bell Canada Enterprises. Bell Canada became a regulated subsidiary with only three subsidiaries: a 30 per cent share in Bell Northern Research, a 24.6 per cent share in Telesat Canada and Tele-Direct (Publications), a subsidiary to be transferred to Bell Canada Enterprises as soon as practicable. The intent of all this is very clear. The intent is to get the profitable parts away from Government and from regulation.

To head off any interference, Bell referred the reorganization to the Quebec Superior Court. Courts can move very quickly. The law does not have to be slow. In barely two months after the referral, on September 24, 1982, the Quebec Superior Court approved the Bell Canada reorganization rejecting a federal Government challenge that the plan required the approval of the supposed regulator, the CRTC. Charles Gonthier, Justice of the Quebec Superior Court said

that the arrangement is just and reasonable for the shareholders of Bell since it was approved by an overwhelming majority. The federal Government appealed this decision. Bell won the appeal in the Quebec Court of Appeal on March 25, 1983.

On April 18, 1983, CRTC investigations and hearings produced a 105-page report with recommendations, some of which appear in this Bill. Significantly, however, the regulation most necessary as a check against Bell Canada Enterprises was a minority shareholding in Bell Canada which is now 100 per cent owned by Bell Canada Enterprises. To the CRTC, this would be a "significant incentive" to conduct company affairs in the best interests of both subscribers and shareholders.

Hon. Members will understand that the creation of minority shareholders is a very commonly used device to ensure that certain interests are protected and are not ignored by a single shareholder. That recommendation was not included in the old Bill C-19 nor is it included in Bill C-13 which is before us now. In fact, the CRTC said that it should not be included in the immediate future.

Also omitted from the legislation were the arguments put forward at the CRTC hearings by consumers' organizations and particularly the Consumers' Association of Canada for some disposition of the capital gains which Bell had acquired as a federally chartered telephone monopoly. This is an extremely important matter when considering the amount of money that is at stake here. The CRTC had calculated the capital gains from the sale of Bell owned provincial telephone companies and Northern Telecom to Bell Canada Enterprises at $560 million. The Consumers' Association of Canada felt that $200 million should be returned to telephone subscribers. The value of these investments had quadrupled from an historical cost of $440 million. However, the CRTC saw no reason for subscribers to share in the capital gains realized by Bell, although obviously it was the fees paid by subscribers that made it possible for these capital gains to be realized.

Should this not be a consideration for us when looking at this Bill? Should the House not look at the public interest and the interest of subscribers? After all, the subscribers paid for the gains that were ultimately realized by the company. Should the Government not have a duty to protect the larger public interest when creating monopolies apparently in the public interest? Unfortunately, Government just turned aside and did not take its responsibilities here.

• (1710)

On April 21, 1983, having been defeated in the courts and having seen its own regulatory agency, the CRTC, accept the reorganization, the Liberal Government capitulated. It decided that it would not take any further court cases, and the restructuring would go ahead as Bell Canada wanted it. I cite the then Minister of Communications, Francis Fox, who said that because it has a favourable impact on the economy generally. In other words, what is good for Bell Canada is good for the country. However, he did not produce any evidence to explain why this would be so, and why Bell Canada's profits should be considered apart from the interests of subscribers and the people who have been paying their bills and making their profits for them over the years.

The federal Government threw in the towel on the issue of whether a publicly fostered monopoly had an obligation to consumers. This again is very similar to the kinds of deals that the CPR got away with over the years. Now technology has changed, and it is not the railways which make these big profits. We are now in the telecommunications era and that is how it is being done. The principle is the same and it is a very bad principle.

On April 28, 1983 the Bell reorganization went into effect at the Bell annual meeting. The chairman of Bell hinted only at future rate increases. He did not want to appear too greedy at this point. He did not announce any specifically. The next announcement on July 27 was even better for Bell. The new company reported an increase in profits of 40 per cent for its first quarter as an unregulated holding company.

On the telephone subscribers side it has been very different. There has been a campaign for user-pay charges on local calls, and much higher basic telephone service rates combined with deregulation of long distance service. We cannot be at all complacent about what is going to happen to consumers. What has this Bell reorganization accomplished? Has it created more jobs? No. We know that takeovers do not create jobs. Sometimes they result in the elimination of jobs. Certainly in this case, Bell has actually cut jobs since 1980. Has it resulted in lower rates for telephone subscribers? Has it resulted in better service? Well, telephone rates have continued rise. There has not been any benefit to consumers as a result of the reorganization. Phone centres and increased service charges mean that a visit from the telephone repair or service man is a very expensive rarity. Bell is eliminating those jobs and eliminating services that it previously provided.

Has it created more research and development in Canada? That, at least, would be a significant improvement. We cannot say that that has happened. Telecommunications is an area in which Canada has shown a great deal of expertise. Yet, we have to be worried about losing an industry that we have made some contribution toward developing in earlier years. Northern Telecom's record in Canada in recent years is not good. Between 1976 and 1980 Northern Telecom's Canadian workforce declined, although company sales doubled. At the same time, Northern Telecom's U.S. workforce grew from about 3,000 people in 1976 to nearly 19,000 in 1985. Since the Canadian workforce is now about 23,000, there is strong speculation that this joint Bell Canada Enterprises and Bell Canada subsidiary is really headed for the U.S. Certainly we have had comment, speculation, and we have worries to the effect that we are going to be losing research and development in Canada in this area. That is hardly anything that the Government can be pleased about, and it ought to be considerably more worried about it.

This Bill does not set any research and development commitments for Northern Telecom. This opportunity was missed in the long inquiry conducted by the Restrictive Trade Practices Commission between 1977 and 1983. Instead, we are stuck with what Bell Canada Enterprises will give us, because governments have not ventured beyond various incentives and carrots for research and development to require that there be a minimum contribution made. In short, there is very little in the history leading to this Bill that is commendable at all.

I would like to refer to some of the arguments that have been developed by consumer organizations and other groups which are deeply concerned about this. One of the best briefs prepared is that done by the National Anti-Poverty Organization. In effect, the National Anti-Poverty Organization has been speaking for all ordinary Canadians, for all consumers and telephone subscribers. Poor people certainly need their telephones and are acutely worried about increased costs and decreased service. The points that they make affect ordinary Canadians with adequate family incomes.

The National Anti-Poverty Organization states in its submission that it is important to note that if the reorganization is allowed it becomes irreversible. It is not an incremental decision that can be corrected incrementally. It is not like a rate decision where if you make a little mistake you can roll it back, as in the case that we have seen recently, or you can adjust it in the future. This is a momentous decision. It is not something that could easily be reversed, if realistically reversed at all. It is something to which we must give extremely serious attention.

The redistribution of management functions has been a major claim that Bell Canada has been making as a reason for the reorganization, that it cannot create the management team that it needs in order to manage its affairs adequately. However, it has not managed to convince too many people of the necessity of drastic reorganization of this sort in order to redistribute its management functions. It could do that without this full-scale reorganization. Other companies manage to reorganize management functions without an Act of Parliament completely changing and hiving off one company from its holding companies.

The National Anti-Poverty Organization submits that Bell Canada's claim that it needs a holding company to plan is completely unsubstantiated. The Commission and Parliament ought to view the company's explanations and justifications on other aspects of the reorganization with considerable scepticism.

The issue of capital is extremely important. The National Anti-Poverty Organization in its submission stressed that capital is the life-blood of Bell Canada. Effective control in relation to capital is essential to meaningful regulation. However, after the reorganization, Bell Canada Enterprises would be able to limit the amount of equity capital available for Bell Canada's needs. The other riskier subsidiaries would receive equity capital more easily as they offer higher returns. The parent company could thus force the regulated company to obtain a higher rate of return or pay increased dividends to the detriment of subscribers. This is an extremely important point. It is one that the Government has not paid sufficient attention to, and has certainly not met the criticisms that have been raised here.

Let us note that Bell Canada acknowledged in questioning by the intervenors that it does not believe or expect that the CRTC can regulate Bell Canada Enterprises in any way, because the parent company will not be actively involved in the provision of telecommunication services under CRTC jurisdiction. Obviously. That is the whole purpose of the organization. The importance of this factor has to be considered in the light of capital requirements. After the reorganization, the cost of equity capital determined by Bell Canada Enterprises will, from Bell Canada's position, be akin to taxes in energy prices. Bell Canada will be able to argue that it is not in control of these, and that such costs must be passed on to subscribers.

• (1720)

We see that the needs of subscribers can be simply set aside and that companies can be starved for capital. In order to obtain adequate capital, which might have come from other subsidiaries in the Bell family, the rates to subscribers are increased. The views and motives of Bell Canada in relation to the capital question were revealed in cross-examination during earlier hearings. It was asked the following question: "After the reorganization, does it mean that the CRTC has no control of the capital issued by Bell Canada Enterprises?" The answer to that question is quite revealing—"There is a concession that the CRTC will have no control over the capital issued by Bell Canada Enterprises". This clearly reveals an important problem. The CRTC will not have any say, and the needs of telephone subscribers could be easily ignored.

If Bell Canada Enterprises will not force up the return from Bell Canada in the short run, equity will be denied Bell Canada and the return from other subsidiaries will improve Bell Canada Enterprises consolidated results. Sooner or later this will have to be recognized. Either service quality will be allowed to deteriorate and consumers will not receive the service they want, or there will be pressures to increase the rates. The relative earning standard will no longer be other regulated utilities in Canada but will be other unregulated subsidiaries of Bell Canada Enterprises abroad.

How effectively could the CRTC control Bell Canada with the gun to its head that service will be allowed to deteriorate if rates are not raised appropriately? Control will have shifted from the regulator to the regulated.

I note that Bell Canada prefers to talk about scrutiny rather than regulatory control. It is aware that rather important aspects will escape regulation as a result of the reorganization. What is scrutiny if nothing can be done about it? Surely scrutiny is simply the first step to be followed up by firm regulations where necessary. However, in this case there is a loophole or an escape, and the CRTC will not have the authority to regulate on the important question of capital.

Bell Canada's response asks us to accept two assumptions—that Bell Canada will always continue to represent the large majority of the assets of Bell Canada Enterprises and that it will never be in the interest of Bell Canada Enterprises to allow Bell Canada to deteriorate. I wonder how valid are those assumptions. I think we must be rather sceptical.

Let us look at the Northern Telecom example. It was created by a pool of capital which came from the earnings of Bell Canada and was allowed to survive by the forbearance of subscribers. Subscribers might have had reduced prices to pay but instead of the money going into the reduction of rates, it went into providing capital for Northern Telecom. Bell Canada is now saying that all the capital gain and goodwill of Northern Telecom belongs to Bell's shareholders. However, it was the subscribers who indirectly paid for that. They paid Bell Canada and the money was shifted away. If subscribers had the choice of lower Bell telephone rates, they might have chosen that rather than having the money go to the subsidiaries which then depart and take it with them.

All subsidiaries of Bell Canada have their roots in the telephone service. That is from where the money came. They were created in large measure by money which came from payments by subscribers which were greater than needed to provide the service. It seems to me very reasonable that some of that money ought to go back to them. That the company should be allowed to take it and run when it earned these returns in a monopoly situation is quite unwarranted.

For years Bell argued that it should not be regulated on a consolidated basis and that a subsidiary should be allowed to develop freely into competitive areas. In the old days Bell said that that was in the best interest of subscribers, in that the profits ultimately earned through the new subsidiaries would be used to reduce subscriber rates. It argued that the subscriber would ultimately benefit from the development of subsidiaries. Now we see subsidiaries becoming profitable and Bell Canada no longer wants to use them to benefit subscribers; it wants to grab the profits for itself. It has changed its tune very considerably from its early argument that it was in the interest of subscribers to have their money go into subsidiaries. Bell said that the subscribers would eventually get their money back, but now we see they will not get it back.

I should also like to refer to so-called intangible assets—the assets of goodwill, the Bell name and reputation, and corporate associations within the Bell group. If Bell wishes to divorce a subscriber at this point, it should make a fair division of the family asset and its future value. The amount to be paid to Bell Canada for the use of such assets should be equal to the amount which would be charged to any third party for them, either as a lump sum equal to the capital gain or as an equivalent royalty.

A company which has developed a business and has a good name does not give away its name or its associations. One has to pay for them. However, in this case Bell Canada Enterprises will obtain the good name gained through the telephone business and not have to pay for it. This is entirely unreasonable. Certainly we know that Bell Canada management wants to use that name. Bell Canada management thinks it is important, counts on it, and uses it internationally in sales and in the search for contracts in other parts of the world. However, when it comes to putting a price on it, Bell management says that it is not important and that it does not need the name.

If these same Bell managers resigned their jobs and set out to create a new company, there is no way the new company could obtain these intangible assets—its name and associations—without enormous expense, yet they propose to do it for the price of incorporation of Bell Canada Enterprises.

The Chairman, Mr. de Grandpre, attempted to make the case that the Bell Canada name was not much of an asset. At one point he even described it in large measure as a liability. However, its own advertising quite belies this notion. Bell Canada advertising emphasizes that foreign customers are attracted to and sold on the Bell Canada name, that it is an asset, and that it is important. They cannot have it both ways. They cannot use it in one fashion and then like to claim that it does not count for anything at all.

Management spends its time trying to make Bell Canada a household name not only in Canada but around the globe, yet it proposes to appropriate this value for the subsidiaries and Bell Canada Enterprises and to pay nothing to Bell Canada and its original subscribers for it.

I will not go into a detailed study of the different clauses of the Bill. Obviously we will have an opportunity to consider it clause by clause, but I should like to refer to one glaring clause immediately although we are addressing the general principle of the Bill at this time. I am referring to subclause 6.(2) which would give the company the right to demand a six-month prepayment of subscribers unless the CRTC ruled otherwise. It is a rather excessive provision. I think it shows a certain contempt for consumers or telephone subscribers. It epitomizes what is wrong in this piece of legislation. Obviously we will have an opportunity to look at it in more detail later, but I simply wanted to note it as a particularly offensive part of the Bill.

• (1730)

I want to note also that the Bill raises a lot of concerns for people who work in the telephone industry. The Canadian Federation of Communications Workers opposed the Bill when it last appeared before the House and went to committee. These are people who work in the industry and who know it. They have very serious concerns. Let me quote briefly, "We are very much opposed to any form of splitting off unregulated subsidiaries of the telephone carriers to carry on competitive activity. We oppose that because it lets the "shark out of the cage" as has been said and is therefore bad for consumers. We also have a direct interest in preventing fragmentation of existing union bargaining units". I think that is an important consideration. People who have been working together to look

after their own interests to see that their needs are looked after can be in a position of being fragmented, of having to fight battles separately and of having to work in quite a different situation from what they were used to.

The Minister made very much of the point in her remarks that the Bill is a different Bill from the previous one. It does reflect some changes, but I suspect she is trying to butter us up with the statement. I do not think it is very much different from the previous Bill. Apparently there are not a lot of Conservative Members lined up wanting to speak on it. It seems that they do not see this as a new Bill that they want to discuss. I do not know whether they will be really embarrassed about it, but I note there was an attempt to sneak it through the House and bring it on while people who were concerned about this issue were in a meeting of the Standing Committee on Communications and Culture. The Government should be blushing and perhaps hanging its head in shame for trying to fool the opposition critics who were occupied in a standing committee meeting, an important meeting, while sneaking the Bill into the House.

Perhaps the Government hoped that people would not see this important piece of legislation and would get away with sneaking it through very quickly. I would like to assure the Government that it is not going to get away with any such thing. We are going to give this Bill very full attention. It is not quite a test case. There can hardly be that many companies in the same kind of situation, but I do remind the House that we have very broad concerns about corporate concentration and deregulation. These are very important themes in the Bill before us now and we are going to look at the Bill very carefully. We are going to look at it carefully clause by clause in committee.

We think the Bill is misguided. We think the whole question should be looked at from the context of a decent telecommunications policy. We are sorry to see that the previous Liberal Government capitulated to Bell Canada on this and that the Conservatives have simply had absolutely no vision in developing a policy for themselves. They have simply gone along with the tactics of Bell Canada of getting what it wants by moving quickly, going to the courts and simply bulldozing its way, ignoring the requirements of the CRTC. This is not the way to develop policy for the public. It is not the way to see that the public interest is served in this extremely important area of telephone service.

I assure you, Mr. Speaker, that we are going to be fighting on these general issues of deregulation and corporate concentration and we are going to be looking to see that the consumer is well served in this very important telecommunications matter.

[*Translation*]

Mr. Deputy Speaker: Order! The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

BUSINESS OF THE HOUSE

Mr. Gauthier: Mr. Speaker, before resuming debate, I wonder if we could ask the Government what the business of the House will be for tomorrow and what Bills will be considered so that we can prepare ourselves accordingly.

[*English*]

Mr. Lewis: Mr. Speaker, it is the intention of the Government to proceed tomorrow with Bill C-14, the Excise Tax Act.

GOVERNMENT ORDERS

[*English*]

BELL CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-13, an Act respecting the reorganization of Bell Canada, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Bill we are debating today is the same Bill that we dealt with last year, Bill C-19. Bill C-19 was brought forward and debated in the House by the present Conservative Government. Bill C-19 was essentially the same Bill that was brought forward by a previous Government when Francis Fox was the Minister of Communications, which was then Bill C-20. That old saying "The more things change, the more they are the same" applies to Canada and applies to the Liberal and Conservative Parties. When you get down to the real life of how companies operate, particularly large companies and what powers they have and are given, there is no difference between the Liberals and Conservatives.

Mr. Hnatyshyn: Don't tell that to Bob Rae.

Mr. Orlikow: We are talking about the federal House. We are not talking about the temporary situation going on in the Province of Ontario.

The principles in this Bill were opposed by a large number of organizations which appeared before the committee last year and which gave evidence in opposition. Bringing in this Bill now demonstrates even more clearly than bringing in the Bill last year that this is just another of the pre-election promises made by the Progressive Conservative Party on which it is reneging.

The Prime Minister (Mr. Mulroney) before the election told the communications workers, Mr. Speaker, that no major changes would be made in this area of Canadian life until the Government had worked out, brought down and tabled a telecommunications policy. We have yet, despite the fact that the Government has been in office for two years, to see that telecommunications policy. This is another example of ad hockery. In an important facet of Canadian life, the question

of telephones and telecommunications, we are permitting a major corporation to set the policy in reality rather than the Government. When the Government does bring down its telecommunications policy, it will find that the horse has been stolen before the Government has shut the barn door.

This Bill will legalize for Bell Canada what Bell Canada has done in recent years, and it will continue to permit Bell Canada to do even more of what it has done. We will see a repeat of what has happened in the last more than 100 years with the CPR.

I remind Members of Parliament that the CPR began as a proposal to build a railway from the Atlantic to the Pacific, to bind this country and the various regions, the then separate provinces and territories, into one country. Because there was not enough private capital to do that—it was too risky for private investors to put their money into building the railway because they were not certain that we would survive as a country or that they would make profits—they were induced, persuaded and cajoled into building the railway by grants by the then Canadian governments and subsequent Canadian governments of hundreds of millions of dollars and millions of acres of land. The railway operation controlled by the CP has been and is regulated.

• (1740)

Members of Parliament, especially those from slow growth areas, know how frequently the CPR has come to the Government of Canada or its regulatory agencies and made the case that it was losing money in the railway business by serving these areas. It received hundreds of millions of dollars in subsidies in this way. What the CPR does not say, what it does not want the Canadian people to think about, and what it does not want the regulatory agencies to look at, is that over the years it has expanded. It is no longer simply a railway company. It is now in the real estate business, the forest industry—

Mr. McDermid: So what? What is wrong with that? Don't you like successful Canadian companies?

Mr. Orlikow: I wish the Hon. Member would wait until I am finished. I would be very happy to answer any questions he may care to put. If he will listen for a couple of more minutes he will understand the point I am making.

CPR is in the forest industry, the real estate business and the mining business. How did that come about? It came about because of the land grants it got as a sweetener for building the railway. Those companies which the CPR controls, and there are dozens of them, are not regulated. The profits from those companies belong to CPR shareholders. The company does not want the people of Canada or our regulatory agencies to look at those profits which were based on the original land grants given to it by the Government of Canada. The company wants the people of Canada to look only at the railway operation which it says is losing money at this time. That is how it gets the subsidies.

That is precisely what Bell Canada proposes to do, will do and has already done to a certain extent, if we pass this Bill. Bell Canada was established to provide telephone service, as it does for almost all of the people and businesses in Quebec, Ontario and the Northwest Territories. Because it is a monopoly the rates are set after careful consideration by the regulatory agency, the CRTC. The profits Bell has made over the years have allowed it to grow to be one of the largest corporations in this country. Those profits accumulated from the monthly charges paid by subscribers, residential and business.

Bell used those profits to develop Northern Telecom, which has been an extremely aggressive company. It is one of the few companies in Canada to do a substantial amount of research. Yet Bell Canada has not been satisfied simply to control Northern Telecom. There is some rationale to this because Northern Telecom has developed products associated with the telecommunications industry. However, what Bell has done recently, and what it will be able to do even more successfully if and when we pass this Bill, is to spin off a whole series of companies which have no relationship to the telecommunications industry.

Let me just mention a few of the companies Bell now controls. It controls TransCanada PipeLines, Daon Development, one of the largest real estate developers in western Canada, and British American Bank Note Company. It purchased a year or so ago a large printing company in the U.S., Case-Hoyt. It purchased Comac Communications, Alphatex, and controls Ronalds Federated Ltd. Bell International is operating in Great Britain where it has made it very clear that it wants to do so without a union. We have to ask ourselves who benefits from this rapid growth of this giant conglomerate? It may be the shareholders who benefit, but what benefit is there to ordinary Canadians, particularly those who live in Ontario, Quebec and the Northwest Territories? It is their monthly payment for telephone services which enabled Bell to amass large profits and take control of these companies I have mentioned, and many more.

We have a right to ask Bell, and possibly other conglomerates if we have the opportunity, to answer some questions. Let me list some of the questions I think Bell should be asked to answer when it appears before the committee dealing with this Bill. We should get a list of the companies in which Bell has an equity position that gives it effective control of the company. When were those companies acquired? What was the price paid? What were the benefits to the company which led it to make these acquisitions? In other words, what were the tax benefits? We know, for example, that when Olympia & York took over Gulf Canada it used what has been described as the little Egypt bump and was able to avoid paying taxes of $500 million. What benefit does Bell get when it makes these acquisitions? What benefits were paid to senior officers of the acquired companies?

• (1750)

How many employees were there in each of these companies before Bell took them over and how many employees are there now? I think that we will find that while these acquisitions may bring substantial benefits to the officers and shareholders of Bell, they bring very little benefit, if any, to Canadians. They usually lead to the retention of less employees.

Bell has a good record of research efforts, in particular by Northern Telecom. We should ask Bell how much money was allocated by each of these companies for research and development before the takeover and how much has been allocated for it since Bell took them over. We ought to ask if there has been any reduction in the cost of production. In other words, did the acquisition make these companies more efficient and competitive? We are told every day of the week that we must become more efficient and competitive. We should ask whether there were any reductions in the cost to the consumer as a result of the takeover. These are all questions which we ought to ask because Bell has reached its present position and made its profits because of the money it received from the subscribers in Ontario, Quebec and the Northwest Territories.

Let us examine one of the companies in order to answer, at least in a small way, some of the questions which must be answered. In many ways Northern Telecom is a fine company. It probably puts as much effort into research and development as does any company in the country. It has grown rapidly as have its profits. I want Members of Parliament to consider that from 1976 to 1980 employment by Northern Telecom in Canada dropped but employment by a Northern Telecom subsidiary in the United States grew from 3,000 to almost 19,000.

Bell Canada received very substantial grants for its research programs. We recognize the tremendous improvements it has been able to make. However, what benefit is there for the people of Canada if the workforce of Northern Telecom increases in the United States, Great Britain and Turkey? Through the tax system and subscription charges the people of Canada have enabled Bell Canada to grow. I say that the people of Canada should benefit rather than only the shareholders of Bell Canada.

I would like to point out another thing which bothers me about Bell. The profits of Bell grew from $555 million in 1981 to $829 million in 1983. That is an increase of 40 per cent in two years. However, Bell Canada did not pay any corporation taxes in those years. In fact, it has accumulated a deferred tax account of $1.5 billion.

Before we give Bell Canada the blank cheque which we will by passing this Bill we ought to be able to ask it a host of questions. Before we permit this Bill to receive third reading or Royal Assent, the New Democratic Party will insist that Bell Canada answer a lot of questions. We will insist that Bell Canada come clean and show us that the people of Canada will benefit from this rather than only the shareholders of Bell Canada.

Ms. McDonald: Mr. Speaker, I would like to address a couple of questions to the Member for Winnipeg North (Mr. Orlikow) who has a longstanding interest in this subject and worked on the previous Bill C-19. He will have noted that there is very little difference between that Bill and the present Bill C-13.

In his remarks the Member made a number of comparisons between CPR and Bell Canada and spent quite a bit of time discussing the effect of the recent employment trends within a Bell Canada subsidiary and the effect on Canadian research and development.

Would the Member now give us his views on what the effect of this reorganization will be on workers in the telephone industry and on consumers?

Mr. Orlikow: Mr. Speaker, we know what is happening in the telecommunications industry. For quite a number of years we have seen, at an accelerating pace, automation, computerization and mechanization. Work which was previously done by thousands of workers is now done by very few. When one phones Information for a number in most cities of the United States, you get a recording rather than an operator looking for the number because the whole system has been automated. Therefore, there will be many less workers than before. That is a problem facing all workers in the telecommunications industry as well as in many other industries.

With regard to the subscribers, if Bell can hive off more and more of the companies which it controls which are not in the telecommunications area, there will be no regulatory agency which will have authority to monitor the profits made by those companies. The regulatory agency will be restricted to the telecommunications business. I have already mentioned the CPR as a classic example of how a company can, through creative auditing, ensure that the consumer pays through the nose while the company laughs all the way to the bank with the profits it makes from the companies it has acquired which are non-regulated.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, for the benefit of the House I wish to point out that in the event that Bill C-13 is passed before six o'clock, tomorrow we will start with Bill C-14. However, in the event that Bill C-13 does not pass the House before six o'clock, we will carry on debate with Bill C-13 tomorrow and then go to Bill C-14.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved

OFFICIAL LANGUAGES—REQUEST THAT LEGISLATION BE INTRODUCED. (B) CONTENT OF AMENDING LEGISLATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on October 9 of this year, I put a question to the Minister responsible for Official Languages (Mr. Crombie), asking him when the Government would table its Bill to amend the Official Languages Act. In his reply, and I quote from *Hansard*, at page 243, the Minister said:

—that Bill will be coming in due course.

Mr. Speaker, now that the Official Languages Act is about to be revised for the first time in seventeen years, I may say that I am concerned about the Government's delay in producing these changes. I am anxious to see some action on the matter and have these important amendments introduced.

Mr. Speaker, since the fall of 1984 we have witnessed the betrayal—perhaps too harsh a word—of election promises, promises that were not kept. We have seen budget cuts and personnel cuts, and we have yet to see much in the way of positive action. I urge the Government to introduce its amendments so that we can publicly reassure those Canadians to whom official languages are an important issue.

If we take a careful look at the promises in the 1984 Throne Speech, we find that in 1986, in this Government's second Throne Speech, our language laws are something of an illusion for this Government. Mr. Speaker, I would like to read, and I shall quote verbatim from the 1984 Throne Speech: "supporting official language minorities and in fostering the rich multicultural character of Canada. My Government is committed to or . . . ensuring that the equality of the two official languages—so vital to our national character and identity—is respected in fact as it is in law." That was in 1984.

Mr. Speaker, this promise was assessed as follows, two years later, on September 4, 1986, in an editorial in the *Montreal Gazette*, and I quote:

• (1800)

[*English*]

"It did", that is the Throne Speech, "promise a fairer deal for language minorities. It has not kept that promise".

[*Translation*]

And now, Mr. Speaker, in 1986, the Government has announced amendments to the Official Languages Act, to bring it into line with the Canadian Charter of Rights and Freedoms. After two years of doing nothing, the matter is brought up again. The 1986 Throne Speech says, and I quote: "Official bilingualism is an indispensable feature of our national character. Seventeen years after its enactment, Canada's Official Languages Act now needs to be revised. Appropriate legislation will be introduced in this Session to ensure, as well, that this Act conforms with the Canadian Charter of Rights."

Mr. Speaker, after two years of seeing the false hopes created across this country, and I know wherof I speak, because I belong to one of Canada's diasporas, a minority language group that is trying to put teeth into this legislation and that cherished the hope of seeing some serious amendments considered in this House. It seems, Mr. Speaker, that once again, the Government has made much ado about nothing, or if that is too tame for my constituents, a Conservative dinosaur has laid a figurative egg, because for us, a Conservative is a dinosaur. What can I say? That's what they do, and they don't have much to show for it.

Mr. Speaker, I don't think there is anything to get upset about, but there is cause for concern because this is not the first time the subject has come up in the House. There was a report from the Standing Committee on Official Languages, which studies such matters regularly, a report tabled a while ago, which contains all the changes required to bring the legislation into line, to update it and give it teeth.

Perhaps I may recall what those recommendations are. And if the Conservative Government is at all responsible, it will take the plunge and introduce those promised amendments.

First of all, the Official Languages Act must be amended to clearly establish its declaratory and executory nature. Mr. Speaker, I have talked about this in the House many times. I think it is pretty clear what this means. Let us give this legislation, in addition to its declaratory role, the executory powers requested by the courts.

Second, the Government could introduce as Government Bills, if it so wishes, and I wouldn't mind at all, two Bills, namely Bill C-223, an Act to amend the Official Languages Act and give it primacy over all other Acts of Parliament, and Bill C-225, another Act to amend the Official Languages Act, this time with respect to the institutions of Parliament, the purpose being to make the Act apply expressly to parliamentary institutions, in other words, the House of Commons, the Library of Parliament and the Senate, which, according to a century-old rule, are not bound by statutes of general application unless these include specific provisions to that effect.

Mr. Speaker, I would recommend this Bill as required reading for certain Conservative Members, because I think it would be a good thing to have this legislation apply to Parliament.

Mr. Speaker, Parliament could put teeth into the Official Languages Act and give it the same powers as Section 24 of the Constitution, powers to provide redress in cases where its provisions are not observed, which means giving Canadians the right to go before the courts and state that there has been an infringement of their language rights. I think that is a very responsible recommendation.

Mr. Speaker, there is a lot I would like to say, but I know you are going to interrupt me, so I would urge the Government to take action and do so as soon as possible.

• (1805)

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, I am pleased to rise to speak on an issue of great interest to me, as it is to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) who has often mentioned the subject over the past few months when we had the privilege of sitting on the same committee. However I can see now he has just realized that we have official languages in Canada, although he has been here a lot longer than we have. The Liberals have been debating the issue for a long time, but just because we have worked together for a year and a half and discussed the problem it would seem they have come to the conclusion that we Conservatives are dinosaurs. Perhaps they were riding a flying saucer. We could not even see them. Well, some things do seem a lot easier when viewed from the Opposition side, but there was so much work to do that perhaps a few things were left out.

The interest expressed by the Hon. Member for Ottawa—Vanier in the two official languages of Canada is shared by quite a few Canadians. One thing for sure is that the matter of official languages is one of the priorities of this Government, as evidenced in the Speech from the Throne delivered earlier this month. In this policy statement the Government did promise to introduce in this session a Bill specifically aimed at ensuring that the Official Languages Act is consistent with the Canadian Charter of Rights and Freedoms. Mr. Speaker, this commitment happens to be a major element of our Government's dedication to national reconciliation.

Mr. Speaker, this Government considers that the equality of our two official languages is a basic aspect of our national identity. When we came into office we said we would make sure that the equality of both official languages would be respected both in fact and in law. This is an important commitment and we take it seriously. There is no doubt that Canada's linguistic duality is gaining ever wider recognition. Witness the fact that New Brunswick has become officially bilingual. Witness the fact that Ontario has made a lot of progress with respect to services in French, and the provincial administration expects to push further along this line. We can also see encouraging signs of linguistic co-operation in Quebec. As far as the West is concerned, French immersion for anglophone pupils is increasing at a rate of 15 per cent annually.

All this is very encouraging in terms of national reconciliation. However, there are still challenges to meet. We must strengthen language minority groups faced with the spectre of assimilation. We must also strengthen the Official Languages Act, Mr. Speaker, which has been in existence for seventeen years. Finally, we must find new modes of co-operation among the various sectors of our society, to promote our two official languages.

Mr. Speaker, as the Secretary of State (Mr. Crombie) mentioned previously in his answer to a question put by the Hon. Member for Ottawa—Vanier, the Minister of Justice (Mr. Hnatyshyn) at an early date during this session intends to propose some important amendments to the Official Languages Act and its application in the case of federal institutions.

I have good reason to believe that the Hon. Member, the House and the entire country will be very pleased with the scope of this renewal of our commitment to Canada's official languages.

• (1810)

[*English*]

MULTICULTURALISM—CANADIAN MULTICULTURALISM COUNCIL—REQUEST FOR RESIGNATION OF VICE-CHAIRMAN. (B) REQUEST FOR INVESTIGATION

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise to review a question I asked of the Minister of State responsible for multiculturalism last Tuesday during Question Period. My question concerned the leak of the confidential report of one Peter McCreath who happens to be the Vice-Chairman of the Canadian Multiculturalism Council. The confidential report basically admitted without any shame that the Council should be used as a very partisan vehicle and should be committed fully to the Conservative Party of Canada.

On that day, I asked the Minister during Question Period if he would comment on that report and do the honourable thing by asking the Vice-Chairman to relinquish his duties on the Council pending a full review. The Minister's response was that he had neither seen nor read the report. That was fine. I accepted the answer and took it at its face value.

This afternoon, I asked the Minister the same question again. He has had the report for a full week. His Parliamentary Secretary got a copy of that report from me for the Minister. This afternoon, the Minister refused to comment on the document. He refused to put distance between the document and the Government. He refused to suggest that what was said in that report was dead wrong and that he would not have any part in it. Instead, he simply chose to say that he would be meeting with the Council and that I and other members of the standing committee will have that opportunity. That response was completely inadequate.

The Council has been crippled and is hobbling because of statements made by its own Vice-Chairman. No Canadian will take this Council seriously. If the Government feels that the reputation, integrity and credibility of the Council should be restored and if the Council is to play any useful role whatsoever in advancing and enhancing the cause of ethnocultural communities across the country, then the Government has an

obligation to act. It has an obligation to tell the Vice-Chairman that what is purported in the document is dead wrong and that the Government will not have any part in it. The Government should tell the Vice-Chairman that the consequence of advocating that position is to be relieved from his duties on that Council. That is the very least for which Canadians are asking the Minister. As well, the mandate and operation of the Council should be submitted to a review so that the Council and its members which have been put under attack by the existence of the McCreath report may be vindicated and their credibiliity and confidence restored.

To date, the Minister has refused to act. He takes it as some kind of a joke. He simply throws it back to us in a light and humorous way. I would suggest that that is not the way to approach serious business in this House. It is a stonewalling tactic that will work against the Government. It is the same stonewalling tactic that was used in the events leading up to the Parker Commission, a tactic that is now backfiring badly on the Government.

It is no wonder that the ethnocultural Gallup poll conducted by Multifax Communications Corp. of Toronto, a research company that is dedicated to ethnocultural communication and research, showed the results it did. It asked three ethnocultural communities in Toronto what would be the results of an election if it were to be held tomorrow.

It is no wonder that within the Italian-Canadian community, the Liberal Party has the support of 39.5 per cent while the Conservative Party has the support of 3 per cent. It is no wonder that 34.5 per cent of Chinese-Canadians support the Liberal Party while 5.4 per cent support the Conservative Party. Forty-one point three per cent of the Portuguese-Canadian community are committed to the Liberal Party while 5 per cent are committed to the Conservative Party. The Indo-Pakistani community in Toronto is in support of the Liberal Party to the tune of 46.3 per cent while only 5 per cent support the Conservative Party.

• (1815)

I am not advocating that we as Liberals should be taking advantage of these numbers, nor rest on our laurels. We have to continuously build on this base and ask for the continued support of these Canadians in the various constituencies. The message should be loud and clear to the Parliamentary Secretary, the Minister, and to the Prime Minister (Mr. Mulroney), who takes great pleasure in going into Montreal and annoucing all sorts of great things for the ethnocultural communities, that those communities are not satisfied, pleased, or happy with the policy thrust and directions of this Government. They are not pleased with simply laughing at the McCreath report. They are not pleased with the laughter at the subcommittee of the Tory caucus in Toronto which suggests manipulating the immigration and multicultural programs to the benefit of the Conservative Party.

The only people who are laughing are the Conservative Party members. That simply is not good enough for those Canadians. Those Canadians are simply saying, by these numbers as one example, that the Act has to be cleaned up and the action and the rhetoric has to stop. I am looking forward to the great wisdom of the Parliamentary Secretary to tell us if we are going to get the resignation of Mr. McCreath, and whether we are going to get the review that Canadians are asking for, or whether we are simply going to get another answer of stonewalling and further undermine the figures that will probably be coming out next month.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister responsible for Multiculturalism): Mr. Speaker, the Hon. Member for York West (Mr. Marchi) has demanded an immediate inquiry into the activities of the Canadian Multiculturalism Council, to restore the credibility and integrity of this national advisory body. The Hon. Member is spreading panic and confusion, misrepresenting the facts and sowing the seeds of doubt among our ethnic communities.

The Government does not share the Hon. Member's view that the credibility of the Council is at stake, nor does it share his perception of the vice-president.

If the CMC's mandate has remained basically the same since the organization was created as the Canadian Advisory Council on Multiculturalism in 1973, its structure has undergone several changes since that time, for the greater benefit of all groups, irrespective of their political affiliation. The Government intends to maintain the Council as an independent source of advice for the Minister and ensure that its members represent a cross section of Canada's ethnocultural communities.

The Hon. Member for York West has concluded that the Canadian Advisory Council on Multiculturalism is nothing more than an extension of the Canadian Conservative Party. I gave him evidence to the contrary on October 20 of this year, and I may refer him to *Hansard* at page 546. If he insists, I can give him some details on the ethnic community in Montreal to which I belong.

In any case, it is not the view of this Government, which sees the Council as a group of experts from a wide range of ethnic backgrounds and representing various professions. In the category of professionals, the Council includes a university administrator, a restaurant owner, a chemist, a physician, an engineer, an oil rig operator, an architect, an artist and a housewife. These people were chosen for their ability to use their own experience, their interests and their wisdom in the area of multiculturalism.

The Government will review the membership of the Council to ensure that it has at its disposal a vast spectrum of abilities. There is no need to re-establish the credibility and the integrity of the Council as they were never lost. It is simply a matter of respecting fully the principles and ideals of multiculturalism, which are so important for the government.

Mr. Speaker, all the criticisms of my colleague deal with a situation which was exactly the same under the Liberal Party before the election of the Conservatives in 1984. In an organization where the Government had spent enormous amounts of money, there was even a prohibition against campaigning for Conservative candidates, but not for the Liberals. Is this Liberal justice? Unfortunately, Mr. Speaker, the Hon. Member for York West does not have the real version of the facts. However, he is new here and he will learn.

• (1820)

[*English*]

HUMAN RIGHTS—VIOLATIONS IN U.S.S.R.

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on November 4, the review of the Conference on Security and Co-operation in Europe opens in Vienna. The Vienna CSCE review will assess compliance with all aspects of the Helsinki Final Act by the 35 signatory states and, further, will consider any new commitments the signatories may wish to undertake.

I thank the Minister for his comments in reply to my question in the House last week regarding the review. I am pleased with his assurance that Canada will continue to press the U.S.S.R. for compliance with the accords.

This month my colleagues in the Parliaments of France, the United States, Italy, the Federal Republic of Germany, the United Kingdom, Austria, and other countries are taking part in a co-ordinated effort by the International Parliamentary Group for Human Rights in the Soviet Union to focus attention on Soviet performance in respect of human rights agreements. One of the most basic of those rights is freedom of religious practice. A summary of the reality of religious life in Soviet-dominated nations quickly leads one to understand the importance of Canada and other countries taking a firm position on the issue.

Under Basket 1, Principal V11 of the Helsinki Final Act, the Soviet Union pledged to "recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience". The reality is that the U.S.S.R. attempts to control all facets of religious life and to discourage belief among its citizens.

There are approximately 100 million religious believers in the Soviet Union representing major world religions, yet the only religious activity officially recognized by the Soviet Constitution is the freedom to conduct religious ceremonies in officially registered churches. The constitutionally guaranteed separation of church and state is interpreted to mean that the church has no say in state matters. However, the state retains total control over religious life through the Council for Religious Affairs, a government watch-dog body. The state maintains control over places of worship by enforcing registration requirements. All religious leaders and literature must be approved by the state, and access to seminaries is strictly limited. There is an absolute ban on religious education and charitable and relief works by religious communities. Believers are widely discriminated against in education, employment, and housing. Moreover, whole denominations such as the Uniate or Ukrainian Catholic Church and Jehovah's Witnesses are outlawed.

Individuals who are tried and imprisoned for their religious activities are charged under articles of the Criminal Code, an example being a charge of anti-Soviet agitation and propaganda or slandering of the Soviet state. This allows Soviet officials to claim that no one in the Soviet Union is imprisoned for religious beliefs. Recently new Soviet legislation was introduced which made it possible to rearrest prisoners just prior to the date of their release, thus "legally" extending their sentences. In 1986, prisoners such as Sergei Khordorovich and Nikolai Baturin were rearrested just prior to the date of their release. Baturin is now serving his third consecutive sentence in a labour camp. The number of people imprisoned for religious activities has nearly doubled since 1979. These prisoners of conscience are incarcerated in prisons, labour camps, and psychiatric hospitals.

The Minister asked me to advise him of any particular examples of violations of religious freedom which I would like to see raised in Vienna. The unconscionable suppression of the Ukrainian Catholic Church in the U.S.S.R. is a primary case in point. The church has some four million followers, yet it has been outlawed and forced to become part of the Russian Orthodox Church which is under state control. Despite harsh repression and persecution, the Catholic Church in Ukraine is still active underground.

• (1825)

The late Cardinal Slipyj, the Church's legendary head, spent 18 years in labour camps before being allowed to leave the country. Not long ago, Josyp Terelya, was sentenced to 12 years of imprisonment. He has already spent a total of 18 years in prison for his religious activities.

The treatment of the Ukrainian Catholic Church under the Soviet Government is a clear violation of the Helsinki agreements. I will be pleased to supply the Minister with specific cases and names of individuals who have been imprisoned as a result of Soviet policy.

My colleagues in IPG and I believe that religious freedom and other issues in Soviet human rights performance must remain squarely on the agenda at the Vienna Review Conference. The democratic signatories to the Helsinki Final Act must strengthen their support for human rights in the Soviet Union. Further, the democracies must insist that there be balanced progress in all areas.

Any new agreements in military, security and economic relations reached in Vienna must be accompanied by similar accords in human rights and by guarantees of performance under existing agreements. Suppression of religion, and discrimination against individuals following their conscience in defiance of dictates of the Soviet state are well documented,

particularly oppression of the Ukrainian Catholic Church. Action must be taken to effect real change. I ask the Minister's undertaking that these matters be raised in Vienna by the Minister and the Canadian delegation.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the third follow-up meeting to the Conference on Security and Cooperation will begin on November 4 in Vienna, and all the elements of the conference process will be on the agenda, that is military security, economic cooperation, human rights and humanitarian cooperation. The participants will examine the extent to which existing commitments will be or have been kept and will analyse the proposals for making new progress.

Canada will first of all try to ensure that the Soviet Union and other Eastern European countries substantially improve their performance in fulfilling their commitments under the Final Act of Helsinki and the Closing Document of the Madrid Conference, especially as concerns human rights and humanitarian cooperation.

Mr. Speaker, we shall be frank in criticizing the countries with a performance under all reasonable standards, but we shall certainly underline the sincere efforts made by other countries, even if the results do not meet our expectations perfectly.

We will follow a constructive approach, Mr. Speaker, but as in the past we will continue to insist strongly on the fact that commitments which have been made must be respected, and that sustained progress through stricter compliance with the provisions of the Final Act is an essential prerequisite to the establishment of a climate of confidence vital for the improvement of East-West relations.

In so far as practicable, we would also like to achieve balanced progress in all fields covered by the Final Act. We take heart in the resounding success of the Stockholm conference on confidence-building measures and certain aspects of security and disarmament in Europe. We are now considering ways of making the best of it.

In the field of economics we are striving to promote trade as well as industrial and environmental co-operation. Since we are dealing with human rights and humanitarian co-operation, we deeply regret the fact that recent meetings of so-called experts—including the one on human rights held here in Ottawa—were unable to produce final documents because of the systematic opposition of eastern countries or their token concessions.

Because we do have sound information and given the positions agreed to by western countries during previous meetings, when next we convene in Vienna we will continue to insist on the fact that, if we want to restore lasting security in Europe, improvements in economic and military sectors will have to be matched with progress in the field of human rights, including minority rights and religious freedoms, human contacts and reunification of families, as well as other important measures designed to improve the circulation of people, ideas and information.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, October 29, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ABORIGINAL RIGHTS

RALLY HELD IN TORONTO

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I would like to bring to the attention of the House a massive rally being held today in Toronto by Indian people. About 2,000 people from Indian communities throughout Ontario are attending this rally. The Premier of Ontario and the Ontario Attorney General will address them.

This rally is being held in support of the right of aboriginal people to self-determination and to show politicians, both federal and provincial, and the Canadian public that self-government has grassroots support. The people support the efforts of their leaders who are trying to get their rights to self-determination and self-government recognized in the Canadian Constitution.

At the next First Ministers' Conference in the spring of 1987, the Government will have a special responsibility in this issue and must show leadership. The aboriginal peoples of Canada will not be satisfied until the rights of aboriginal peoples to self determination and self-government are recognized in the Constitution of Canada.

* * *

ENERGY

DEREGULATION OF NATURAL GAS INDUSTRY

Mr. Paul Gagnon (Calgary North): Mr. Speaker, on Saturday natural gas deregulation is slated to start. To the consumer this means lower prices. To the producers it means access to larger markets. To both it means a competitive, not a regulated, environment.

TransCanada Pipelines is Canada's major gas carrier. It buys, it moves, it sells, and it produces gas. This concentration of power works to its benefit and to the detriment of an open, competitive gas market. TransCanada's transportation system must be severed from both its marketing arm and its producing company so that the three parts have not only separate management but also separate ownership.

[*Translation*]

SCIENCE AND TECHNOLOGY

GRANTS FOR HUMANITIES RESEARCH—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Canadians know that the Conservative Government has cut into scientific research appropriations, and they realize that scientists are becoming unemployed as a result of these cut-backs. Not as widely known is the fact that social science and humanities researchers fare even worse under this Government. Grants to the Social Sciences and Humanities Research Councils of Canada do not match those awarded to other councils doing research in natural and medical sciences. Besides, owing to discriminatory tax regulation 2900, social science and humanities researchers are not allowed to seek private sector support.

Private sector companies which make grants to universities for scientific or medical research are eligible for tax credits. No such preferential treatment applies to research in humanities. Scientists in every field of university research deserve adequate funding, and discrimination against humanities is totally unwarranted.

* * *

WORLD PEACE DAY

MESSAGE OF YOUNG STUDENTS AT SAINTE-LUCIE SCHOOL IN JONQUIÈRE, QUE.

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, today, I have for the House a very special message which 800 young primary school pupils at the Sainte-Lucie School in Jonquière gave me last Friday as part of their special activities in connection with the World Day of Peace. Mr. Speaker, the following is a quote from the message of peace I was given by Stephanie Gravel on behalf of the pupils of her school and asked to transmit to our Right Hon. Prime Minister.

"During the past few days, I have worked very hard on the peace project. I realize there are a lot of wars going on in the world, and that a great many people have died as a result of those wars. Today, nuclear bombs are powerful enough to destroy the entire surface of the earth. We ask you, the representatives of our country, to do everything you can for world peace."

Mr. Speaker, all the pupils at this school worked very hard on this presentation, and I have nothing but praise for this

admirable project initiated by the Sainte-Lucie teaching staff at Jonquière, who felt it was important their pupils understand what the World Day of Peace means.

* * *

• (1405)

[*English*]

FERRIES

MARINE ATLANTIC'S ANNOUNCEMENT OF FARE INCREASES

Mr. George Henderson (Egmont): Mr. Speaker, Marine Atlantic is at it again. Over the past weekend we were informed that passengers will pay 30 cents more for each one-way crossing from Prince Edward Island to New Brunswick. Rates on the Nova Scotia-Newfoundland service will increase by $1 per passenger and $2 per vehicle one way, with various rate increases for other ferry services provided by Marine Atlantic.

There was no consultation with the Premiers of Prince Edward Island or Newfoundland before these increases were announced. This type of treatment of our island provinces must stop. The Mulroney Government must stop hiding behind Marine Atlantic and other Crown corporations, and stand up for the rights of our island provinces.

It is time the Government told Marine Atlantic that enough is enough. It is time that the Minister of Transport (Mr. Crosbie) recognized that Prince Edward Island and Newfoundland are part of the Canadian Confederation, and as such should be treated equally with other Canadians. They should be able to travel to and from their sister provinces without paying those unjust ferry rate increases.

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CANADIAN NATIONAL RAILWAYS

PLIGHT OF COMPANY PENSIONERS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, the five-member all-party subcommittee on the Canadian National Railways pension system was appointed by the former Minister of Transport, the Hon. Don Mazankowski, in April, 1985, to study all aspects of the Canadian National Railways Pension system. The report of the subcommittee contained recommendations that were comprehensive, fair, and realistic. It was presented to the House of Commons in April, 1986, and forwarded to Canadian National Railways for study and reaction. Six months have passed. Although pensioners have waited patiently and expectantly, CN has not yet responded. Our excellent efforts as a Government in general pension reform, and the sincere concerns expressed by CN pensioners appear to have gone unnoticed by CN. The only response from that corporation to date has been silence.

My patience and the patience of the 47,000 Canadian National pensioners are rapidly eroding. Canadian National and its board of directors would be well served by responding positively to the recommendations for increases in pensions, spouses' allowances, and survivor benefits. CN must reply quickly to show that it is concerned about the financial security of those who gave many years of service to the Canadian National Railways system.

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STATISTICS CANADA

STAFFING OF WINNIPEG OFFICE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I recently wrote to the Minister responsible for Statistics Canada about the future of Statistics Canada in Winnipeg. Until last year the Winnipeg office worked with one regional director and two assistant regional directors. The director retired last year and he has not been replaced. The two assistant regional directors report to the regional director in the Edmonton office.

• (1410)

This is not the first time this has happened to Winnipeg since the Tories took office in 1984. The CN tried it in its prairie region. Transport Canada had it in mind in respect to the regional office in Winnipeg. Now Statistics Canada is getting away with it by downgrading its office in Winnipeg.

How many more times does this have to happen before Manitoba Members of Parliament in the Conservative Party stand up to the Edmonton caucus and the Vegreville caucus which seem to want to move everything of regional significance from Winnipeg to Edmonton? Progressive Conservative Members of Parliament from Manitoba say absolutely nothing about it. They should be ashamed of themselves.

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IMMIGRATION

ADMISSION TARGETS FOR 1987

Mr. Sergio Marchi (York West): Mr. Speaker, tomorrow the Government will be announcing the new immigration targets for next year. Speculation has it that these numbers will be increased However, I warn the Minister and the Government that it is futile to set unattainable targets; by this I mean not matching the figures with the resources and personnel available in our consulates across the world to process the appropriate numbers.

For instance, this year targets have been set at between 105,000 to 115,000. However, immigration officials have confirmed that, based upon six-month statistics, these numbers

will only reach a maximum of about 85,000 to 90,000. Therefore it is intellectually dishonest for the Minister and the Government to go across the country saying that immigration levels are at 115,000 for this year when in fact the people coming to Canada will only number approximately 85,000.

I ask the Minister to ensure, when he announces the targets tomorrow, that they will be attainable by giving appropriate resources and personnel to our consulates across the world.

* * *

TOURISM

PROMOTION OF GREAT LAKES ATTRACTIONS ADVOCATED

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, as a tourism study released earlier this year indicated, Canada possesses a great variety of tourist attractions. My constituency of Sarnia—Lambton on the shores of the Great Lakes has many attractions and diverse activities to offer visitors to our area. The Great Lakes are one of the most beautiful areas in the country and should be touted, for all to hear, as a glorious vacation destination. From a weekend, to a month, to a lifetime, we have attractions which cannot be matched anywhere else in the two North American countries.

I ask the Minister of State for Small Businesses and Tourism (Mr. Valcourt), on behalf of the Government of Canada, to look into beginning co-operative efforts with the U.S. State Governments along the Great Lakes to publicize and promote a co-operative tourism effort.

I serve notice to the Minister that I will be following his progress on this suggestion very closely in the future. A result could very well be the reactivation of the cruise ships plying the Great Lakes and rivers, tying up at Sarnia, Bay City, Windsor, and Port Stanley.

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NATIONAL DEFENCE

CALL FOR HALT TO LOW-LEVEL FLIGHTS—EFFECT ON ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, on page 16 of the first report of the Standing Committee on Environment and Forestry the following recommendation was made to Parliament:

> The Minister of National Defence should immediately halt all North Shore and Labrador low-level military air flights and assess the effects of such flights on the environment in these regions, as soon as possible.

There were 24 Members of Parliament who participated in the study—20 Conservatives, 2 Liberals, and 2 New Democrats. The Minister of National Defence (Mr. Beatty) failed to live up to the recommendation in the 120 days since the report was tabled and now publicly refuses to do so.

The federal environmental assessment review reference is fatally flawed. Its terms of reference only allow for assessing ways of mitigating the impact of low-level flights, not for stopping them if they are unacceptable.

In my view the actions taken to date by the Minister of National Defence show contempt for the Standing Committee, and in particular for those three Newfoundland Members of Parliament who participated in this extensive study. What about the rights of the Innu? Can no one hear their voices?

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TELESAT CANADA

CONTRACT AWARDED FOR NEW GENERATION SATELLITES

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, Telesat Canada, which is 50 per cent owned by the federal Government, recently signed a contract with Spar Aerospace Ltd. to build the two most powerful dual-bank satellites ever to serve North America. Telesat will pay Spar $180.5 million for these new generation satellites known as Anik-E1 and Anik-E2.

The Government assisted Spar in the development of these versatile and reliable satellites with a $53 million federal grant in August. These satellites are scheduled for completion in 1989, and launch in 1990. This generation of satellites is at the leading edge of current technology and will sell in international markets well into the next century.

The contract also ensures that Telesat Canada will be able to meet the needs of Canadian broadcasters and other telecommunications users for state of the art data, voice, and broadcasting services at very reasonable cost.

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[*Translation*]

AGRICULTURE

FREE TRADE—POSITION OF AGRICULTURAL PRODUCERS UNION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, this morning we had the honour and the privilege of meeting with people from the UPA who represent Quebec farmers. They took a clear stand against the Conservative Government's position on continuing free trade talks.

Some Hon. Members: Oh, oh!

Mr. Malépart: Mr. Speaker, the Conservative Members are barking again, but I hope they will support the UPA and ask the Conservative Government to take agriculture off the table. Second, Mr. Speaker—

• (1415)

[*English*]

Mr. Speaker: Order. I am sure all Members would be pleased to allow the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) to continue his statement.

[*Translation*]

Mr. Malépart: Second, Mr. Speaker, the UPA said that it disagreed with Bill C-25, which will result in a loss of millions of dollars for Quebec farmers.

I hope all Conservative Members in this House will finally wake up and protect Quebec farmers, something they are not doing at the present time.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ISRAELI DEPUTY PRIME MINISTER AND MINISTER OF EDUCATION AND CULTURE

Mr. Speaker: I wish to draw to the attention of Members the presence in our gallery of Mr. Yitzhak Navon, Deputy Prime Minister and Minister of Education and Culture for the State of Israel.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

PUBLIC WORKS

CONSTRUCTION OF PORT-CARTIER PRISON—REQUEST FOR EXPLANATION OF CHOICE OF CONSULTANT ENGINEERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister or, in his absence, to the Deputy Prime Minister and concerns the political patronage involved in awarding contracts for the prison at Port-Cartier.

Today it was reported in the press that one of the architects for the consortium that was awarded the contract said he was told to utilize the services of consulting engineers Desseau, Dupont and Desmeules from Montreal. Could the Prime Minister inform the House why his Government made the architects hire this firm? Could it be because the firm contributed several thousand dollars to the Conservative Party's coffers, or is it just a coincidence?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, we have had a number of inquiries from Members opposite in the last number of days concerning this particular issue. I reaffirm the information I gave last week, that is, all contracts awarded with respect to the prison were awarded according to Treasury Board guidelines. My learned friend is well aware of that fact.

REPORTED DONATIONS TO PROGRESSIVE CONSERVATIVE PARTY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we have made a number of inquiries but we have had very few answers from the Government.

According to the same architect, local companies have no choice but to attend Tory fundraising events and make generous donations to the Conservative Party if they hope to get any government work. Why is this practice allowed to happen? When will the Government put a stop to this kind of nonsense and this abuse of taxpayers' money?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I thought the Hon. Member would bring to the attention of the House the fact that he received a copy of the Auditor General's letter dated October 27 which was the basis of much of the criticism that he raised last week. In this letter concerning sole sourcing it was admitted by the Auditor General that he had made a mistake in his report. I thought the Hon. Member would have brought that message to the attention of the House.

Some Hon. Members: Hear, hear!

CONSTRUCTION COMMITTEE MEMBERSHIP—PMO REPRESENTATIVE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Minister should be careful. The Auditor General never said that, and he knows it. He will have to rectify his answer later.

Is this pork-barreling to Tory friends not the real reason why Mr. Simon Landry of the Prime Minister's Office sits on the board concerning the construction of Port-Cartier, or is that another coincidence?

Mr. Nunziata: It's corruption.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, my learned friend indicates that I made an error concerning the letter from the Auditor General. The letter states: "There is the possibility of a mistake in the statement regarding sole source contracts". I can say that the Auditor General has gone on to confirm that that is the case.

[*Translation*]

OPPORTUNITY FOR PRIME MINISTER TO APPEAR BEFORE COMMITTEE EXAMINING PORT-CARTIER PROJECT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I must admit the Government is not being particularly forthcoming in providing information on Port-Cartier, but there are other Members in this House who are. I would like to direct my question to the Deputy Prime Minister, in the absence of his boss, and ask him the following: Since a committee of the

House decided yesterday evening to hold hearings on the entire Port-Cartier question and to ask the Prime Minister to appear before the committee, could the Deputy Prime Minister take steps to ensure that the Prime Minister will do so?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, for the information of Hon. Members, I reviewed all the contracts awarded for the F- . . . , for Port-Cartier.

Some Hon. Members: Oh, oh!

Mr. de Cotret: And the F-18 too! I reviewed that one as well.

I can inform you, Mr. Speaker, that in both cases, contracts were awarded on a competitive basis. And in both cases, this was done in accordance with the Treasury Board's criteria and guidelines. I shall be delighted to give any Member of this House a list of the contracts awarded, with the amount, date and conditions governing the contracts.

REQUEST THAT PRIME MINISTER APPEAR BEFORE PARLIAMENTARY COMMITTEE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if you can find any relevance there to my question, you must be a genius!

I will repeat my question for the Deputy Prime Minister.

Since a committee of the House decided yesterday evening to hold hearings on the Port-Cartier question and has decided to ask the Prime Minister to appear before the committee, can we expect the Prime Minister to appear before the committee and clarify this whole case?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I already answered the Hon. Member's question—

An Hon. Member: No!

Mr. de Cotret: Do you want chapter and verse on Port-Cartier? Do you want to know exactly what happened in the matter of Port-Cartier?

Mr. Speaker, we shall be delighted, and I shall be delighted personally, if so required, to appear before the committee and describe each of the contracts awarded to the lowest bidder and to the most competent bidder, in each case, and we certainly have no apologies for the way contracts were awarded in this particular instance.

• (1420)

[*English*]

ARCHITECTURAL CONTRACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Public Works. I was sent a copy of the letter dated October 27 to which the Minister referred. I checked with the Auditor General's office today and was told that the contracts in question today, namely, concerning the architectural firms which contributed to the Conservative Party and which are alleged to have received the contract for the prison in the Prime Minister's riding without tenders, are not what is referred to in the letter the Minister has cited.

Is the Minister telling the House that the architectural firms which got this contract did so only after they submitted a bid on tender?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can tell you that, as is normal practice, three firms were invited to tender. They all tendered and were evaluated. Their technical evaluations came in at various levels, obviously. The cost was considered and, in the total evaluation made by the Department concerned, the firm with the highest ratio, and by a good amount, got the contract.

I will give the Hon. Member the amounts. The firm that got the contract had a rating of 110.5. The second firm was 98.5. The third firm was 93.5. The cost differential on a contract of over $1 million was less than $40,000.

CONTRACT BIDS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is important to clarify all of this. Is the Minister saying that the three firms which obtained the contract were the three lowest bidders?

Hon. Robert de Cotret (President of the Treasury Board): No. Mr. Speaker, I am trying to be very clear and I will be happy to give the Hon. Member the documents. There were three groups invited to tender. They were evaluated on technical criteria. I can give the technical results. Firm A had 101.5 as a technical rating. Firm B had 96.5. Firm C had 81.5. Once the cost was factored in, following normal procedures and tendering practices, Firm A had 110.5, Firm B had 98.5 and Firm C had 93.5. The contract was given to the firm which had the highest evaluation.

• (1425)

TREASURY BOARD GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there is obviously a lot of haziness or uncertainty about the criteria used. Will the Minister confirm that the guidelines which the Treasury Board of the newly elected Conservative Government is using are the same guidelines it inherited from the Liberals, which guideliness permit the Government to award thousands of contracts worth millions of dollars without going through the tendering process?

Mr. Benjamin: Nothing has changed.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, those allegations are, to say the least, incorrect.

Mr. Broadbent: It was a question.

Mr. de Cotret: The contract was given to the firm which was judged the most competent to give the best value for the money of Canadian taxpayers. That is the basis on which this Government gives all its contracts.

* * *

CANADIAN HUMAN RIGHTS COMMISSION

RIGHTS TRIBUNAL APPOINTEE, MADAME MOREAU-LANDRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice and is with regard to the appointees to the Canadian Human Rights Tribunal. In defending those appointments yesterday the Minister of Justice said that the decision was made on the basis of competence.

I have looked through the curriculum vitae of Madame Moreau- Landry and I sent a copy of it to the Minister to refresh his memory. There is nothing in it which is relevant to service on a Human Rights Tribunal. Was the Minister's decision about the competence of Madam Moreau-Landry based on this CV which his office made public, or did he consider other information and representations in making his decision about her?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member's question points out that we do have scrutiny of appointment provisions in our new rules. The Hon. Member is quite entitled to request that Madam Moreau-Landry appear before the committee where she can answer these questions directly. The Hon. Member need not take my word for it. He can speak to her himself and ask her the questions he thinks appropriate about her qualifications.

Mr. Kaplan: Mr. Speaker, my question is directed to the Minister, not the candidate whom we will examine in due course.

BASES FOR MINISTER'S DECISION

Hon. Bob Kaplan (York Centre): Mr. Speaker, was the Minister's decision based on this curriculum vitae, or did he make the decision based on other information and representations? If so, what were they?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, with regard to the appointments which I am responsible for bringing before Cabinet I try to recognize a number of factors, including the fact that we want to have competent women and representatives of minority groups involved in this process. Indeed, I believe that 15 of the 28 people who were appointed are from backgrounds other than English or French. I think it is important to have a cross-section of Canadians available in a pool from which an independent chairman can select these tribunals, depending upon the circumstances.

PENITENTIARIES

PORT-CARTIER PRISON—ARCHITECTURAL CONTRACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Public Works. Would he explain to the House why the contract for architectural services at Port-Cartier was not put out to public tender but only to a list of selected suppliers? Canadians thought we had put an end to the stench and nonsense of this selection process—

Mr. Speaker: Order. The Hon. Member has put his question and is going into argumentative debate.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I do not know whether the Hon. Member was here last Friday when I explained, in some detail, the process which was followed. We always put construction projects out to public tender. Another process is used for engaging consultants. This process has been in place and approved by Treasury Board for a very long time and has withstood the test of scrutiny.

• (1430)

REQUEST THAT PRIME MINISTER APPEAR BEFORE PARLIAMENTARY COMMITTEE

Mr. Svend J. Robinson (Burnaby): Those were the old Liberal guidelines that we thought we were rid of in this country.

My supplementary question is directed to the Solicitor General. Yesterday the steering committee of the Justice Committee adopted my motion to ask the Prime Minister to appear before the Justice Committee to clear the air on the patronage and corruption which appear to surround the Port-Cartier prison deal. My question is very straightforward. Will the Solicitor General assure the House that the Prime Minister will in fact appear before the Justice Committee, as the Steering Committee has asked him to do, and come clean with respect to this deal?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I have already answered that question. I will be more than happy to appear before any committee of the House, and give all the details.

Mr. Blackburn (Brant): We did not ask you. You are not invited.

Mr. Robinson: The Prime Minister, Bob, not you.

Mr. de Cotret: Do you want the information?

Mr. Robinson: We want the Prime Minister.

Mr. de Cotret: Do you want Canadians to know—

Mr. Speaker: Order. The Hon. Member for Laurier.

RESEARCH AND DEVELOPMENT

AMOUNT OF GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Prime Minister said in his book that a one point increase in research and development would create one million jobs and he promised to double Canada's spending on research and development to 2.5 per cent of Gross National Product. Yesterday the Minister said that he was steering away from that goal and that 1.3 per cent might be adequate. Why has he abandoned the Government's goal of doubling spending on research and development to 2.5 per cent of Gross National Product?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, first I want to congratulate the Hon. Member for reading the Prime Minister's book. I recommend it to most Canadians because it lays out a clear vision for the future of Canada.

Some Hon. Members: Hear, hear!

Mr. Oberle: The Hon. Member asked about my statements relating to spending targets. I cannot recall abandoning any target that I had announced previously.

Mr. Berger: I read the reprint of the Prime Minister's book. It is entitled "Where I Stood".

GOVERNMENT OBJECTIVE

Mr. David Berger (Laurier): Mr. Speaker, the Minister's answer is clearly not satisfactory. The science community and all Canadians are looking for leadership and direction. Does the Minister stand clearly by his Party's stated goal and, if not, what is his goal?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I said yesterday, I spent three hours on Monday night clearly laying out the goal of the new Government. It operates in two phases. The first phase, which is now complete, was to clean up the mess that was left behind from 20 years of Liberal neglect. The next phase is to bring Canada to the new frontier and establish our presence there.

* * *

PENITENTIARIES

PORT-CARTIER PRISON—AUDITOR GENERAL'S LETTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Public Works. Earlier in the Question Period he referred to a letter that was sent to me, the Prime Minister and the Leader of the Opposition, as well as to some other cabinet Ministers. He said that this letter from the Auditor General referred to the contracts that are in question before the House today. The Auditor General's office has again confirmed with me that this letter has nothing to do with that contract. Will the Minister tell us why he is quoting it and leaving the wrong impression in the House?

Hon. Stewart McInnes (Minister of Public Works): I would be happy to do that, Mr. Speaker. A great number of allegations have been raised in the House about the practices that have been involved in Port-Cartier. A number of newspaper reports, and indeed questions from Members opposite, were based on statements in the Auditor General's report. It has been brought to our attention that some of those statements were in error and I wanted to clarify the record, which I did.

Mr. Broadbent: Mr. Speaker, the Minister just admitted that in referring to this letter in answers he gave earlier to a member of the Official Opposition, he was incorrectly referring to the letter, and he should have said that.

AWARDING OF CONTRACTS—GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the President of the Treasury Board. There continues to be a practice in Canada of the Government giving contracts worth millions of dollars, without tender, to companies that often donate to political Parties, which leaves the impression of favouritism. Considering this, will his Government take action now to put an end to this process and have public tendering for all contracts?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first let me respond to the preamble to the question. The letter that was quoted refers to Section 7.95 of the Auditor General's report where he states very clearly:

—that in order to meet the deadline, CSC had to use shortcuts to its normal contracting procedures. For example, it entered into sole source contracts for project management and for the preparation of preliminary site plans.

That is the letter that was referred to and the Auditor General refers directly to that paragraph, saying there is a possibility of a mistake.

Mr. Broadbent: I am telling you to ask him.

Mr. de Cotret: I am telling you that in terms of—

Mr. Speaker: Order. The Hon. Minister may tell the Hon. Member anything he wishes, but it must come through the Chair.

Mr. de Cotret: I have told the Hon. Member, and I will tell him again, that all contracts of which I have knowledge that were given in this project, were given through the normal competitive process approved by Treasury Board and they were given to the lowest bidder—

Mr. Broadbent: On invitation.

Mr. de Cotret: —or the most technically competent bidder. We are getting full value for the taxpayers' money through this process.

Oral Questions

CANADA POST CORPORATION

POSSIBLE INCREASE IN POSTAL RATES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Deputy Prime Minister. On June 20, 1985, the then Minister responsible for Canada Post announced that before future rate increases are considered by Cabinet, Canada Post must implement new measures to improve productivity. Will Cabinet consider the two-cent increase proposed by Canada Post and, if so, what new measures were implemented to improve productivity for the Canada Post system?

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, as the Minister of Regional Industrial Expansion who answers for Canada Post repeatedly stated in the House, the Government has received the Canada Post business plan and will take it under consideration. An announcement will be made in due time.

FORTHCOMING BUSINESS PLAN TO BE PRESENTED BY GOVERNMENT—REQUEST FOR DETAILS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): In answer to my question yesterday, Mr. Speaker, the Minister responsible for Canada Post was not sure what would be tabled, so today I should like to ask the Minister of State (Small Businesses and Tourism) if the business plan to be unveiled by Canada Post within a few days will be a consultation paper or Government policy. Are we going to learn the truth once and for all?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Whenever the announcement is made, Mr. Speaker, it will be Government policy.

* * *

[*English*]

FINANCE

MINING INDUSTRY'S FLOW-THROUGH SHARES PROGRAM

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of State for Finance. The junior mining companies, prospectors, and developers, the Canadian Institute of Mining and Metallurgy, investment houses and drilling companies are very concerned about the future of the flow-through shares system. Will the Minister tell the House whether he is prepared to make sure that this program continues for years to come?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank my hon. colleague for his question. His interest in the mining industry is well known. We are studying the use of flow-through shares in the broad context of tax reform. I would not want to pre-judge the results of this broad exercise and the related consultations at this early stage of the process. However, the Minister of Finance will be meeting with the Mining Association of Canada on November 17 to discuss tax reform in general. I am sure this subject will come up.

* * *

OLYMPICS

PUBLIC'S ACCESS TO 1988 WINTER OLYMPICS EVENTS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns tickets for the 1988 Olympics. He will know that yesterday we did not get an ironclad statement from the Minister of State for Fitness and Amateur Sport ensuring that 75 per cent of all tickets, including those for gold medal events, would go to the general public. Will the Deputy Prime Minister give his commitment on behalf of the Government of Canada that it will take whatever steps are necessary to ensure that tickets for all events, including the medal events, will be available to the general public at a rate of 75-25?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the Minister is out of the House on business. However, I can advise the Hon. Member that the Minister's position is that 75 per cent of all tickets should be available to the public. He is negotiating that with the Olympics Committee.

• (1440)

GOVERNMENT'S TICKET ALLOTMENT

Mr. Iain Angus (Thunder Bay—Atikokan): My supplementary question is directed to the Acting Minister. Will the Minister confirm that the federal Government has asked for as many as 6,000 tickets to be held in its name? If he can confirm that, would he agree to have the information regarding which groups those tickets will go to tabled in the House?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the only thing I can confirm is that the Minister's principle with respect to 75 per cent is firmly held and he is negotiating that. I will bring the other matters to the attention of the Minister when he returns to the House.

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ENERGY

DEREGULATION OF NATURAL GAS INDUSTRY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. We are rapidly approaching the time when the so-called

deregulation of gas is supposed to take place, that is, deregulation of production but not transportation or distribution. What is the Deputy Prime Minister and the Government doing to protect the small producer who now stands to be ripped off when deregulation takes place on November 1?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I can tell you he is at the present time dealing, working, and negotiating with the Minister of Energy for Alberta and with the other Ministers of Energy across Canada. Those discussions are going ahead very well. We are assured that the Natural Gas Markets and Prices Program which was announced last year will come into effect.

PROTECTION OF SMALL PRODUCERS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, this is October 29. The deregulation is suppose to take place on October 31, and the Minister of Energy, Mines and Resources is still negotiating an important subject like this. I ask the Deputy Prime Minister again what the Government is doing to ensure the small producer does not get crushed in this deregulation move.

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, one thing this Government does not do is act unilaterally. We are negotiating. The Minister is out there and will make an announcement soon.

* * *

[Translation]

SCIENCE AND TECHNOLOGY

IMPACT OF BUDGETARY CUT-BACKS ON PUBLIC SECURITY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. He has been saying that the NRC budget cut-backs will not jeopardize public safety, yet the Prime Minister did promise improvements aimed at protecting us against crime, fighting terrorism, and tackling the drug traffic issue. Can the Minister explain why he is axing projects of the NRC public safety section which provides every description of scientific assistance to police forces in all Canadian communities?

[English]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, what I did say is that the cuts or reductions in programs which were announced by the NRC would, of course, be reviewed by myself and my colleagues in the context of the operating plan which has to be approved by Cabinet. In the event that public health and safety or important priorities of the Government would be affected by any of these cuts, these programs would, of course, be reviewed and kept intact.

EFFECT ON RESEARCH DONE FOR POLICE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Deputy Chief of Police of Metropolitan Toronto and the chairman of the advisory committee to the project said these cuts will be devastating to police research. Will the Minister of State for Science and Technology not acknowledge that the muddle-headed cuts going on at NRC have already caused too much harm and ought to be stopped now and the whole process reviewed by the House Committee on Science and Technology so we can have an orderly process in developing a science and technology policy which will not devastate and savage the NRC?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the cuts to which the Hon. Member refers are not being made now. They were made back in May. The specific section to which the Hon. Member makes reference is not at all a research section but a group of four or five people who co-ordinate research which goes on in other departments and liaises with client groups such as the Hon. Member mentioned.

I said I would look into this matter. The research, obviously, is not impaired by this cut as the Hon. Member alleges, but if, indeed, the capability of the NRC to serve outside client groups is seriously impaired in this important area, I will look into it and see what can be done to preserve it.

* * *

[Translation]

EMPLOYMENT

REQUEST FOR CLARIFICATION OF GOVERNMENT'S COMMITMENT TO VERSATILE DAVIE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. Last Monday, the employees of Versatile Davie in Lauzon were very disappointed to learn that, in spite of the commitment made by the Government, they will not be receiving $3.7 million to create temporary employment, but only $1 million. Can the Minister explain why his Government did not keep its commitment to the Davie workers in Quebec City?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I would like to thank the Hon. Member for Montreal—Sainte-Marie for giving me the opportunity to tell the House that we have accepted to contribute $1 million to help former employees of the shipyards around Lévis. Given the quality of the projects submitted and the situation of employment in the region, there is no way that the Government could make a commitment months in advance about a situation which might change. We have committed $1 million, but I never eliminated the possibility, as

pointed out in the release you have before you, of doing more if necessary.

INQUIRY WHETHER SOREL AND MONTREAL EMPLOYEES CAN EXPECT SAME RIGHTS AS QUEBEC CITY WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. The Minister did not tell us why he did not contribute the $3.7 million, but he will recognize that the same problems exist at Marine Industries in Sorel and at Versatile Vickers in Montreal. Can the Minister now promise that the employees of Marine Industries in Sorel and Versatile Vickers in Montreal will have the same rights and the same programs as the workers in Quebec City?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, there is no magic recipe to solve employment problems. We analysed a particular situation in Quebec City and made an appropriate response. If we are asked to intervene in other areas, not only in Quebec, but throughout Canada, we shall do so according to the needs identified.

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[*English*]

PENITENTIARIES

PORT-CARTIER PRISON—REQUEST THAT PRIME MINISTER APPEAR BEFORE PARLIAMENTARY COMMITTEE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to return to the Deputy Prime Minister and rephrase a question which was posed before. I do not think the Government heard it right. The Steering Committee of the Committee on Justice, of which I am pleased to be a member, passed a motion moved by the Hon. Member for Burnaby that the Prime Minister should appear before that committee and answer questions on Port-Cartier. My question is simple. Will the Prime Minister appear before that committee?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the President of the Treasury Board has indicated he is prepared to provide all the information necessary in connection with this particular issue. He said he is prepared to appear before the committee as long as is necessary, and to provide all the necessary information. I am not sure whether it is customary for Prime Ministers to appear before standing committees, other than the fact that the Hon. Members across the way want to do a little grandstanding.

Mr. Nystrom: Cover-up.

Mr. Clark (Yellowhead): They couldn't draw a crowd on their own.

GOVERNMENT'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, given that the Prime Minister's Office has been involved in this matter of the location of the prison, and given that the Steering Committee did not ask for the President of the Treasury Board, why will the Government not accommodate the Steering Committee, and the Canadian people who want to know these answers, and let the Prime Minister appear before the Commmittee on Justice?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure whether the Hon. Member is interested in information or in creating a bit of a scene. I think, quite frankly, if he is interested in information, the President of the Treasury Board has given information.

Mr. Broadbent: Misinformation.

Mr. Mazankowski: The President of the Treasury Board is indeed responsible. He is prepared to appear before the committee and give the Hon. Member and other Hon. Members all the information they require.

Mr. Nystrom: Cover-up.

Mr. Mazankowski: It is not information the Hon. Members are after, it is really something else. They are just doing a little grandstanding, I submit.

* * *

REGIONAL DEVELOPMENT

PROPOSAL TO CONSTRUCT NEWFOUNDLAND—LABRADOR VIADUCT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister. In April of 1985 the president of a Quebec-based consulting firm, LMBDS-Sidam Inc., Mr. Pierre Lajoie, wrote to the Prime Minister outlining a proposal to undertake the construction of a $7 billion jetty between the island of Newfoundland and Labrador. I sent a copy of the proposal to the Deputy Prime Minister. Can he advise the House whether or not the Government is considering supporting financially, for the purposes of economic, environmental and social impact studies, this proposal by the Quebec-based consulting firm?

• (1450)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have just received the document to which the Hon. Member has referred. I have not had a chance to read it but I will certainly take it under advisement.

FEDERAL FINANCING INQUIRY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I understand that the Minister responsible for DRIE has also met with representatives of this company to discuss the possibility of federal government funding for this project. I wonder if the Acting Minister of DRIE can inform the House whether or not federal financing for further studies, environmental and others, on this project is being considered at this time and whether or not information is being exchanged with the Government of Newfoundland on this project.

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I shall take notice of the question and refer it to the Minister so that he may reply to the Hon. Member.

* * *

FINANCE

INQUIRY WHETHER MINISTER INTENDS TO MEET CERTAIN GROUPS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have a question for the Minister of State for Finance.

Under the tax review program of the Government, you must be planning to meet groups who represent the Canadian public.

Have you planned to meet groups from Quebec, such as the *Conseil du patronat*, the *Groupement québécois d'entreprises* and the *Chambre de commerce de Montréal*? If so, when will you be meeting these groups?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I can assure the Hon. Member that we shall be meeting many groups from Quebec, including the *Mouvement Desjardins*, the *Conseil du patronat* and the Confederation of National Trade Unions.

* * *

[*English*]

SOCIAL SCIENCES

AMOUNT OF GOVERNMENT FUNDING

Mr. Simon de Jong (Regina East): Mr. Speaker, my question as well is directed to the Minister of State for Finance. The Government has told the research councils to find more private-sector money and has instituted a matching grant formula, yet a double standard between the granting agencies has been instituted. What convoluted answer can the Minister provide us to justify tax credits for donations to the natural and medical sciences but not to the social sciences and the humanities? Is the Government telling us that social sciences and the humanities are simply not that important?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, certainly the premise of the question is not acceptable. It turns out that the Government's grants to all of these councils have been meaningfully increased. It is true that certain parts are matched differently but the over-all contribution will increase greatly. That should be clear to all Members of the House.

MINISTER'S POSITION

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is addressed to the Secretary of State who is in charge of funding for the Social Sciences and Humanities Research Council. How can the Minister, who is a decent and fair-minded person, continue to serve a Government that so blatantly treats research particularly in the social sciences and humanities with such contempt and unfairness?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, this morning I met with the Chairman of the Social Sciences and Humanities Research Council. He supports the Government, as I would expect the Hon. Member should.

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[*Translation*]

LABOUR

OLDER WORKERS' ADJUSTMENT PROGRAM—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of Labour.

Since the Labour Adjustment Benefit program was terminated last August, and as the Minister of Finance made the announcement in his last Budget, can the Minister tell the House what initiative he has taken and what is the status of negotiations with the provinces on the establishment of the new Program for Older Worker Adjustment which is supposed to improve and give some flexibility to the eligibility criteria of the new POWA for older workers, particularly in the textile, clothing and footwear industries?

Hon. Pierre Cadieux (Minister of Labour): As I said in the House last week, Mr. Speaker, $125 million have been set aside for this program, about which I personally met with all my provincial counterparts. Negotiations are progressing between our officials with a view to creating a program designed for all older workers throughout Canada.

[*English*]

PUBLIC SERVICE

OFFER OF CASH BONUS TO MANAGERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Auditor General has commended the Government for the introduction of cash bonuses to be paid to some 4,000 managers in the Public Service this year if they cut their budgets. My question is directed to the Deputy Prime Minister. Is it not wasteful to offer these managers a cash bonus in order to reduce their budgets, when keeping costs down is a major part of their jobs in the first place?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have announced and will obviously implement a productivity bonus to encourage more efficient use of public resources in the Public Service. I do not see how the Hon. Member can possibly be aware of the details of it as they are still under study since it is a complex issue which deals with an institution as complex as the federal Government.

POSSIBLE CONSEQUENCES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, since the elimination of person-years or the termination of jobs is one of the management initiatives that would qualify for a cash bonus as outlined by the President of the Treasury Board on February 27, I ask the President of the Treasury Board, alias "The Terminator", is there not a danger of creating a hierarchy of hit-men, a bunch of bureaucratic bounty hunters, each one in a hurry to knock off the other?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Opposition is reaching new heights in trying to confuse issues.

Some Hon. Members: Heights?

Mr. de Cotret: Confusion has become the mainstay of their arguments. I stand by the statement that we will be introducing a bonus for productivity. We have never talked about the nature of the bonus. We have never linked the bonus to reducing the labour force. We have talked about it in terms of making available better value for the money of Canadian taxpayers.

* * *

FINANCE

PREPAYMENT OF CHILD TAX CREDIT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Finance. Since parents who need the child tax credit do not seem to be able to get any information about this, how does the Government intend to inform Canadians if they are eligible for the advance on the child tax credit and how they may apply for it?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, that piece of legislation was passed just a few days ago. We are looking at an insert in the first mailing to ensure that appropriate questions are answered. I would welcome suggestions for what should be in that insert from any Member of the House.

Ms. Mitchell: There is considerable confusion in the community about this matter.

QUALIFYING CRITERIA

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to ask the Minister about a certain discrimination which I believe still exists against those applying for this advance. Does the Minister agree that a low-income woman with a new baby or an unemployed parent whose income has decreased from the previous year, will not be eligible for this child care advance? If he agrees with that, what will he do about this injustice?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, first we should remind ourselves that 700,000 low-income Canadian families will benefit from this prepayment.

Some Hon. Members: Hear, hear!

Mr. Hockin: The year after next, the low income registered will be the basis upon which the prepayment will be sent, and that is how that problem will be taken care of.

* * *

INDIAN AFFAIRS

LONG PLAINS BAND'S LAND CLAIM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. I have here a government document indicating that on September 3 the Treasury Board Lands Management Advisory Committee approved the transfer of the *Beauséjour* forces base land to the Department of Indian Affairs and Northern Development for the Long Plains Indian settlement. Does the Minister deny the existence of this decision?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Opposition is getting a little closer this time. Yesterday the Hon. Member's colleague said that on September 3 the Treasury Board had advised this. The Hon. Member is referring to an internal recommendation from within the Department of Indian Affairs regarding the purchase of the Beauséjour site.

Mr. Allmand: I am referring to a committee of the Treasury Board.

METHOD OF SETTLEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, does the Minister deny that this land would have been available for the Long Plains settlement if it had not been for the interference of the Minister of National Health and Welfare? Is that how the Minister carries out his trust responsibility to Indians?

• (1500)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): No, I will not confirm what the Hon. Member has put forward. What I will confirm is that discussions are ongoing with the Province of Manitoba regarding ways to fulfil entitlement. I am informed that land discussions are taking place with the band and the Government of Manitoba. The Hon. Member must be aware that dividing bands and creating new reserves and bands is not the way to resolve disputes within band councils.

* * *

[*Translation*]

FINANCE

DEFINITION OF ISOLATED POSTS—GOVERNMENT POSITION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the Minister of State for Finance. Could you tell me whether there will be any changes in the rules for designating the communities where the remote posting status will apply in January 1987? In both the affirmative and the negative, I would like the municipalities of Joutel and Chibougamau to be included in the consultations.

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): I thank my hon. colleague for his question and commend him for his ongoing interest in this issue. In the February, 1986, Budget the Minister of Finance announced a new permanent system of tax benefits for northern Canada. These measures are now being finalized. They will contain essentially the same criteria for qualification as is currently in place. In addition, transitional relief will be provided for isolated posts which ceased to qualify due to changes in population or access. Full details will be available when the regulations are published.

INDIAN AFFAIRS

NEGOTIATION OF SELF-GOVERNMENT ISSUE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Minister of Justice. The Minister will recall that at the last First Ministers' Conference the Prime Minister called for a constitutional acknowledgement of the right of Indian communities to self-government. Given that the Government's proposed amendment was rejected because it required prior negotiation of agreements, can the Minister of Justice tell us if the Government is going to be tabling an amendment before the First Ministers' Conference so that the native leaders may give it some consideration?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): I am pleased to respond to that question. A week and a half ago in Toronto we indeed had the first opportunity of meeting with leaders of the aboriginal peoples of Canada and the provincial representatives. I am pleased to be able to report to the House that we have all agreed on a process in terms of a rolling draft where there will be ongoing consultations between now and the First Ministers' meeting. The aboriginal peoples are very satisfied with the direction in which we are going.

[*Translation*]

Mr. Speaker: I recognize the Hon. Member for Laval-des-Rapides for a question.

* * *

AGRICULTURE

ELIGIBILITY CRITERIA FOR SECURING GRANTS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Agriculture, but in his absence, the Deputy Prime Minister may be able to reply.

The Government has promised to pay Canadian grain producers an amount of $1 million to help these producers, who are in trouble—

An Hon. Member: One billion dollars!

Mr. Garneau: —$ 1 billion in new money. I would like to ask the Government whether it has now decided on what basis this subsidy will be paid. Will it be based on form production or on the marketing of the grain?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): That is precisely what the Minister of Agriculture is doing right now. The Minister is working with representatives of farm organizations and the provincial Governments to develop the best program to distribute the necessary and badly needed funds to the agriculture sector in a fair and equitable manner.

PRIVILEGE

INTERRUPTION BY MR. SPEAKER OF STATEMENT UNDER S.O. 21—MR. SPEAKER'S RULING

Mr. Speaker: The Chair indicated several days ago that consideration would be given to the question of privilege raised by the Hon. Member for Burnaby (Mr. Robinson), and the matter would be brought back to the Chamber.

On October 27, 1986, the Hon. Member for Burnaby rose on a question of privilege at the end of Question Period to suggest that his privileges as a Member had been infringed by the Chair's interruption of his statement under Standing Order 21 earlier that day. In that earlier statement he had called upon all Members of the House to join with him in "condemning the offensive and degrading references which were made by the Hon. Member for Bow River (Mr. Taylor) to homosexuals who seek to work within the RCMP". Similarly, on October 28, 1986, the Chair intervened during a statement made pursuant to Standing Order 21 by the Hon. Member for Burnaby.

All Members will recall that when the Member for Bow River made his statement on October 20, 1986 I had interrupted him and asked him to "examine some of the words in his statement which might very well be very offensive to a great number of Canadians and might cause a question of privilege or point of order in the Chamber". The Member for Bow River was allowed to continue his remarks, but clearly he did heed the advice from the Chair.

If the Chair interrupted the Member for Bow River and requested him to review the language he was using, which he in fact did, then surely the Chair was also under the obligation to interrupt the Member for Burnaby who was attempting, under the guise of a statement under Standing Order 21, to comment upon the same language that the Chair had already dealt with. Such comments would not have been in order a week following the initial event using the usual vehicle of a point of order or question of privilege, because the time for raising such matters had expired and the matter had already been dealt with. In the Chair's view, such comments were also not in order using a Standing Order 21.

The Member for Burnaby was quite correct when he stated that Members are protected by parliamentary privilege for what they say in the Chamber. However, he will also realize that in order to protect this privilege, Members have imposed upon themselves certain restrictions as to what they may or may not say. Certain language is unparliamentary and not allowed. Likewise, certain actions are prohibited in our practice. It is the Chair's duty to enforce these restrictions. I have said on another occasion that these restrictions have not been imposed unilaterally on this Chamber, but have been designed by the Members in this Chamber and brought here by consent.

As Speaker Sauvé stated on January 17, 1983 when setting out guidelines for the current Standing Order 21, "The time set aside for Member's statements should not be used to make personal attacks". I concur totally with this admonition and suggest to the Hon. Member for Burnaby that this is a prohibition which the Chair must enforce in order to maintain decorum in this Chamber and to protect all Members.

Standing Order 21 requires the Speaker to "order a Member to resume his or her seat if, in the opinion of the Speaker, improper use is made of this Standing Order". It is advisable for all Hon. Members to remember that when this new order was drafted those who sat in judgment on this matter decided deliberately not to try to codify every possible exigency that might arise. I repeat what the order reads:

> The Speaker may order a Member to resume his or her seat if, in the opinion of the Speaker, improper use is made of this Standing Order.

In the Chair's view, the use of Standing Order 21 to ask the House to condemn language used by another Hon. Member in a situation where the Chair had already raised the matter and dealt with it was an improper use of the Standing Order. I have examined the record and the rules and reread the comments made by all Hon. Members. I am still of the same view. Therefore, I do not feel that the Hon. Member for Burnaby has a valid question of privilege.

I wish to add something to these comments. As I have said in this House regarding this not easy issue, Members have a right to debate issues in this Chamber, no matter how delicate or difficult they may be. But in the use of the language with which they debate it, the Chair must always be mindful that one cannot have free debate in the Chamber without order.

* * *

• (1510)

POINT OF ORDER

HUMAN RIGHTS TRIBUNAL APPOINTEE—CORRECTION TO ANSWER

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order arising out of a question which was directed to me by the Hon. Member for York Centre (Mr. Kaplan) today. At the outset of Question Period he had given me the curriculum vitae of Madame Moreau-Landry. I indicated to the Hon. Member that in fact this person was not among the appointments which I recommended last summer. Accordingly I have now confirmed that she in fact was appointed before I became Minister of Justice.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC SERVICE

SIGNING OF MASTER COLLECTIVE AGREEMENT WITH PUBLIC SERVICE ALLIANCE OF CANADA

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is a pleasure to be able to announce today that we shall soon be signing a master agreement with the Public Service Alliance of Canada that will cover some 170,000 federal employees. Never has such a large number of employees been affected by this kind of agreement.

When our Government took the reins, Mr. Speaker, it was faced with a difficult situation. The Public Service had just spent two years under legislative restrictions, and almost all of its 76 collective bargaining agreements were up for renewal.

In its firm resolve to improve labour-management relations, Treasury Board quietly started working on this mammoth task and managed to conclude agreements covering about 208,000 employees in 76 bargaining units, and did so while observing the principles of justice and equity. Salary increases have averaged an annual 3.55 per cent for three years, and are therefore below the inflation rate.

Mr. Speaker, following several rounds of intensive negotiations, in April 1986 the Government was able to conclude with the Public Service Alliance and the Professional Institute of the Public Service of Canada an agreement on the principles governing master-agreement bargaining. Hon. Members will remember the statement statement I made on the subject in the House, on April 17, 1985.

Talks with PIPSC started on September 10, 1985, and an agreement was concluded on February 27, 1986. On July 9 of this year, we signed a master-agreement with PIPSC covering 7,000 employees in 18 bargaining units.

Negotiations with the Public Service Alliance started on September 5, 1985 and continued until early 1986. On March 4, 1986, the Alliance asked for a conciliation board which met for the first time on June 25. Thanks to the report published today, we will be in a position to sign a master-agreement very shortly with the Alliance.

[*English*]

With the advent of the master agreement system, collective bargaining in the federal Government becomes much more efficient. Future collective agreements will be easier to administer, and less time will need to be spent at the bargaining table.

In the case of the Alliance, the master agreement will cover approximately 80 per cent of the terms and conditions now found in 39 individual collective agreements. Issues such as rates of pay, hours of work, and annual leave continue to be negotiated at individual bargaining unit tables.

This innovative approach is a result of the strong commitment of the Government to establishing harmonious labour relations with Public Service unions. It is a tribute to the strong spirit of co-operation on both sides which has made the new bargaining system possible.

Under the terms set out in the binding conciliation board report being made public today, the following improvements are to be implemented. First, a dental plan will be introduced for all employees represented by the Alliance, with premiums to be shared on a fifty-fifty basis between the employer and the employee. Second, female employees will receive a 17-week maternity benefit to close the gap between unemployment insurance and salary level. Third, in future collective agreements any retroactive pay will extend to those individuals who leave the Public Service before the collective agreement is signed. Fourth, new provisions against sexual harassment and discrimination are included which confirm existing Treasury Board policies. Finally, various other provisions include improvements to shift and weekend premiums and other allowances.

I wish to take this opportunity to thank the members of both bargaining teams. I also wish to thank the members of the conciliation board—Bruce Light, employer nominee; John Fryer, Alliance nominee; and, in particular, Martin Teplitsky, Chairman, whose excellent work, expertise and dedication were instrumental in bringing this unique process to a successful conclusion.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am pleased to join the Minister and congratulate the parties involved, namely the employer's representatives and the union spokesmen, for at last reaching a consensus on a master agreement. Like the Minister I acknowledge that we all strive for efficiency and that, with the generous co-operation of public servants, the Government has managed to come up with a proposition which the unions can live with. I think this should please everyone concerned.

Mr. Speaker, the President of the Treasury Board (Mr. de Cotret) said he was pleased to unveil this master agreement. I wish we had been given the famous report of this conciliation board, but this was not to be. I cannot really comment on the contents of the report since I do not have it. I did get the Minister's statement and I thank him for that. I am still waiting for the report of the binding conciliation board.

Mr. Speaker, it should be emphasized that progress in this case was not as easy as the Minister would have us believe. He rose in the House in April 1985 to announce that he had concluded an agreement with the unions. We eventually found out that it was not quite an agreement. It was an understanding which was not finalized. Negotiations went on until early 1986 and they were finally put in the hands of a conciliation board in March this year at the request of the Public Service Alliance of Canada—and the Minister himself has admitted

this—so as to overcome the roadblock which prevented them from progressing.

I want to commend the PSAC officials because, as spokesmen for the employees, they did their homework and they did their utmost to obtain the best possible agreement from the employer, the Treasury Board.

[*English*]

I must say that I am not too impressed with the chest thumping in the third paragraph of the Minister's statement. He said that the employer, that is the Treasury Board, settled with the bargaining units of the 208,000 employees in a way which was fair and responsible. He went on to say that increases in rates of pay averaged 3.55 per cent per year over three years, which was lower than the rate of inflation.

There is nothing fair and there is nothing responsible in asking a public servant at the bottom scales of pay to take home less pay because inflation was more than what he or she received. The Minister used that envelope and said that it had been increased by 3.5 per cent. However, I do not think that a type of approach where the rich get richer and the poor get poorer is reasonable, responsible, or fair. Therefore I should like to get from the Minister the take-home pay figures. I believe, as do many other people, that indeed take-home pay has gone down. It is below what they had when the Government came into power. I think that is neither fair nor responsible.

I want to make another point which I think is an important one. It deals with the question of the conciliation board itself. It is a binding decision by a committee of people who are specialists in the field. I take it that the Minister will be able to explain to the House certain matters relating to this agreement. For example, the Minister said in his statement that female employees will receive a 17-week maternity benefit to close the gap between unemployment insurance and salary level. I would like to know what is meant by "closing the gap". Does the Minister plan on compensating employees totally by enriching unemployment insurance benefits to the level of an employee's salary, or will a percentage be given, as is done in certain places?

• (1520)

Mr. Speaker: Order, please. It is the practice that in answering statements made by Ministers Members confine themselves to the amount of time taken by the Minister to deliver his statement. I am sure the Hon. Member is close to completing his remarks.

Mr. Gauthier: Mr. Speaker, I am sorry. I did not realize that I had taken so much time. I apologize to the House.

I wish to offer my congratulations to those who negotiated the agreement. I do not think that the Minister should do any suspender snapping or chest thumping about this. As President of the Treasury Board I do not think he would want us to believe that he is the one who solved the issue. He had to resort to binding conciliation. When that is done it is because an impasse has been reached and because a problem cannot be settled.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this is a precedent-setting and historic agreement. I wish to congratulate the people from the Public Service Alliance of Canada and those from the Government, including the Minister, on the fact that a master agreement is now in place after some 60 or 70 years of collective bargaining in one form or another.

As the Minister knows, this evolution has taken a long time. In a quiet way, there have been some improvements in terms of labour relations since the Minister came to office. The Minister will acknowledge that I am not noted for paying compliments to the Government. However, I think it is worthwhile to note that this is a positive development which I hope will be of benefit to the some 150,000 or 160,000 public employees in the Public Service Alliance who will be covered by the master agreement announced by the Minister this afternoon.

I regret that binding conciliation had to be resorted to to achieve this agreement. There are a number of elements in the agreement which had proven to be out of reach. They are highly desirable elements which illustrate what should be achieved with master contract bargaining. In the past one particular unit of the Public Service Alliance might have achieved some progress in a particular area but other units would have to fight like heck in terms of bargaining in order to achieve the same progress. In this respect I note that four years have passed since, after a strike, the clerks won the maternity provisions which will now be extended to all female employees in the federal Government as a result of this agreement. That is a measure which is long overdue. It might not have occurred on a universal basis without that previous action.

I know that public servants will welcome the implementation of a dental plan which will now be almost universally available to all in the Public Service. It might even be extended to Members of Parliament soon. These are positive steps forward.

I think it should be acknowledged that this process took a long time. In fact, it took too long. The initial discussions on a master agreement began prior to the 1984 election. We are now at about the midway point in terms of the three-year agreement which is being entered into as a result of binding conciliation. There are some important issues with which we have to deal. A number of them affect women employees in particular. I refer to issues such as equal pay, affirmative action and child care provisions. Regrettably, no steps were taken in terms of adoption leave. I hope that the Government will accept that this puts it at a half-way point. There will have to be some evolution in terms of learning how to use this new structure without reviving new tensions to replace the ones which were overcome as a result of the master contract bargaining.

Before the Minister dissolves into total euphoria, I must say that I am also concerned about this agreement. I am concerned that a couple of issues have not been addressed. The first issue with which I wish to deal was on the agenda the Minister made for himself when he was appointed President of the Treasury Board (Mr. de Cotret). I refer to the question of political rights. Apart from very senior civil servants, people working in the Public Service of Canada should have essentially the same political rights as any other citizen in Canada. The other issue is one which I regret was not addressed. I refer to the question of lay-off procedures. As one trade unionist described to me today, the procedures in use are medieval. They set employees against employees. They affect morale and encourage favouritism and all types of abuse. They must be changed. Having resolved this particular problem, I urge the Minister to come to grips with this issue and to implement important changes so that, if the Government insists on firing civil servants, it be done in a way which is not only fair but which is seen to be fair by the people involved. If that were the case, the extra time that might be involved to make the system fair would far more than compensate by the improvements in morale.

Those are my comments. We will look on with interest in terms of how this agreement will work. Even though I regret the way this measure was achieved, I hope people will see it as a result of how collective bargaining can be a productive and positive element in our society.

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PETITIONS

CANADIAN TARIFF ON IMPORTED BOOKS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have a series of petitions which I would like to table. The first states that whereas the Government of Canada has imposed a retaliatory tariff on imported books in the English language which has limited the access of Canadians to literature and information; and the tariff has little negative effect on the publishing industry of the United States, yet penalizes Canada's consumers, book publishers, book sellers, distributors and Canada's culture; and rising book prices have placed a strain on the book acquisition programs and policies of our nation's public and specialized librairies; the undersigned, your petitioners, humbly pray and call upon Parliament to rescind this tariff which threatens irreparable harm to the Canadian book industry and compromises federal policy on cultural industries in respect of free trade negotiations.

I have petitions from Nova Scotia, in particular from the Cities of Dartmouth, Waverley, Bedford and Halifax. One is from Sackville, New Brunswick.

I have a series of petitions as well from the Province of Quebec. They are signed by citizens living in Lennoxville, Ste Foy, North Hatley, Sherbrooke, and other cities.

I have additional petitions signed by citizens of Ontario who are very upset with the 10 per cent tariff. These petitions come from Burlington, Scarborough, Unionville, Pickering, Whitby, Willowdale, Thornhill, Markham, Toronto, Don Mills, Richmond Hill and Mississauga.

I have petitions signed by people living in Edmonton and Sherwood Park.

I have other petitions signed by people living in British Columbia.

Mr. Deputy Speaker: Order, please. I think the Hon. Member has presented her petition well.

Mrs. Finestone: Mr. Speaker—

Mr. Deputy Speaker: Order, please. I do not wish the Hon. Member to continue to name the cities. She has presented her petition well. She may proceed if she has another petition to present.

Mrs. Finestone: Mr. Speaker, I have additional petitions which come from Hudson, Quebec.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the Hon. Member. If the Hon. Member has a petition on another subject, then she may present it. That is what I was saying. I believe that she has presented her petition well.

Mr. Sergio Marchi (York West): Mr. Speaker, I too rise on the same matter. I have petitions signed by Canadians who are suggesting that if the Canadian Government wishes to retaliate against the Americans, then it should do so against citizens of the United States and not against citizens of Canada. The people who have signed this petition state with respect to the tariff against imported books that it penalizes Canadian consumers, book publishers, book sellers, distributors and Canada's culture. It is for that reason that I present petitions from various ridings in Ontario in the hope that the Canadian Government will realize its folly and rescind the tariff immediately so that our book industry and cultural organizations can thrive without interference from the Government.

• (1530)

Mr. George Henderson (Egmont): Mr. Speaker, I, too, have petitions on the same subject. The petitioners from Prince Edward Island call upon the Government to rescind this tariff which threatens irreparable harm to the Canadian book industry and compromises federal policy on cultural industries with respect to free trade negotiations.

I have a petition here from 30 people in Charlottetown and the surrounding area. I also have a petition from Halifax and parts of Nova Scotia. I have another petition from Yarmouth on the same subject, and Shelburne County, Nova Scotia. I have another petition signed by 25 residents of the Halifax-Dartmouth area of Nova Scotia. I have another petition dated

October 3rd from Halifax and other parts of Nova Scotia. I present these to the House in their name.

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is also my duty to present to this House a few petitions from people in New Brunswick on this tariff on imported books in the English language, which is also known as a tax on reading. The petitioners are from Fredericton, Dalhousie, Woodstock, Riverview, Hartland, Newcastle, and many other towns and villages in New Brunswick. The petitioners humbly call upon Parliament to rescind this tariff, which threatens irreparable harm to the Canadian book industry and compromises federal policy on cultural industries in respect of free trade negotiations.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to present some petitions from Alberta where some people say that the Government of Canada has imposed a retaliatory tariff on imported books in the English language which limits access by Canadians to literature and information. I also have the honour to present a petition from residents of British Columbia who say that the tariff has little negative effect on the publishing industry in the U.S., yet penalizes Canada's consumers, book publishers, book sellers, distributors and culture.

I have the honour of presenting another petition from the Victoria area of British Columbia. The petitioners say that rising book prices have placed a strain on the book acquisition program and policies of our nation's public and specialized libraries.

I am sure you will be happy to know that I have one more petition in which the petitioners humbly pray and call upon Parliament to rescind this tariff, which threatens irreparable harm to the Canadian book industry and compromises federal policy and cultural industries in respect of free trade negotiations. Most of these people come from Vernon, British Columbia.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the pleasure and honour to present a petition signed by the required number of people asking the Government of Canada to withdraw this retaliatory tariff on imported books in the English language which limits access by Canadians to literature and information. The tariff has little negative effect on the publishing industry in the U.S., yet penalizes Canada's consumers, book publishers, book sellers, distributors and culture. Rising book prices have placed a strain on the book acquisition programs and policies of our nation's public and specialized libraries. I have two petitions and I humbly pray that Parliament take these petitioners' requests and act accordingly.

CRIMINAL CODE AND CANADA EVIDENCE ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved to introduce Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Benoît Bouchard (Minister of Employment and Immigration) moved for leave to introduce Bill C-16, an Act to amend the Unemployment Insurance Act, 1971.

Mr. Deputy Speaker: Does the Minister have leave to introduce this Bill?

Some Hon. Members: Agreed.

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

Mr. Deputy Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 10 and 13.

[*Text*]

MANUFACTURERS' SALES TAX

Question No. 10—**Mr. Friesen:**

In (*a*) 1984 (*b*) 1985 (*c*) 1986 to date, how many employees in government departments worked directly in the manufacturers' sales tax sector?

Hon. Elmer M. MacKay (Minister of National Revenue): The Excise Branch of the Department of National Revenue, Customs and Excise, is responsible for the administration of the manufacturers' sales tax. The following shows the number

of employees who were involved primarily in this sector during the last three years:

(a) 1984	1,330 employees
(b) 1985	1,367 employees
(c) 1986 to date	1,358 employees

GRANTS TO GAINERS INC.

Question No. 13—**Mr. Murphy:**

1. Since September, 1984, did Gainers Inc. receive any grants from government departments and, if so (*a*) what type of grant (*b*) from which departments (*c*) on what dates?

2. What was he dollar figure for such grants?

3. What was the stated purpose of the grants?

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Departments of Agriculture, Employment and Immigration and Regional Industrial Expansion as follows:

1. None.

2. & 3. Not applicable.

[*Translation*]

Mr. Lewis: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Deputy Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PRODUCTION OF PAPERS

Mr. Deputy Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

WAYS AND MEANS

PETROLEUM AND GAS REVENUE TAX ACT

Hon. Tom Hockin (Minister of State (Finance)) moved that a Ways and Means motion to amend the Petroleum and Gas Revenue Tax Act, the Income Tax Act, and to repeal the Petroleum and Gas Revenue Tax Act, laid upon the table on Friday, October 24, be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Motion agreed to.

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-17, an Act to amend the Petroleum Gas and Revenue Tax Act, the Income Tax Act and to repeal the Petroleum Gas Revenue Tax Act, be read the first time and printed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

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

Mr. Deputy Speaker: I wish to inform the House that because of the statement by the Minister, this day's sitting will be extended by 16 minutes.

GOVERNMENT ORDERS

[*English*]

BELL CANADA ACT

MEASURE TO ENACT

The House resumed from Tuesday, October 28, consideration of the motion of Miss MacDonald that Bill C-13, an Act respecting the reorganization of Bell Canada, be read the second time and referred to a legislative committee.

Mr. Dan Heap (Spadina): Mr. Speaker, Bill C-13 is just the latest name for a project which has been promoted in this Parliament for several years by both of the old Parties. There has been a little restructuring of the legislation but there is no essential difference between this Bill and the previous legislation.

• (1540)

This is a Bill to reorganize Ma Bell. The word "reorganize" is meant to sound harmless and neutral to the general public. The public is interested in Ma Bell and in having a telephone service. In Canada there are only 25 million people scattered across a very large area and we make great use of telephones for both local and long distance calls. We make great use of the related services as well. Therefore, the public is very concerned about what is going to happen. In the past, the public has been told to rely on the CRTC to ensure that Bell's rates are reasonable. This Bill will make a mockery of the public's confidence in the CRTC to regulate Bell Telephone. That is why the New Democratic Party has fought this Bill from its inception.

Under the name of reorganization this Bill will divide Bell into two parts. One part will be profitable and the other will

lose money. Lo and behold, the money-losing part will be the part for which Bell was originally created and through which it has made millions and millions of dollars of profit. Throughout its history Bell has charged its consumers sufficiently high rates to make very substantial profits. It invested much of those profits in subsidiary corporations which were developing new technology in telecommunications. It is now investing in companies which have nothing to do with telecommunications at all. For example, Consumers Gas, which supplies a large part of southern Ontario with gas, is now part of a telephone company. Bell has made such investments because it is no longer seriously interested in communications. It is now an investment company first and foremost. If Daon, the real estate conglomerate in western Canada, produces a higher rate of return than telephone services, money is spent on inflating the value of real estate in Vancouver and other parts of western Canada through Daon.

We have always been told that the hard-working entrepreneur labours early and late to make a better mouse trap. People beat a path to his door to buy his mouse traps. He saves a little money from the proceeds and with that makes even better mouse traps. Hence, more people come to his door and he makes more money. That is not the story of Bell Telephone. Now that Bell has captured a large part of the telephone market, it does not really care whether or not many of its customers get service.

Many of us have experienced the result of that change of attitude. Twenty or 30 years ago Bell Telephone was falling over itself to please us, offering better telephones, better repair services, better this, that, and the next thing. Those days are gone. If you want your telephone repaired today you must bring it to the Telephone Centre. They do not bother sending a repairman to see what is wrong with the equipment which they own, operate and which they installed and from which they get the profit. Bell does not want to be bothered to provide the service it used to provide, for which service the customers are still paying.

The service part of the Bell empire will be hived off and called the regulated company. Consumers will still be able to argue with the CRTC about whether Bell is giving the service it is required to give under the law and for which it is paid. The money which Bell has drawn out, and probably will continue to draw out, from the service portion of its empire will continue to be invested in other areas which may or may not be part of the telecommunications industry. We may or may not know about it. The fact is that the unregulated part of Bell will be unregulated. Bell will be able to do whatever it pleases with its profits.

As a matter of fact, this reorganization took place three years ago. If people on the street want to change a law, they must change it before doing whatever they want to do under the changed law. We cannot break the law and have the law changed later to cover us. However, the rules are the opposite for multibillion dollar companies like Bell. They can make the change first and then the Government will consider passing a law to legalize what they have done. Here in Parliament we are being asked to legalize the change which Bell made about three years ago. It separated the basic service on which it made its millions from the subsidiaries from which it expects to make more billions of dollars.

The reorganization went into effect on April 28, 1983. At that time Bell only hinted at future increases. On July 27, 1983, Bell reported a 40 per cent increase in profits for its first quarter as an unregulated holding company. The new system allowed Bell's profits to jump by 40 per cent in three months. There is nothing the consumer can do to get fairer telephone rates because that part of the Bell enterprise has been unregulated for over three years.

Bell developed a manufacturing company which has gone by several names including Northern Telecom and Bell Northern. Northern Telecom did some research into new systems of telecommunication. Although Bell Canada was very rich, it did not want to pay for the research. Instead, it got grants from the federal Government to subsidize the research. Some very good and popular developments resulted. Northern Telecom and Bell Canada are now reaping the profits of the discoveries paid for by the Canadian people. They are not even keeping the jobs in Canada. For example, in the period from 1976 to 1985, Northern Telecom's workforce in the United States grew from 3,000 people to 19,000 people. In other words, 16,000 new jobs were created in the United States thanks to the taxpayers of Canada who subsidized those new inventions.

• (1550)

Bell does not want to return to the working people of Canada the benefit of the money that the working people of Canada gave to Bell through their taxes. In other words, we cannot even rely on this new reorganized outfit to do useful research. There is a lot of talk about tax breaks to these companies for research and development. Even if Bell does the research through one of its subsidiaries, it will not necessarily give the benefit of that research to Canada.

There is a further problem. Ma Bell has not been the best of employers over the years and decades.

Mr. Malone: How would you know?

Mr. Heap: An Hon. Member asks how I would know. It happens that my wife and a number of my friends have worked for Bell Telephone and I know the kinds of conditions under which they worked. I suggested that Ma Bell has not been a good employer over the past years and decades. It has improved somewhat recently because a real union, the communication workers union, has organized some of the employees. The communications workers union has been very successful in the last few years in winning the support, the free choice of many of the workers at Bell Canada, and the auto workers union has been successful in winning many of the votes in Northern Telecom. However, with this new deregulation and new reorganization, Bell Telephone will be able to

play the old game of employer against the worker. The ordinary working man or woman must go out every day and put in a work day to get enough money to keep putting bread on the table. Their only defence against a large corporation that can simply shut down the plant, transfer workers around and play games with the workers' jobs in order to weaken their position and cut their wages, is to agree to form a union.

There are free votes in the union. I have been with the paper workers union for 16 years and have been at other meetings of labour movements to watch the voting process. It is a great deal more democratic, with all its faults, than what one can observe at the annual meeting of a large corporation such as Noranda, which I have also attended.

Mr. Malone: Oh?

Mr. Heap: Yes, I have attended a Noranda meeting with a voting share. I observed the almost invisible amount of democracy in the way a large corporation governing its business operates as compared with the much more grass roots democracy that operates within most unions.

The only strength of the union rests with the ability of the workers to join together and present a united front to the company. Now the company will have much greater freedom than before to split the workers into different jurisdictions, different corporations, or different companies, to prevent the workers from joining together to bargain with the company in the only way that gives them any strength. Therefore, this reorganization, as it is called, is a very serious threat to the workers' hope for a decent wage level and decent working conditions.

One working condition that is particularly important to workers at Bell Telephone is to be able to live like a normal adult human being at work without being harassed by supervisors and electronic supervisors. They want to be able to work without having every breath, movement, and sneeze rated against them. That kind of interference with a worker's life, right down to the most basic bodily needs, is the kind of thing that Bell, with its electronic expertise, is trying to develop to an inhuman degree with many of its workers. The only defence available to those workers is not Parliament, not the CRTC, not the legislatures of the provinces, but the union which is directly created by those workers who have day-by-day experience with what happens. On the basis of what those workers are willing to do jointly, the union can defend the right of the workers to have human dignity on the job. That will be threatened by Bell Canada reverting to its old anti-union and anti-worker attitude, once this reorganization gets fully under way.

It is a great shame that this Bill was to be apparently slipped through Parliament quickly. Not only did it come before the House yesterday almost without warning, while certain interested people were engaged in previously scheduled parliamentary business, the schedule changed again today. At nine o'clock this Bill was not going to come before the House until next week. Suddenly, at ten o'clock, it was going to be discussed today. In other words, it looks as though those who are responsible for this Bill are ashamed of it and know how much public opposition has been expressed at the CRTC and in the media. They know how much consumer organizations and worker organizations are opposed to the Bill and do not want it openly debated any more than necessary.

The Government attempted to slip the Bill through quickly yesterday and is attempting to do so again today. However, it will not work. We will oppose this Bill as strongly as we can, not only here at second reading but in the committee. There is no good reason for Bell Telephone, or Bell Enterprises, whatever it wants to be called, to squeeze the telephone consumers and telephone workers as it is.

The company is rolling in dough by anyone's standards. Let me list just a few of the companies that it has been able to buy up but which have nothing to do with providing telephone service. I have already mentioned TransCanada PipeLines, and Daon Developments. It is also into the British American Bank Note Company and Case-Hoyt. It purchased Comac Communications, Alphatex, and controls Ronalds Federated Ltd. It is operating in several countries besides Canada. It has money to burn and buy up other corporations, which does not create more jobs. In fact, when one corporation buys another, it normally reduces the number of jobs. Perhaps the shareholders will benefit if the rate for the shares goes up by 40 per cent in three months. However, why should they benefit from a company that has drawn its revenue from the money paid mainly by Canadian home subscribers and by the taxes paid mainly by Canadian working people? It is not as though Bell Canada were paying its share of the taxes. On the contrary, it is getting these massive subsidies from the taxpayers in one way or another.

I am very sorry that the Government appears only interested in running this Bill through as fast as it can. I am sorry that the Liberal Opposition shows so little interest in opposing this Bill, although I am not surprised. The Liberals were trying to drive similar legislation through when they were in government and, in this respect, both old Parties are exactly the same. The only difference is that one sits to the left of the Speaker and the other sits to his right. Their politics, their goals and their friends, like Bell Telephone, are the same. The only opposition to this Bill will come from the working people of Canada who are the ones who most need to use the telephone and the ones who are paying the whole shot. We will be hearing a lot more from those working people before this Bill becomes law.

• (1600)

Mr. Gauthier: Mr. Speaker, I have a simple question for the Hon. Member. The present reorganization of Bell Canada could allow Bell Canada to incorporate what could be called "Bell Canada TV", for example.

Mr. Heap: I didn't hear you.

Mr. Gauthier: "Bell Canada TV" or "TV Bell Canada".

Mr. Heap: Or Tinker Bell.

Mr. Gauthier: Or Tinker Bell, yes. This new holding company could possibly compete with, say, cable broadcasters. The Hon. Member and I, as well as Members of the House, know that the extensive network of Bell Canada would probably allow it to get into every home, therefore making things for the cable companies very difficult indeed and possibly very unfair.

The possibility arises, I believe, because Clause 7 of the Bill restricts the expansion but not to subsidiaries. I wonder if the Hon. Member has any opinion or views as to whether Bell Canada should be allowed to get into the cable systems? How does he view that monopoly, because that is what it is, to get into this field of cablevision? I should tell the Hon. Member out of fairness that the CRTC did advise Cabinet to restrict Bell Canada and not allow it to go into the broadcasting field. How does the Hon. Member feel about that?

Mr. Heap: Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has raised a good question and I am very glad to comment on it. The kind of abuse of the trust of telephone consumers now being possible, as suggested by the Hon. Member, is exactly the sort of thing that the present Cabinet and the previous Cabinet of the Party of the Hon. Member, ought to have taken steps to prevent.

When the people of Canada over the past century paid for telephones, and the working people of Canada built telephones, they did not do so with the idea of creating not only a monopoly in the telephone business but a monopoly in the television business. To the extent that many Canadians still believe there ought to be such a thing as competition, Canadians are very uneasy about the monopolistic practices of Bell Telephone. They would be very shocked if Bell Canada, through this legislation, would be able to take over the cablevision business, as the Hon. Member has pointed out is possible. It is certainly a duty of the Cabinet to introduce amendments to this Bill, in line with the recommendations of the CRTC, to ensure that that cannot happen.

Mr. Gauthier: Mr. Speaker, I have a short supplementary question for clarification. I think the Hon. Member clearly understood that it was due mainly to the reorganization of Bell Canada that it is now possible. Bell Canada Enterprises is a holding company which in principle could set up a subsidiary or an affiliate, which I guess is a better word, which would get around Clause 7. This is my question to the Hon. Member. It was not because of the intention of the Government. Bell Canada reorganized its corporate structure allowing it to put out tentacles into certain deals. Would the Hon. Member join with me, and many other Hon. Members of the House, in telling Cabinet that we do not want Bell Canada Enterprises, through its affiliates, to set up broadcasting corporations and, therefore, take over cable companies?

Mr. Heap: Mr. Speaker, I appreciate the concern of the Hon. Member. However, he did not understand my response which was exactly that it was the duty of the present Cabinet, as it was that of the preceding Cabinet, either to prevent the reorganization which created Bell Canada Enterprises or to restrict it from doing such things as monopolizing the cablevision industry.

Mr. Malone: Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) asks questions which in essence tend to raise fear when no fear need be raised. He talks about what might be, not about what is proposed. However, setting that aside for a moment, I stand here as a Member of Parliament who represents rural Canada to say that we are pretty tired of being dominated by the kinds of views expressed by the Hon. Member for Spadina (Mr. Heap) and the Hon. Member for Ottawa-Vanier. Rural Canada today receives terrible television reception. My constituency is in a situation where at best we will get one good clear TV signal in the east end of my riding, and my constituency is made up of some 113 various communities. Yet Hon. Members opposite have the audacity to stand here and suggest that we should deny rural Canada the one opportunity we have to be able to watch national events, sporting events and the various kinds of important things which bring us together as Canadians.

Mr. Gauthier: No.

Mr. Malone: The Hon. Member for Ottawa-Vanier shakes his head.

Mr. Gauthier: You are twisting the whole thing.

Mr. Malone: I can tell you, Mr. Speaker, that while the Hon. Member shakes his head, he should bear in mind that the reception of television on the Prairies is unacceptable.

Mr. Gauthier: I agree.

Mr. Malone: And here is an opportunity to bring to those people who provide food for urban people the kind of reception they justly deserve. He ought not to sit there and rally against that opportunity to give fair and equal treatment to other Canadians. I want to hear the Hon. Member for Spadina justify the New Democratic Party's opposing the farming communities of Saskatchewan.

Mr. Heap: Mr. Speaker, the Hon. Member is getting a little fantastic when he suggests opposition between the New Democratic Party and the farmers in any province. The only two points the Hon. Member tried seriously to make were not quite as fantastic but were very wide off the mark. First, he said we should not talk about what might happen but only about what is planned. The fact is that it was the CRTC which warned us what might happen.

Mr. Gauthier: That's right.

Mr. Heap: We should take its warning seriously given our experience of the twists and turns of a company like Bell Telephone or Bell Enterprises. Whatever name it chooses to call itself, tomorrow will be just another name under the same

management. There is an obligation to look at what is probably going to happen or what could very well happen and provide safeguards against it. One does not wait until the House is burning down before one thinks about fire protection. There is not likely to be a second chance.

Second, if the Hon. Member, as a resident of Alberta, does not like the public corporation, the Alberta Telephone Corporation, which handles Alberta's telephone service, he has, of course, recourse. I am sure he does not want Ottawa to interfere with the Alberta Telephone Corporation. The point is that if the Alberta Telephone Corporation wishes to make some arrangement with any other body to provide television service which Albertans, in the Hon. Member's opinion, are not rich enough, smart enough or industrious enough to provide for themselves through satellite and so on, they can enter into that arrangement. That is a very different matter from giving the whole monopoly in Canada to Bell Canada Enterprises.

Mr. Stan Graham (Kootenay East—Revelstoke): Mr. Speaker, as a former member of the Standing Committee on Communications and Culture, I was honoured to be present at the time this Bill, known then as Bill C-19, was examined clause by clause. I feel we have been given an excellent opportunity, or at least I have, to have a second chance to look perhaps a little deeper than we are sometimes permitted when examining a Bill. This is particularly true considering the fact that the Bill dealt with Bell Canada, and to a western Member from the southeast corner of British Columbia, Bell is very far away.

• (1610)

When she introduced the Bill yesterday, the Minister spoke very enthusiastically about the work of the committee. I have to concur with the Minister on that. The committee put in a tremendous effort. Nevertheless, it is not always possible to examine all of the ramifications of the wording of some of the clauses of this Bill.

Bill C-13, the Bill we are debating today, is an almost verbatim copy of the previous Bill C-19. In fact, just a minor change has been made. That change is in paragraph (c) of Clause 6 of Bill C-13. The clause has been changed so it now includes the words: "if the Commission has not otherwise specified". Almost everything else in the Bill is identical to Bill C-19.

My concern is with Clause 7 of the Bill. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) more or less skirted this issue. It was dealt with more fully yesterday by the Hon. Member for Mount Royal (Mrs. Finestone). My concerns appear to be somewhat similar to those of the Hon. Member for Mount Royal.

Clause 7 reads as follows:

> Neither the Company nor any person controlled by the Company shall directly or indirectly hold a broadcasting licence or operate a broadcasting undertaking within the meaning of the Broadcasting Act.

That appeared at the time to cover all aspects of Bell Canada's operations. It has since been brought to my attention that this does not cover the operations of Bell Canada Enterprises, an unregulated portion of that vast company. It is for this reason that I would like to go on record as being somewhat concerned about, if not opposed to, Clause 7 as it presently reads.

Why am I opposed to Clause 7? A parent company will invariably treat a subsidiary company in a preferred fashion. What will occur down the road with Bell Canada or perhaps B.C. Tel? Would this permit a subsidiary company to have a preferred position? If so, our local community cable operators would be eliminated. Life could be made very difficult for them. Although it is difficult for cable operators to cover all the area surrounding them because of the cost of installation of cable, nevertheless we must hold to the fact that they are community cable companies and as such have performed a very human service over the years. Invariably, a telephone company is much less personal than a private cable company owner, someone who is a member of the community and has a feel for what the people in the community want as opposed to what the large company may decide to do.

As I have said, Bell is a long way away from Kootenay East—Revelstoke, but what is good for Bell is also good for B.C. Tel, Alberta Government telephones and any other telephone company throughout this large country of ours. Therefore, I wish to be on record as believing that Clause 7 should be changed so that it deals also with affiliates of Bell Canada and not simply Bell itself and its employees. This would prevent the elimination of the small community cable companies which should be protected to the best of our ability.

Ms. McDonald: Mr. Speaker, I would like to ask the Hon. Member a question with regard to the difference between the Bill before us today, Bill C-13, and the previous Bill C-19. The Hon. Member admitted that only one clause of the Bill had been changed, yet Hon. Members who were in the House yesterday will recall that the Minister made a big point out of how changed the Bill was. She said that she and her Department had listened to members of the Opposition and members of the committee and had made substantial changes to the Bill. How does the Hon. Member account for this discrepancy?

Mr. Graham: Mr. Speaker, I do not believe there is a discrepancy. As I heard the Minister's speech yesterday, she said that changes had been made and brought about by the co-operation of the members of the standing committee. I pointed out the change that has been made. However, the Bill as is, with the exception of concerns about Clause 7, is more or less satisfactory to the members of that committee including the Hon. Member. The Bill should be satisfactory all the way through except for Clause 7.

Mr. Gauthier: Mr. Speaker, indeed, one of the clauses of the Bill which was changed was Clause 6. As I read it, the Bill as it is now worded would allow Bell Canada to charge subscribers for six months of telephone service prior to service being

installed. I take it that the Hon. Member knows about the clause to which I am referring. Clause 6(2)(c) provides that if the CRTC fails to prescribe an amount which telephone subscribers must pay in advance to obtain telephone services, Bell will automatically be able to charge a six-month pre-payment regardless of whether the customer is a good or a bad credit risk.

In debate, government Members have maintained that the clause is academic because Bell would not impose that charge. If that is so, why give a monopoly like Bell Canada the power to impose that charge? If government Members are convinced that it will not charge that amount, then they should not give Bell the right to do so. Would the Hon. Member give Bell that right or would he debate the clause in committee and have it changed to prevent Bell from charging subscribers a six-month pre-payment?

Mr. Graham: Mr. Speaker, I believe the Hon. Member for Ottawa—Vanier (Mr. Gauthier) misunderstood my remarks, if indeed he was listening earlier. I referred to the fact that the change between the old Bill C-19 and the new Bill C-13 was in Clause 6(2)(c). I quoted the change as "if the commission has not otherwise specified . . . " That change indicates a desire on the part of the committee and of this Government to accommodate the concerns of all Parties in the House.

• (1620)

Mr. Gauthier: Does the Hon. Member believe that the CRTC should be authorized to set that rate, or would he give the monopoly, Bell Canada, the right to set that rate?

Mr. Graham: We are broadening the debate a long way when we drag in the CRTC at this point in time. These changes are perhaps part of what eventually must become a review of all aspects of the broadcasting industry, including the operations and dictates of the CRTC.

Mr. Gauthier: I enjoy this because we are going to clarify another point. The CRTC exists as a regulatory body because Canadians as a whole have given Bell Canada a monopoly over certain services. In my view, that is why the CRTC should be the one to set the up-front rates charged to customers to install phones in their homes. I believe that, but I take it that the Hon. Member is telling me that he does not believe that.

Mr. Graham: It is fair to say that the CRTC has, on many occasions, performed its functions in a satisfactory manner. But it is also fair to say that perhaps a massive review of the entire structure would change some of the aspects and regulations of the CRTC. To answer your question specifically, you would not want Bell Canada regulating itself.

Mr. Deputy Speaker: Resuming debate.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am here to participate in the debate on Bill C-13 which is entitled an Act respecting the reorganization of Bell Canada. I think it would be more aptly labelled the selling out of the Bell subscribers.

I represent an area in Ontario which is fairly unique. The bulk of my constituents do not depend on Bell Canada for their residential and commercial services. The City of Thunder Bay and the surrounding rural area of 35 to 40 miles is served by the City of Thunder Bay Telephone Department, which is a municipally owned and operated public utility. This utility over the years has expanded its service to take over much of the area adjacent to the City of Thunder Bay which was served by Bell Canada. If this utility does not have the lowest rates in the country for residential and commercial services, it has the next to lowest rates. It operates as a utility and provides an essential service to the subscribers of that area. It ensures that the revenues derived in excess of its operating costs under the limits prescribed by the regulatory agency in the Province of Ontario are reinvested to improve services to existing subscribers, to expand into rural areas, and to upgrade those services. At the other end of my riding, which is the largest geographical portion of the riding of Thunder Bay—Atikokan, we have services provided by Bell Canada. It is with great interest that I take part in the debate today on Bill C-13. This Bill is designed to make legal something that Bell Canada has already done, that is, to restructure itself and carve out its subsidiaries in such a way that the subsidiaries are no longer controlled by the regulatory regime in place through the CRTC. That has been done even though those subsidiaries, whether they are Northern Telecom, Bell Canada Enterprises, or Bell Canada International, have all been spawned as a result of the use of the revenue generated from services that Bell Canada provided in the Provinces of Ontario, Quebec, and the Territories. It has taken subscribers' money and poured it into the development of new subsidiaries. It now wants to take those lucrative subsidiaries into its corporate structure and to its shareholders and move them out of the field where there is protection for consumers to the whole land of free enterprise. In effect, it has had its subscribers subsidize its improvements, expansion, and now it wants to ensure that there is no way that the regulatory agencies of Canada can force Bell Canada to return the profits from those investments back to the subscribers who provided the initial capital.

Quite frankly, that is consistent with the way this Government operates in relation to deregulation—whether it is deregulation of airlines, rail systems, natural gas, or telecommunications. The Government is allowing those corporate sectors to get away with whatever they can. There is no protection for the consumers. We have had an excellent example recently of the importance of regulatory regimes to consumers in this country. That relates to an application by Bell Canada for a rate increase. The CRTC ruled that what it wanted was excessive. In fact, the CRTC ruled that Bell Canada had already received too much from its subscribers and ordered it to give its subscribers two months' worth of free phone rent. CRTC further ruled that long distance service charges be reduced, because too much money was made there.

I do not accept the Government's philosophy. While I agree that we need reregulation in many areas because some of our rules are a bit out of date, we should not just throw them out. We should look at them in the context of Canada in the 1980s through to the 1990s and determine what appropriate set of rules are needed to ensure that a utility such as Bell Canada is able to have the funds to provide the level of service that we deem appropriate, and at the same time have that built-in protection of regulation. In this manner, the subscriber to the telephone company can have some protection. It is very difficult for a hundred thousand subscribers to get together and mount a campaign to force a company like Bell to change its pricing structure and give consumers a bigger benefit. That is why years ago we put in place the regulatory system of the CRTC.

One of the areas in the Bill I would like to deal more specifically with is an area that concerns me as it relates to services in my riding. It is an exception to a clause that requires the company, in this case Bell Canada, to furnish services in certain cases. In subclause 6(1) it reads:

• (1630)

Where a telephone service is requested by any person or organization for any lawful purpose in a municipality or other territory within which a general telephone service is provided by the Company, the Company shall, with all reasonable dispatch,

(a) furnish the service; and

(b) subject to any order of the Commission under Section 13 that restricts the right or ability of the Company to be a supplier of telephones, furnish telephones of the latest improved design then in use by the Company in the municipality or territory.

That is where the company is required to provide service, but there is an exception in subclause 6(2) which reads as follows:

Nothing in subsection (1) requires the Company to furnish the service or a telephone where

(a) the premises for which the service is requested are not fronting on a highway, street, lane or other area along, over, under or on which the Company has a main or branch telephone service or system;

(b) the telephone on the premises would be situated more than 62 metres or such other distance as the Commission may specify from the highway, street, lane or other area—

This subclause means that unless Bell Canada has a cable running along the highway, the people who live adjacent to it will not be eligible for telephone service. They are not eligible to receive, at a rate equal to what other Canadians will be paying in that service area, some of the new technology allowing them access to the communications system. When Bell Canada receives a request from a Member of Parliament like myself or from a citizen who may live a mile or two from the end of the line, so to speak, on the Trans-Canada Highway or on one of the other major highways in a rural area, Bell can say that it will not install a telephone unless the person requesting the service picks up the tab for the installation of poles and telephone lines to his or her home.

This is a major problem in rural Canada, particularly northern areas. Many citizens have been unable to receive the services which you, Mr. Speaker, and I take for granted. Those of us in the House of Commons who have offices here and in our constituencies have multiple lines and multiple instruments with which to conduct business. However, that is not the situation in rural areas.

There are two areas in my riding which do not have telephone service although they are within a reasonable distance and there is a reasonable number of residences grouped within those areas. Fire, police, and ambulance services are also located some distance away. The situation is such, that because of the Bill and Bills like it, residents living near the Pigeon River south of Thunder Bay must drive 10 or more miles to use the telephone. They might be calling the volunteer fire department to indicate that their home is on fire, or the ambulance service to indicate that someone has taken a heart attack, or the police to indicate that there has been a robbery. It is actually easier for them to drive to the fire station than to travel to the nearest telephone. This kind of restriction in the current age of electronics is inappropriate.

Where there are some logistical problems in terms of running telephone lines, a company like Bell should be required to provide residents, at a price reasonably similar to that paid by residents connected to telephone lines, with some type of mobile telephone. The systems are in place. Cabinet Ministers now have telephones in their cars. Cellular phones allow people to go from place to place, to retain the same telephone number, and to work in their cars. We should ensure that rural residents have the same opportunities.

I should like to return to the Bill itself in a general sense. What I find most disturbing about the Government's decision to legalize what Bell Canada has already done is that it is allowing an evolution away from the concept of a utility. Decisions were made by Bell Canada some time in the past to invest in other areas to expand their power base. Some were directly related, such as Northern Telecom, but others were not so related. Now we as a Parliament are moving to allow Bell Canada to take advantage of the income it received on the investments, not for the benefit of subscribers but rather at their expense.

As I understand it, the revenues from the subsidiaries go back into the mother corporation. They are examined in the context of the viability of the company and the prescribed levels of rate of return. Although I have not looked at it carefully, I would suspect that the recent ruling of the CRTC in respect of the two months of free rent was based in part on the profits from the subsidiaries coming back into the mother corporation.

Let us take a look at the profits. In 1979 the profits were $432.6 million. In 1980 they went down by about 37 per cent to $273.4 million. In 1981 they went up by 103 per cent to $555 million. In 1982 they went up by another 11 per cent to $615.4 million. In 1983 they went up by 34.8 per cent to $829.8 million. In the first quarter of 1984, the latest figures I have available indicate that the profits were $203 million.

They were up 34 per cent over the figures for the first quarter of 1983. Clearly the company is not doing too badly.

I gather the shares of Bell Canada are one of the more respected shares and that they are held by a number of people. However, we must recognize the fact that there is another kind of shareholder. I am referring to the subscriber who does not have any choice in areas covered by Bell; only Bell instruments and lines are available.

The subscribers are also investors because their money was used over the years, not only to help provide profits for Bell Canada, but to provide Bell Canada with the money necessary to expand and develop its subsidiaries—Northern Telecom, Bell Canada International, Telesat Canada, Bell Northern Research, Tele-Direct, and Bell Communications Systems. Those subsidiaries have been funded in part by those subscribers-investors.

We are not only reorganizing Bell. We are reorganizing the subscribers. They will no longer be investors in the system; they will be just subscribers. It is a real shame. The Government—and I gather that it was supported by the former Liberal Government—will now go ahead with this option. It is similar to what the Liberals did years ago in respect of the CPR when it allowed the company to divest itself at the ultimate cost of transportation services.

I look forward with interest to the remainder of the debate. I encourage Conservative Members to join in, to state their case, and to fight on behalf of consumers. However, in closing, I remind them that only Quebec, Ontario, and the Territories are covered by Bell Canada. Let us not forget that there is B.C. Tel, owned by the people of British Columbia. There is the Alberta telephone company which is owned by the people of Alberta. There are the telephone companies in Saskatchewan, Manitoba, Kenora, Thunder Bay and the Maritimes. These are public utilities which use their revenues to provide services.

• (1640)

These revenues are not for the lining of pockets or for the development of private sector corporations which can be spun off out of a regulatory regime. They are public utilities, utilities that Conservative Governments in the provinces I have named dare not tamper with. In this respect we have only to consider the Province of Saskatchewan and the backtracking it did during the election in terms of the possibility of selling off part of Sask Tel. The Government knew that it would not survive on that issue.

So I say to Members across the way that what they should be looking at if they really want to provide service and stability to the consumers of Bell Canada is instead of chopping it up into little pieces, perhaps it should be kept as one company and moved into the public sector to remain that way.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, considering the significance of the legislation which is before us, I am surprised that Members of the Government are not taking the opportunity to express themselves in defence of this Bill. It is a Bill that affects an important component of Canadian life. As I understand it, Canadians are the most frequent users of telephones. The telephone is an extremely important aspect of the way in which Canadians stay in contact with one another, do business with one another and keep families together over large expanses of land. If this is a good Bill, then it must justify, in my view, a strong and vigorous defence of the contribution that it will make to the improvement of Canadian life in terms of telephone service. That must surely be the justification for the Bill, at least I assume that it is. However, the silence of government Members gives rise to doubt.

A couple of months ago my wife was complaining to me about the fact that our telephone was just not functioning. In fact, it stopped working one Saturday morning. We called up Ma Bell, said that our telephone was not working and could someone come to fix it.

Mr. Boudria: Thursday of next week?

Mr. McCurdy: No. We were told to give a call the following week and they would see about Thursday of the week after. The company finally got around to fixing the telephone. By God, you could pick it up in your hand and hear static as well as voices. I suppose it could be said that it worked twice as well as it did before in that we heard twice as much noise. We called up Ma Bell to have the telephone repaired again. There were problems here because when we did this the person on the other end of the phone could not hear us for the static. Thus we had to use someone else's telephone once more. Mr. Speaker, would you believe it, our telephone still has static on it. Some people might not realize that these types of experiences which many of us have with a service for which we pay so much in terms of excessive deposits and other inconveniences is a result of the reorganization of Bell. These experiences are but examples of future problems which users will face as a result of this reorganization.

What has happened is that the profits that have been generated for Bell by consumers are now being used up by a voracious conglomerate which stalks our land and, indeed, the world, gobbling up other corporations such as TransCanada Pipelines, Daon Development, British American Bank Note, Ronalds Federated and Case-Hoyt. It is a hungry animal being produced here. It lives on an infinite diet of profits.

The Bill before us is like a birth certificate or a baptism cerfificate. It is a piece of paper which legitimizes this monster, this new conglomerate that will produce no new services. It will not produce any new jobs for the people who have fed its appetite in the past. We know that the Bill is a repeat, a slightly improved version of a Bill first introduced by the Liberals.

At first, the Liberals fought the creation of this beast. When the Quebec Superior Court approved the new structure the Liberals fought against it. They eventually gave up. However, they didn't do so without a good fight first. We do not see the

Government giving Bell a fight. As I said before, if Members of the Government are not fighting it then they must like it. If they like it, then they should get up and brag about it. They should tell the world how good it is. However, there is nothing but silence from Members opposite, nothing but guilty smiles on faces of Members opposite.

The contents of the Bill were first brought up in 1982. It dealt with a reorganization plan which would benefit everyone. It would set up Bell Canada Enterprises and separate Bell Canada, the telephone service, from an investment conglomerate which I described before as being so hungry. It was described by the president of the company as a purification process. In fact, he suggested that if the telephone service were separated from the rest of the holdings of Bell then, by gosh, it would be easier to regulate and that we would not have all this confusion about the 80 other companies it holds. He suggested things would be nice and neat and tidy. Some thought that the measure was intended to avoid regulation and thus deprive Bell of some of its cross-subsidization. This produced the expectation that the cost of telephone service would be kept down, at least in some measure, by the profits generated in other areas. So Bell is not associated in a large part with that service to the consumers with which it was identified in the past. Only three things remained. The first was the 30 per cent of Bell Northern Research and a 24 per cent share in Telesat and Tele-Direct.

As Members will recall, the CRTC investigated the reorganization. It generated 106 pages of analysis and some recommendations. It must be recognized that some of these recommendations are contained in the Bill. They have merit and will advance the interest of consumers to some measure. As other Members have observed, a notable control was omitted from the Bill. I refer to the requirement for a minority stockholder or stockholders in Bell Canada as a check on Bell Canada Enterprises. A measure such as that should be in place. It is something which has been supported by consumers and the Consumers' Association of Canada, which pointed out that Bell Canada got away with shifting over $500 million in capital gains to Bell Canada Enterprises which should have been left with Bell to have been of some benefit to Bell and its users.

• (1650)

We will likely look to a future in which Bell Canada will be starved of capital by Bell Canada Enterprises, their being no means to ensure that its capital needs will be met. The cost of that will devolve upon the user, a cost in money, poor service and new demands for increases in the basic rate, charges on local calls, and increased long distance charges, all this by virtue of a greater pressure for deregulation which this Bill represents.

This is just one more example of the useless growth of huge conglomerates in an attempt to find better and easier ways of making money without creating jobs or encouraging creativity.

There are those on the government side who would say that Bell Canada Enterprises is a large corportation with large research activities and that it will create jobs. In fact, not one single new job will be created by this reorganization. Existing companies are being purchased. In one instance Bell International has imposed a non-union policy on its wire and cable acquisition in Great Britain. That is not in the interests of workers. Overall, Bell Canada has lost jobs and that is manifest in the difficulties faced in getting service. The criteria of utility to the Canadian public has not been met.

Has there been new research? All one has to do is consider the record of Northern Telecom, an admittedly research intensive company. In 1976 there were 2,900 jobs at Northern Telecom in the U.S. Since then that number has increased to 20,000, while the number of jobs in Canada continues to decline. This arouses the not unreasonable suspicion that Northern Telecom is about to desert Canada for the greener pastures of the U.S. In what way will this benefit Canadians? In no way.

The final question of greatest relevance is will this legislation mean lower rates and improved service, or any of the other things we expect of a company devoted to the service of Canadians? No. It will not improve conditions for those who depend on Bell Canada.

I regret that this Bill has not been the basis for a strong and concerted debate. Having observed the absence of a vigorous defence by the Government, I note there has not exactly been a vigorous participation by the Official Opposition.

Mr. Boudria: I am always here.

Mr. McCurdy: Then I hope that vigour will be demonstrated. When I resume my seat I will look forward to the usual eloquence in defence of Canadians we expect to hear in this kind of debate. Therefore, with an expression of appreciation for the opportunity to participate in this debate, I will resume my seat in the hope that the people of Canada will see this very important Bill subjected to the kind of discussion which would benefit both the Bill and the people of Canada.

Mr. Deputy Speaker: Questions or comments? Debate? Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Miss MacDonald, seconded by Mr. La Salle, moves that Bill C-13, an Act respecting the reorganization of Bell Canada, be read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Riis: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

[*Translation*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

Hon. Pierre H. Cadieux, for the Minister of State (Finance), moved that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be now read the second time and referred to a legislative committee.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think it is important to speak to Bill C-14, a Bill that arises from the February 26 Budget and, as you will recall, Mr. Speaker, from the Ways and Means motion tabled on June 11 of this year. The purpose of this Bill is to increase federal sales tax in certain areas. An increase of 1 per cent will raise sales tax on construction materials from 7 to 8 per cent, on alcohol and tobacco from 14 to 15 per cent and on other commodities from 11 to 12 per cent.

Mr. Speaker, this tax increase will help the federal Government fight the deficit, a deficit that does not seem to worry the Opposition very much. Some Hon. Members across the way even seem to think it's funny.

Mr. Boudria: I was laughing at the Conservative Government.

Mr. Vincent: Mr. Speaker, the deficit we have today was left us by the previous Liberal Government. With this Bill, we are seeking the revenue we need, to help the Government in areas where the Opposition so often says we are not doing what should be done.

Mr. Speaker, as an excellent lawyer and businessman you will agree that if we do not bring down the deficit, if we do not reduce the enormous debt left us by the Liberal regime . . . Mr. Speaker, we have reached the point where 25 per cent of the Government's annual expenditures are used to service our debt, or should I say their debt, Mr. Speaker.

• (1700)

An Hon. Member: Twenty years of Liberal mismanagement.

An Hon. Member: It does not bother them.

Mr. Vincent: They never did get around to managing anyway. As you know, Mr. Speaker, last week the Auditor General presented his report in which he referred to the spendthrift habits of the previous administration and pointed out how they wasted Canadian taxpayers' money for unduly partisan ventures, but the people were not fooled and they turfed them right out. In the beautiful riding of Trois-Rivières, Mr. Speaker, two days before the September 4 election, they signed contracts worth millions of dollars for strictly partisan projects, but the electors caught them at this game and voted for the Conservative Party, for Prime Minister Brian Mulroney and, of course, for your humble servant, Mr. Speaker.

An Hon. Member: And they have been glad about this change ever since.

Mr. Vincent: And, Mr. Speaker, everything is going fine in the riding of Trois-Rivières, as everywhere else in Quebec and in the rest of Canada.

To get back to the tax increase, I must say it is necessary. Mr. Speaker, various comments have been made about our region. I challenge the Hon. Member to come to Trois-Rivières. Any time at all, I will be glad to welcome him. Liberal Party representatives visited us twice in two years and they did not even manage to attract more than 25 people all told.

An Hon. Member: —Saint-Maurice, 20 years of patronage, no wonder they voted Liberal.

Mr. Vincent: Mr. Speaker, when his leader visited the riding of Trois-Rivières a year ago, there were more people at the oyster dinner than at his meeting. There is therefore nothing to be concerned about.

Mr. Speaker, it is important to reduce the deficit. If we cannot do so, the interest rates will increase.

An Hon. Member: No one is working.

Mr. Vincent: The Members opposite are not worried about interest rates of 22 or 23 per cent; they have seen it all before and they were happy with interest rates of 24 per cent. However, Canadian taxpayers prefer rates under 10 per cent, which is what they have now. A high deficit also means a weaker dollar. The Liberal Party was happy when the dollar was even weaker. We now have a stable dollar, Mr. Speaker, and this helps Canadian businesses to export and make profits in the United States. Unfortunately, they do not understand this, Mr. Speaker. I can see that they understand nothing of what we are trying to say.

An Hon. Member: They are not good teachers in financial matters either.

Mr. Vincent: The most important result of reducing the deficit and having money in the coffers of the state is that we can maintain valid existing programs. We can also maintain our social programs, which I find very important. The Opposition may laugh, but I find this important and we need some money to do it. To have this money, Mr. Speaker, there are areas in which we can increase taxes, and I think that Canadian taxpayers find such increases reasonable. For instance, the tax increase on tobacco will not kill anyone, quite the opposite.

An Hon. Member: On alcohol.

Mr. Vincent: The tax increase on alcohol is another reasonable measure, Mr. Speaker.

An Hon. Member: The reduction of the tax on gasoline!

Mr. Vincent: The Hon. Member speaks about the reduction of the tax on gasoline. This was not mentioned either.

An Hon. Member: He does not talk about the $140 in the pockets of the taxpayer. The companies which are saving money with their trucks have not lowered—

Mr. Vincent: Mr. Speaker, when we speak about reducing the deficit, it is on two levels. On one hand, we increase certain taxes in areas where it is reasonable to do so and where the taxpayers can accept it, and on the other hand, we reduce Government expenditures. There have been major reductions in Government expenditures, as you know, Mr. Speaker. There have been cut-backs certain programs where the previous Government used to spend shamefully for patronage projects in various constituencies. There have been cut-backs in these programs, Mr. Speaker.

An Hon. Member: Judo clubs and churches.

Mr. Vincent: This helps to reduce the deficit and it is another reason why Canadian businessmen have pride and confidence in this Government, and are willing to invest.

Almost 600,000 jobs have been created in this country over the last two years. They were not created by the federal Government as a Government, as an employer—we cannot afford that because they left us with too large a deficit—but by Canadian businessmen who had confidence in this Conservative Government. They invested money, they created jobs, and because of their actions we now have interest rates below 10 per cent and 600,000 new jobs in this country. Mr. Speaker, those figures need no explanations. The Opposition may bicker, this is all they can do, but the facts are there and they speak for themselves. It is my view that the February budget has been well accepted across the land. I had an opportunity to travel across Québec, and in Québec it has met with marvellous acceptance. People are happy that the country is being managed as they themselves manage their own businesses.

Saturday night, I was in Trois-Rivières for the Economic Corporation's gala, and many business people were in attendance. Six hundred persons were there. There were trophy awards, what they call the *Radissons* in Trois-Rivières. Let me say by the way, Mr. Speaker, that Radisson was a Conservative, as you know. The *Radisson* trophies were awarded and I heard only positive comments on the current administration.

People in Québec have understood the deficit increase this year: $2.5 billion, it is true, as compared to our own forecast. But they know this is the second time in 25 years that a federal Government has said: Our expenditures will come up to such an amount and, by the year-end, the actual figure is the same one. We did not have to apologize at year-end for having overspent by $1 billion. Or a few billion dollars. No, Mr. Speaker. And business people respect that, because what they want is a Government that is good at managing, that stays within budgeted expenditures.

Of course, in this country, we cannot know beforehand what problem we will have with grain in Western Canada, what problem we will have with oil on the international scene, or what other problems we may have in Québec or in the Maritime Provinces. I believe Canadians are aware of that. But they are also aware and proud to see that this Conservative Government and their Prime Minister are acting in a responsible manner, that we know where the money we spend is going. The money we spend is not used for partisan purposes. In ridings that were exclusively Liberal—you may check with our Conservative Members—before 1984 they did not have the same budgets. The budgets were different for Liberal ridings and Opposition ridings. And surely my colleague from the New Democratic Party will agree with me on that.

Well, Mr. Speaker, that is what we did. We shut the valve. We put an end to that. Ridings throughout the country are dealt with on an equal footing and it is essential for their Member to work in the House of Commons as well as close to the Ministers.

With reference to deficit reduction, Mr. Speaker, expenditures of some departments or programs could have been cut further. In the first place, they would have been the first to blame the Government and rightly so. I think that in the February 1986 budget we had to seek additional revenues and make the cuts we did. We could have chosen another solution which would not have been an increase in revenues and we could have made further cuts. However, Mr. Speaker, some remote ridings such as that of my colleague would definitely have been penalized. I think that whether it was in the riding of Abitibi—Témiscamingue, Trois-Rivières or Lac-Saint-Jean, in the Gaspé peninsula or even in your own riding, Mr. Speaker, which is to a certain extent considered as being regional, it would have been unacceptable. It is sure that large urban centres would not have suffered from the consequences, but the regions would have borne the cost. And, Mr. Speaker, I was the first to object to that. On the other hand, I think that now Canadians from all across the country have accepted a certain increase in federal sales taxes.

• (1710)

Mr. Speaker, let us not forget that when we talk about federal sales tax, we have had a Canadian first on fiscal matters: the federal sales tax credit. It never occurred to the Party which was in power before us to implement such a move.

I do not want anybody to tell me that the increase in federal sales tax will be at the expense of the have-nots, those in the lower income brackets. All families whose income is under $15,000 a year will be entitled to a tax credit, and we know that it is more attractive than a $50 deduction for an adult and a $25 deduction for a child. A family of four earning less than $15,000 will get a $150 tax credit. Mr. Speaker, that means getting money from those families with average or higher incomes who can afford to pay this additional tax, and that is also caring for those with lower incomes.

Mr. Speaker, that means going in the direction of a tax reform, towards a more fair and equitable tax system.

The same is true with the minimum income tax, Mr. Speaker. I remember that when we introduced the minimum income tax in December 1985, the Liberal Opposition was against it.

I also remember that the Leader of the New Democratic Party rose to congratulate us but the Liberal Opposition was against it. Do you know why, Mr. Speaker? I presume they opposed it because it was a good measure. They have opposed every good step we have taken. Or could it be that all Members of the Federal Liberal Party earn more than $50,000 per year? That might be the other reason. I do not know. But it has to be either of them.

We should therefore give it some thought. We should also remember that when we deal with an increase of the federal sales tax, we may be told that it is going to hurt the farmers involved in tobacco production. We did think of them, however, and we thought of creating a special fund to help them. We really put a lot of thought into that federal sales tax increase which is not high for everyone . . . I am thinking, Mr. Speaker, of the assistance to farmers. We extended the duration of the fuel tax rebate program, we increased that rebate for farmers.

We did so because we wanted the increase to be fair and reasonable and the lower income brackets to be protected from the impact of that federal sales tax.

Mr. Speaker, I therefore submit that it is important to pass this Bill expeditiously, and I urge Members of the House to help it pass as quickly as possible in order for us to be able to proceed with our social programs as well as other economic and cultural programs of importance for our country and for all Canadians.

Once again, Mr. Speaker, following the Budget tabled last February 26, which was very well accepted and understood by Canadians of all levels, but appears unfortunately not to have been understood yet by the Opposition, I can assure you that we are going to carry on with this so that someday even the Opposition will understand it.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, we have just heard a speech in which the Hon. Member tried to blame us for the deficit and referred in glowing terms to the Conservative Government's economic record.

Perhaps my hon. friend, the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) was not in the House during the debate on the Speech from the Throne and did not read Hansard for the proceedings of the debate on October 23, 1986, at page 660, and starting on pages 674 and 675. At the time, Mr. Speaker, I quoted to the House an article by Alain Dubuc of *La Presse* in which he did an economic analysis of the Conservative Government two years after the elections.

Mr. Boudria: Say it again!

Mr. Gagliano: And obviously, after what he told us in his speech, Mr. Speaker, I will have to read a few quotes from Mr. Dubuc so that my hon. friend will know how his Government performed.

Mr. Speaker, on September 6, Mr. Dubuc said in his article:

"Measuring economic growth is the best way to find out whether the economy is progressing at an acceptable rate. Growth was 3.3 per cent in 1983 and 5 per cent in 1984, during the last two years of the Liberal reign. In 1985, under the Conservatives, the rate of progression dropped to 4.5 per cent and is not expected to exceed 3 per cent this year, since we are entering a slowdown phase, not a phase of progression".

Mr. Speaker, if the Conservative Government is proud of its economic record, and it is very fond of saying so, why is there no economic growth? And that is not all Mr. Dubuc said. Mr. Speaker, he referred to inflation as well.

The inflation rate had been reduced to 4 per cent in the summer of 1984 when the Liberals lost the election, and there has been no change since then.

My colleague mentioned the dollar. Our dollar was worth 77.14 cents U.S. in August 1984. How much is it worth today? Did you hear the latest news?

Mr. Boudria: Seventy cents!

Mr. Della Noce: And the 22 per cent interest rates. Look at them now.

Mr. Gagliano: Oh, yes, my colleague from Duvernay (Mr. Della Noce). Let us talk about interest rates. Will you have the nerve to take credit for lower interest rates as a result of Conservative Government action, or will you admit it just might be due to the American policy? Interest rates have gone down on international money markets throughout the world. So now you know!

Mr. Waddell: Mulroney said that the Hon. Member for Duvernay is very important. Maybe so, but he is not in the Cabinet!

Mr. Gagliano: Of course, the Hon. Member for Duvernay is very important.

Mr. Waddell: But he is not in the Cabinet!

Mr. Vincent: Don't tell me you are going to support the Hon. Member for Saint-Léonard—Anjou!

Mr. Gagliano: He is the only Conservative Member of Italian origin, but he has yet to join the Cabinet.

If I may continue, Mr. Speaker. That is not all Mr. Dubuc had to say. He referred to the purchasing power, which indeed relates to Bill C-14. If only my colleague would listen, he might learn something.

Speaking about the purchasing power, Mr. Speaker, and I quote:

"The purchasing power is how a Conservative measures his wealth. In 1985, when inflation went up by 4 per cent, wages increased by 3.5 per cent, and the same thing seems to be happening this year. While the purchasing power would decrease by 1 per cent, the tax burden imposed by the Federal Government will have increased by 23 per cent."

The Hon. Member has just left, Mr. Speaker. He cannot accept the facts. There they are. Tax increases of 23 per cent in one year! This affects the purchasing power. This is what we are discussing in relation with Bill C-14, Mr. Speaker, a tax increase on manufactures and air transport. A tax increase on communications and fuel. Are there any others? These are some of the taxes being increased in this Bill, and that is not all. Other measures are expected in the February Budget.

One thing is certain, and that is that, for 1986-87, there will be $5 billion in tax increases. Yet, we learned in September from the Minister of Finance (Mr. Wilson) that, in spite of this $5 billion increase in taxes in one year, he cannot control his deficit, which will be $2.5 billion higher than anticipated. That is how the Conservative Government, which used to accuse the Liberals of being unable to control the deficit, is now doing the job.

Mr. Speaker, I said all this simply to reply to what the Hon. Member said about the efforts of the Conservative Governement to reduce the deficit.

As a result, they will still increase the deficit because they are indeed preventing economic growth, increasing inflation and reducing purchasing power. If, let us say, Canadians do not have enough money and the product is too expensive, they have less money available to spend. How will economic growth happen? This is what you Conservatives do not understand—

• (1720)

I cannot reply to the Hon. Member for Duvernay (Mr. Della Noce), Mr. Speaker, because I do not think economics is his strong subject.

I would like to deal with tax reform, Mr. Speaker, because for a number of months, almost a year, I could even say since this Conservative Government came to power they have been talking about tax reform.

Mr. Malépart: Words, nothing else.

Mr. Gagliano: In the May 1985 budget, after a rather extensive study, the Minister of Finance stated he had given up the idea of a value-added tax, surely because of pressures from small business people. He told us, they were going to review the whole issue and come up with a system, a tax reform—they must reform at least the sales tax. In the February 1986 budget, he stated he had given up the idea of the value-added tax but would introduce a business transfer tax—whatever the terms used in the French version—and within a very short time, perhaps in June, I think that was indicated, he would be tabling a White Paper in order that Canadians could learn what the Government's intentions were on that tax and we could have had a national debate. So June was September and then October, and not long ago he announced:

THE MINISTER LAUNCHES PRE-BUDGET CONSULTATION AND TABLES GUIDELINES FOR AN OVERALL TAX REFORM

Mr. Speaker, we have nothing on that, no specific information. What is involved actually is a budget consultation which the Minister of Finance does every year. Once the Minister of Finance has tabled his budget, he opens his next round of consultations for the following year. But he would have us believe that tax reform is involved, when all this is about is pre-budget consultation, Mr. Speaker. Clearly, the Minister of Finance does not have a very clear idea of where he is going on that. So he lets go a balloon and says: We are consulting you.

But what is it? Usually, Mr. Speaker, the person involved in a consultation will put forward "x" number of proposals or options. And then that person will ask: "Which of these proposals do you feel is the best, the one we should adopt, which would be appropriate, or are there others?" Mr. Speaker, the Minister has put forward no proposal whatsoever, sticking to empty statements. If the Progressive Conservative Party sat for as many as 20 years in the Opposition, Mr. Speaker, it is no accident: it is a fact. They never have any clear notion of where they are going, no long-term plan of action. Never!

Mr. Della Noce: Your party certainly had none, with a $1 billion deficit.

Mr. Gagliano: We remained in power for 20 years, and when we regain power, we will keep it for another 20 years, because we are going to prepare a proper platform. We are going to tell people where we are going. As for you, after two years in Government, you are still carrying out studies.

For instance, last year, the price of postal stamps was increased by two cents, and as a former small businessman, my friend the Hon. Member for Duvernay (Mr. Della Noce) should know what a two cents increase means.

What does the Government do, Mr. Speaker? It says, this is the last increase. The Minister responsible for Canada Post at the time had clearly indicated that it would be the last increase that before the Government could impose another one, Canada Post would have to demonstrate that it has increased its productivity. This Government does not even have the guts to say no to Canada Post! The more so because business people have written letters stating: "Listen, now is not the time to increase postal rates; now is the time to administer this Corporation properly and fine tune its management." But no, Mr. Speaker, they announce that there is going to be a business plan. They have been saying for the past year that it is coming. We thought we were goint to get it by Friday. Apparently, it has been postponed, because even within the Conservative caucus, not everybody agrees with this increase. My friend the hon. Member for Duvernay (Mr. Della Noce) may be prepared to accept it, but not the others. There are a few Members who have the courage to stand up and say, as some did the other day in the House: "We are going to fight

this increase and perhaps delay further this action plan." But the Government will have some day to tell the whole truth about this matter and state its intentions, because it cannot continue administering this country without knowing where it is going.

But to return to Bill C-14, Mr. Speaker, there are tax increases everywhere. This is going to hurt consumers and corporations, and we are now dealing again with taxes in the House. How many other things have we not had the opportunity to debate that went past us unnoticed. For instance, as a lawyer, you know that it used to cost $200 for a federal incorporation; today it costs $500. From $200 to $500, a $300 increase for an incorporation! It is unbelievable and frightening! But, who incorporates? It is certainly not the large companies which will suffer, since in legal fees only it costs them ten times that much. It will hurt small businesses, which will not be able to take advantage of the benefits which accrue from incorporation. It is a well known fact that incorporation brings a number of benefits, and in particular a reduced rate of taxation. Today, the cost of incorporation jumps by $300. This is a hidden tax, which was announced in the Budget, but is not even mentioned in Bill C-14, although it is still there.

Take the increase in postal rates, Mr. Speaker, that is also a hidden tax. If you calculate the cost for a small business, even at 2 cents a letter, it can add up to $1000 to $1500 a year. Take now the subject of liability insurance. What is being done? My colleague from Duvernay should know very well that all the car dealers and repair shops in Montreal have the same problem. They cannot get liability insurance, even for a small fortune. I known one case where the premium increased to $7000, although it was only $1000 two years ago. Yes, you are in Governement and you let the insurance companies do whatever they wish. Are we going, one day, to have a Canadian policy dealing with insurance? Are we going to let people from London or New York set the rates?

Mr. Della Noce: We are going to change everything.

Mr. Gagliano: Change everything, exactly, Mr. Speaker—

Mr. Vincent: On a point of Order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Vincent) on a point of order.

Mr. Vincent: Mr. Speaker, with respect, we are considering a Bill that deals with federal sales tax, and the Hon. Member is talking about insurance premiums. I think we should get back to the subject of this debate, which is federal sales tax. If the Hon. Member has no particular comments on the subject, Mr. Speaker, perhaps he could let someone else take the floor.

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Finance (Mr. Vincent) has a point. I will let the Hon. Member for Saint-Léonard—Anjou (M. Gagliano) give us another example. However, that does not mean he can devote his entire speech to these details. I'm sure the Hon. Member for Saint-Léonard—Anjou understands. The Hon. Member may proceed.

Mr. Gagliano: Mr. Speaker, I was taking insurance and our postal services as examples. These are taxes too, and my point was that small businesses will be stuck with all the taxes we are increasing here, sales taxes in addition to all the other charges and licences that are being increased by hundreds and thousands of dollars. At the end of the year, how can they expect to survive? I wanted to use this as an example, Mr. Speaker, to make Canadians understand the impact of this tax increase.

• (1730)

Mr. Speaker, I also would like to inform the House that in November 1985, the Angus Reid company polled Canadians on entrepreneurship in Canada. The results, published in February 1986 when the Budget was brought down, show that Canadians agreed with the Budget. They were prepared to start new businesses, to take risks, to work long hours and even to move to other areas. They were ready to take chances to become good entrepreneurs. But two things in the poll caused a certain amount of anxiety, and these were higher taxes and the lack of pension funds for small businesses.

Before the Hon. Member rises to reply and waste the time of Hon. Members here in the House, I want to say that this information is indeed relevant, because small businessmen and small businesses and Canadians do not want to go into business because taxes are too high, and now, once again, the Budget is an excuse to increase taxes.

Mr. Speaker, I am going to quote some figures, and perhaps the Hon. Member could learn something here.

Here it is: the 1984 Economic Statement and the May 1985 Budget. If we look at the 3 per cent deindexing of income tax, this has cost Canadians $570 million, which means a 5 to 10 per cent surtax amounting to $550 million, and there is also the 1973 tax rebate that was eliminated and which has cost us $490 million. We have a whole list to show that, as I said earlier, Canadians will spend $5 billion more in taxes in 1986-87. That is a fact.

An Hon. Member: They will save $7 billion!

Mr. Gagliano: And how will they do that? The Hon. Member says that they will save $7 billion, Mr. Speaker.

That is not all, even though we have just been told that there are no other measures. However, we have to wait for the next Budget when the Minister of Finance introduces his new tax so that even the air we breathe will be taxed. This will mean billions of dollars more, Mr. Speaker.

Such is the Conservative Government: Taxes, taxes and still more taxes.

An Hon. Member: It costs a lot to pay for Brian's friends.

Mr. Gagliano: Mr. Speaker, I would also like to speak about the deficit. Naturally, we want to reduce the deficit—

An Hon. Member: Hear, hear!

Mr. Gagliano: Yes, but we want to do so without strangling the Canadian taxpayers as you are doing!

An Hon. Member: That shows intelligence.

Mr. Gagliano: As for you, you speak about reducing the deficit, but what do you do? An amount of $41 million has been wasted to keep the Prime Minister (Mr. Mulroney) happy and build a penitenciary in his constituency. And there are many more examples.

Why should we not tell the truth to the Canadian people? How can you explain that the deficit will be $2.5 billion more than forecast in your Budget?

The Hon. Member said earlier that we knew nothing about the oil crisis in the West. However, Hon. Members will recall that, during the Budget debate, we asked the Minister of Finance questions such as: How can you expect to keep to the figures announced in your Budget in view of the decrease in oil prices? Does this mean that the taxation figures are wrong?

You knew what was going on. You said: We shall succeed. But now, you are saying: Well, we made a mistake in our figures. That is childish, Mr. Speaker.

Mr. Malépart: But they have money for their friends in the banking sector.

Mr. Gagliano: The Hon. Member has reminded me about the banks. Those $1 billion would have reduced the deficit, Mr. Speaker!

The billions of dollars spent for the banks would have reduced the deficit.

An Hon. Member: The Gulf deal!

Mr. Gagliano: The capital gains tax exemption, which even your friends are now criticising. Yesterday, the Economic Council said that this measure should be abolished. How many billions of dollars, which could have been used to reduce the deficit, will this cost Canadians? You want to reduce the deficit on the backs of the poor! But for your rich friends, you go overboard. That is the difference between the Liberals and the Conservatives. We are in favour of reducing the deficit, but only if this can be done without hurting Canadians because people still have to live. We are going through an economic crisis. Naturally, the Governement has to act, but it is up to us to stimulate the economy. I have just quoted Alain Dubuc, an expert from the newspaper *La Presse*. Indeed you have stifled economic growth and fueled inflation which we had managed to bring down.

Let us talk about the creation of 500 or 600 . . . what is the latest employment figures, they change every day. Let us talk about that. I have something to read here, again by Alain Dubuc, Mr. Speaker. Here it goes!

Job creation. This is where the Mulroney Government told the truth. Between August 1984 and August 1986, 569,000 jobs were created in Canada, but the figures seem to indicate this was a one-shot deal. Not a single job has been created since early 1986. There were 11,632,000 jobs in January, we now have 11,615,000, a net loss of 17,000 jobs since the beginning of the year.

It is all here. How do you explain the fact that you created these 569,000 jobs and that now, in 1986, we already have 17,000 fewer jobs than at the beginning of the year? It is quite simple. The Liberals had set up the Canada Works program. Under this program—

An Hon. Member: Do talk about this program.

Mr. Gagliano: Listen, you will learn something here. How do you juggle with statistics? Listen. How do you juggle with statistics?

Mr. Speaker, the Hon. Member simply will not listen to the truth.

Once in office the Conservative Party came out with its very own job-creation program and cut the number of weeks from 52 to 26.

The fact is that they create the same job twice. This is how you create jobs, and it makes all the difference. This is where you have been juggling with the statistics, so much so that after a year and a half of those programs we are losing jobs. And so it is. But the truth hurts, they are not prepared to accept the facts.

Mr. Speaker—

Mr. Malépart: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member from Montreal—Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, the Hon. Member for Duvernay (Mr. Della Noce) used to be a leader of gas station operators, and now he is leading the muffled ones. Would you please ask him to listen religiously to the speech, the excellent speech being made by the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), rather than interrupting . . .

Mr. Deputy Speaker: I think the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) could well resume his speech.

Mr. Della Noce: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Duvernay (Mr. Della Noce) on a point of order.

Mr. Della Noce: Mr. Speaker, I think that no leader of gas station operators, nor any Canadian for that matter has any lesson to learn from the Hon. Member from Montreal—Sainte

Marie (Mr. Malépart) because he should have been here to see what happened before his speech—

Mr. Deputy Speaker: Very well. Order, please. Would the Hon. Members let the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) resume his speech and listen to him?

Mr. Gagliano: Mr. Speaker, I do not intend to take too much time, but I would simply like to share an experience with my colleagues, even if they do not want to listen, and, as I say, usually they do not. What can you do about that, the facts are there. We have had this Conservative Government for two years now and, as we have already seen, their great thrust, which is on the economic side, is leaking from everywhere. But last summer, Mr. Speaker, I had an interesting experience. I led a task force on small businesses for my party. Then I had the privilege of travelling across the land, from Vancouver to Halifax, and I met with many business people, men and women, who were committed to this country's economic development and who worked long hours in their businesses, often with very little reward or profit.

Of course, Mr. Speaker, they were concerned, as I said earlier and as shown in the poll taken in February 1986 about a pension fund and because taxation rates were too high in Canada. And when I say taxation, I cannot do as the Minister of Finances who wants to reduce income tax and increase the other taxes, because when Canadians talk about taxes, they have in mind sales taxes, permits and income tax, everything. Nowadays, when Canadians figure out their taxes, they add up all what they pay. Mr. Speaker, I think that my comments apply to all parties in this House. It is too much. The message was clear, the Canadian taxpayers' tax burden has to be lessened. This is one of the major concerns of Canadians either whether they live in Vancouver, Halifax, Calgary, Montreal Quebec City or whatever.

The other concern of Canadians, Mr. Speaker, had to do with pension plans. Small businesses can only create their pension fund with what is now called a RRSP or registered retirement savings plan, it is the only way. This is not like our own retirement plan. There is a pension fund for Members of Parliament, for public servants, and for teachers; everyone has a pension fund. However, the businessman has no pension fund and often those people work for 20 or 30 years and when a misfortune occurs, they have nothing left, no unemployment insurance, no pension, nothing.

Mr. Speaker, I think that the Government should move in that direction. The Conservative Government being in power, it should act without delay. We, in the Opposition, are going to make it part of our Party platform, and as soon as we form the next Government, we are going to act immediately contrary to the Conservatives who are still studying after two years. Of course, the whole tax issue must be addressed seriously; significant and concrete tax breaks should be given to small businesses. We should make it possible for them to invest in a pension fund. In fact, in its May 1985 Budget and again in its February 1986 Budget, this Government had proposed to allow a certain amount of the pension fund money from various municipalities or organizations to be invested in small businesses. However, Mr. Speaker, this plan does not work, because it is very difficult to convince business people to invest in a concern with only one manager and lacking the administrative structure of a large corporation.

Theoretically, therefore, it could be possible to invest pension funds in small businesses; in real life, however, this does not happen very much and what people would like to have is for the Government to consider a system whereby a businessman who has put away some money in a pension fund or RRSP, to invest this money in his own small business. Wherever we went, that was one of the recommendations that were made.

Of course, this matter should be examined from every angle, because it is nevertheless necessary to preserve the pension funds, so that when the time comes, there is pension money, because we are well aware that small businesses are high risk ventures; but there is also the whole tax issue, and the small businessman should be allowed to use as capital for his business the money he has invested in his own registered pension fund.

Mr. Speaker, as Member for Saint-Léonard—Anjou, I know small businesses very well, having worked in the field as an accountant for several years. I will make a commitment to seek a pension scheme, so that we—even our young people, because they often tell us: Yes, we should like to go and work in the Public Service because of its pension plan. When the time comes for us to retire, we would be O.K.; but in the business world, there are too many question marks. When one has a pension scheme, one can say: Listen, beside the privilege of being self-employed, with all the power a businessman has, the courage he can demonstrate, in the end, to get a pension fund—

• (1740)

[*English*]

Mr. Riis: I rise on a point of order. Earlier today during Question Period the President of the Treasury Board (Mr. de Cotret) referred to various documents. He indicated his willingness to provide them to the Leader of the New Democratic Party. Would it be appropriate to ask the President of the Treasury Board to table those documents in the House.

Mr. Lewis: I rise on the same point of order. I know that would normally be something that is addressed directly after Question Period. On behalf of the Government, I will be pleased to make inquiries and see if we cannot table those documents or make them available to the opposition.

Mr. Deputy Speaker: Very well, resuming debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, I note the lateness of the hour and see that it is a scarce House of Commons. Because it is the supper hour, I assume that a fair

number of Canadians will be tuned in and listening to what is going on in this House.

For those Canadians who have tuned in, Parliament is now debating Government Bill C-14. This Bill will increase the hidden taxes that Canadians will be paying. This Bill adds a 3 per cent surtax effective July 1, 1986. This is a 1.5 per cent surtax for 1986 and 3 per cent for each year following. This is contained in the Budget that was originally introduced by the Minister of Finance (Mr. Wilson) on February 26, 1986. It deals with the 3 per cent surtax on income.

What we are debating today is the increase in the sales tax, which will raise a fair bit of change for the Government. This is a 1 per cent increase in the sales tax. This will cost the average family an additional $150 per year. There is a 4 and 6 per cent increase respectively on alcohol and tobacco. This will cost the average family $20 per year. This Government has introduced a new sales tax, excise tax, and hidden taxes on numerous items. It has increased the tax not only on cigarettes and alcohol, but automobile fuels and gasoline.

The Government has introduced sales tax on candy bars and soft drinks. It has put a sales tax on vitamins and pharmaceutical items. It has placed a sales tax on a whole slew of items. It even placed a sales tax on pet food. When that was dealt with in committee, I tried on a symbolic basis, and also on a real basis, to have that tax measure amended to exempt blind people. They have to feed seeing-eye dogs, which are generally large German Shepherds, and whose food costs run into quite a bill. The Government was not interested in hearing any of this. It is determined to increase the amount of sales tax charged to Canadian people.

• (1750)

What is the record of the Government in terms of sales tax? In the two short years it has been in office, it has dramatically increased the amount of revenues collected through sales tax. In fact, in 1988 the sales tax introduced by the Government in its two Budgets will yield more than twice the amount of revenue drawn from the changes to personal income tax and more than four times the amount of revenue accruing from corporate tax changes. In other words, from 1984 to 1988 the sales tax introduced by the Conservative Government will amount to some $6.7 billion of additional revenue, whereas the increases in personal income tax will mean an increase of some $3.3 billion in federal revenues, and the corporate income tax changes will only mean an increase of $1.4 billion.

In the name of fighting the deficit, the folks opposite have increased our taxes quite substantially. Of course the smallest increases go to their corporate friends. The next highest hit group is average Canadians. We have all seen the increases in personal income tax. However, the biggest tax is the hidden tax, the sales tax, or the back-door tax.

Let us look at the impact of these changes upon the average Canadian family. In the November 1984 economic statement, just after the Conservative Party was elected, it increased the sales and excise tax, which will cost the average Canadian family some $350 extra per year. It again increased the sales and excise tax in the May 1985 Budget, which will cost the average family some $325 more per year. The increase in the February 1986 Budget will result in an extra $170 being paid per year by the average family. That totals some $845 in extra taxes which the average Canadian family will be paying.

Approximately 69 per cent of the individual tax increases introduced by the Conservatives since they assumed power was in the area of hidden taxes, while only 31 per cent was in the area of up front personal taxes.

As I said, there has been a dramatic increase in the use of sales tax under the Conservative Government. In fact its use is quite extensive. When we compare it with the other OECD countries, we find we are one of the highest in terms of relying upon hidden or sales tax as a form of public revenue. I should like to refer to an article by John Ferguson which appeared in *The Ottawa Citizen* the other day. In part it read:

> Figures from the Paris-based Organization for Economic Co-operation and Development show that taxes on goods and services already make up nearly 33 per cent of all taxation revenue in Canada, compared to 30 per cent in Britain, 29 per cent in France, 27 per cent in West Germany, 18 per cent in the U.S. and only 15 per cent in Japan.

I acknowledge that those OECD projections include provincial sales tax as well.

The extensive use by the Government of the sales tax is not surprising. A sales tax is hidden. I suppose to politicians like the ones who now form the Government there is a certain attractiveness; they can increase taxes without people feeling them directly. These are the taxes which they pay every time they purchase a chocolate bar or some other manufactured item. These are the taxes which they pay if they drive automobiles and purchase gasoline. They pay the nickels and dimes. It is a nickel and dime Government. It nickels and dimes Canadians to death.

It is not surprising that Hon. Members opposite bring in these types of tax increases. It is because they are regressive. They affect the poor more than they affect the rich. Everyone must eat. Everyone needs shelter. Everyone needs some form of transportation. Ostensibly we all take some form of vitamin pill, drink pop, or whatever. However, if one is on the low end of the income scale, the percentage of one's income going to pay these taxes is quite a bit higher than that paid by a high income person. Experts agree that generally sales taxes are regressive because the poor pay more as a percentage of their total income than do the rich. It is no wonder the Conservative Government prefers these types of regressive tax measures.

We talk about the hidden nature of these taxes and about the unfairness of them. They do not affect the well-to-do in the same way as those with lower or middle incomes.

Two years ago some of my colleagues and I visited Washington to learn about some of the proposals in its Government's tax reform package. I will never forget a luncheon we attended with the chief lobbyist for the American Manufacturers Association. That Association bitterly opposed the tax reform

package, but it acknowledged that the United States had a problem with its deficit and that some new revenues needed to be created. It certainly did not want to see an increase in the corporate tax. It wanted the United States to introduce a new form of tax on consumption, a sales tax, an excise tax. That is how the Association wanted the U.S. to generate more revenues.

It was not surprising to hear the Business Council on National Issues make the same proposal. It does not want tax reform. They do not want to see the Government touch the exemptions, loopholes, and special tax treatment for large corporations. On the other hand, it complains about the deficit all the time and recognizes that some proposals must be brought forward to generate more revenue. Lo and behold, the Business Council on National Issues suggested an increase in sales tax or an increase in taxes on consumption. We in the New Democratic Party are opposed to that form of taxation because it is hidden, because it is unfair, and because it is regressive. We stand behind the notion that a fair tax system must tax income, not consumption.

One reason for insisting that taxes must be on income rather than on consumption is that we can ensure that those people in a better position to pay will pay a fairer share, a larger share. The principle of the ability to pay is adhered to on a tax based upon income rather than one based upon consumption. However, the Conservative Government prefers to increase its revenues from consumption rather than from income.

Another reason we are not happy with a tax on consumption is that it erodes the disposable income of the Canadian family. The most recent quarterly economic review published by the Department of Finance shows that during April and May of 1986 the disposable income of Canadians fell by 2 per cent after rising 3 per cent in the previous quarter. The Conference Board of Canada agrees that consumer spending will be slowed by Conservative tax increases. Personal outlays are projected by the Board to slow from a growth rate of 5.2 per cent in 1985 to 2.7 per cent in 1987. The National Council on Welfare has also joined in this course on consumer spending, noting that a steady decline in the disposable income of all Canadians should be expected over five years as a result of direct and indirect tax increases.

• (1800)

The third reason we are opposed to this tax measure is that it erodes the ability of Canadians to spend. It decreases the disposable income of Canadians. If we are to have an economic recovery then surely it must depend upon the average Canadian family being able to buy the goods and services it needs. If Canadian families are able to buy the goods and services they need, then we will have people working. We will have new incomes being generated and new economic activity. Then we might have some chance to reduce the deficit. To take more and more of the disposable income out of the pockets of Canadians means that the average Canadian will have less money to spend on the items that he needs. In turn, that will create business failures, low consumer demand, lay-offs in plants and a steady decrease in economic activity.

When the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) introduced Bill C-14 he spent a fair amount of time talking about the deficit. I also wish to spend some time talking about the deficit. The deficit is important regardless of what the Conservatives might claim. We in the New Democratic Party consider deficits to be serious problems. I come from the Province of Saskatchewan where we have had CCF and NDP Governments. Those Governments maintained balanced or surplus budgets throughout all the years they were in power, through good times and bad times. We recognized that if we had to borrow money from the banks in order to pay for government operations that in the end it is the banks and the big boys who benefit the most, as indeed they do benefit from deficits. The banks and the financiers benefit since there is no better entity to lend money than governments. Governments will always pay back, and always at the going interest rate.

Why do we have the deficit that we do in Canada? Some Conservatives and some Liberals, especially when they were in Government, claim that we have been living beyond our means. According to the OECD we are one of the lowest spenders on social programs of all OECD countries as a percentage of our Gross National Product. We spend less than Italy, Ireland, Germany, France, Holland, Denmark and Great Britain. When we consider education, health, pensions, family allowances and income support programs we spend less than all the other OECD countries. When I hear these people tell us that we are living beyond our means, I know that compared to other industrialized countries we are not spending more than they are on hospitals, pensions, unemployment and education. In fact, we are far from it. When I am at home talking to my constituents who are pensioners, I see that they are scraping by on the pensions that they receive.

We also see cut-backs in terms of educational institutions. My university back home is starving for funds. Day in and day out we hear Members of the Opposition attacking the Government for the cut-backs on research. However, the Government justifies these cut-backs in the name of fighting the deficit. My statement in the House today is that it is not because of the NRC, hospitalization, pension funds, unemployment insurance or the family allowance that we have the deficit today.

I suggest that the cause of the deficit dates back to a few years ago when the Leader of the Official Opposition (Mr. Turner) was Minister of Finance. He and his Government started a program of economic recovery based on tax breaks. The theory at the time, and one which is still adhered to by the Conservatives, is that if the boys at the top, the large corporations, make more money and more profits then those profits will be re-invested. This will create more demand, more plants and equipment, more jobs and more economic activity. In other words, if the guys at the top do well, economic recovery will occur because their profits will be circulated throughout the system. That is why in 1983 some 79 profitable companies

paid no corporation tax at all. In fact, 64 companies made over $25 million in profits apiece, and those companies did not pay one cent in tax. This was so that they could do better, which would create an economic demand which would in turn create jobs, and so on and so forth. So that year there were some $13 billion in earned income and profits that were not taxed. If there was a fair tax system in place, in 1983 alone the Government would have collected $10 billion in revenues which would have substantially reduced our deficit.

Members opposite do not see things differently from the Liberals. They have no different philosophy. They have continued giving tax breaks to the corporate elite. They point out that they have plugged up a few loopholes. They take great credit in having plugged up the scientific reseach tax credit scam. I call it a scam because it was a scam. It was introduced by the loony Liberals. It was a loony idea. It threw open the doors of the Treasury. All the money-grabbers in the country were invited in for a free lunch. They came in, and it cost the Treasury some $3 billion. The Conservatives, of course, claim that they plugged it up. They did, but they took their time doing it.

In October of 1984 the Minister of Finance rose in the House and declared a moratorium on the program. However, he included a grandfathering clause. What we have discovered is that of the $3 billion that was lost, around 45 per cent of it was lost after the Conservatives came to power. They knew this was wrong. They knew it was a scam. They knew it was a raid on the public Treasury, but they just could not close the doors all at once. They had to do it gradually. Thus they allowed another 45 per cent of that $3 billion to go out the window, some $1.4 billion. That was their contribution to plugging up this loophole.

We suggested on October 10, 1984, when the Minister announced the moratorium, that the Government shut the loophole, and shut it tight. We told the Government that it was wrong. The Department of Finance and the Department of National Revenue told us it was wrong. The Government did not listen. It had to put in a grandfathering clause which cost us an extra $1.4 billion. Then the Government introduced a $500,000 lifetime capital gains exemption.

Mr. Malone: Hear, hear!

• (1810)

Mr. de Jong: The Hon. Member says "Hear, hear". He figures it is going to be of great help to the farmers in his district.

Mr. Towers: Point of order, Mr. Speaker. Is the Hon. Member, who claims to be from Saskatchewan, speaking on behalf of Saskatchewan farmers? I would like him to answer that question yes or no. He is talking about the $500,000 capital gains exemption.

Mr. Deputy Speaker: That is not a point of order.

Mr. de Jong: If I might continue my remarks, I do not think that was a very valid point of order. If the Hon. Member would just keep his seat and hear me out.

In two years time, maybe one year, the Hon. Member will discover that the farmers in his riding will consider the $500,000 capital gains exemption to be meaningless. I predict the value of their land will decline so rapidly in the next two or three years because of the state of agriculture in this country that they will be happy to be able to get out of the farming business with the shirts on their backs.

Mr. Towers: Tell that to your farmers!

Mr. de Jong: Unfortunately, that, to me, is the state of agriculture in this country. I stand here on the floor of the House of Commons and state in public—

Some Hon. Members: Shame!

Mr. de Jong: —that agriculture is facing a horrendous crisis. Land values have already started to erode to a very significant extent. Financial institutions will have their backs to the wall. A horrendous transformation of agriculture will be forced upon us. Unless and until this Government gets serious about agriculture, it will slide into the most dismal state imaginable. The $500,000 capital gains tax exemption will be like eating cake while the tragedy unfolds.

Mr. Towers: You don't know what you're talking about.

Mr. de Jong: I challenge the Hon. Member to stand up in this House two years from now and prove me wrong.

Mr. Towers: I will be happy to.

Mr. de Jong: I sincerely hope that I will be wrong.

One of the reasons for this situation is the U.S. Farm Bill and the subsidies European countries are paying their farmers. It would cost us $4 billion to $5 billion, not $1 billion, to catch up. Of course, we cannot afford that. The Minister of Agriculture (Mr. Wise) says Canada is in no position to compete with the treasuries of Europe and the U.S. Part of the reason for that is the deficit. Part of the reason for the deficit is the tax policies of the former Liberal Government and this Government here.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Point of order, Mr. Speaker. I think it should be made clear to my friend that when he refers to the former Liberal Government he should not suggest that we are part of that. We were elected in 1984 to improve the administration.

Mr. Deputy Speaker: Order, please. That is not a point of order. I would also like to remind the Hon. Member for Regina East (Mr. de Jong) that he has one minute left today and he will have 11 minutes when we resume debate on this Bill.

Mr. de Jong: Mr. Speaker, is the time taken in these scurrilous points of order deducted from my allotted time? All right, good. I am afraid that not too many Conservative Members will be standing up speaking on behalf of this tax increase in C-14. They are trying to bootleg their name into *Hansard* by these scurrilous points of order which have no validity whatsoever.

Let me continue my remarks if I may. We now begin to realize why we have the kind of deficits we do.

Mr. Malone: Because NDP Members were elected.

Mr. de Jong: We have not had a fair system of taxation where those who are able to pay their fair share do in fact pay their fair share. We have instead a system where a teller at the Royal Bank of Canada in 1983 paid more dollars and cents in taxes than the bank did, even though it had over $300 million in profits.

My comments will continue tomorrow on the same station at eleven o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being 6.16, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.16 p.m.

HOUSE OF COMMONS

Thursday, October 30, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the third report of the Striking Committee.

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

* * *

[*English*]

ORDERS IN COUNCIL

TABLING OF CHANGES

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions with the opposition Party House Leaders and with the chairmen of committees and clerks involved in respect of the necessity of a few changes to Orders in Council, which orders have been referred to specific committees. There will be unanimous consent of the House to put a motion to correct these discrepancies. Also included were two judicial appointments which are beyond the scope of the routine procedure. The motion that I am proposing would serve to withdraw that. Accordingly, I move:

That Orders in Council P.C. 1986-1958 and P.C. 1986-2209 concerning certain appointments made to the Canada Post Corporation, tabled in the House on Thursday, October 16, 1986 and referred to the Standing Committee on Consumer and Corporate Affairs, be deemed to have been withdrawn from the said Committee and referred to the Standing Committee on Government Operations;

That Order in Council P.C. 1986-2302 concerning certain appointments made to the Canadian Human Rights Commission, tabled in the House on Friday, October 17, 1986 and referred to the Standing Committee on Justice and Solicitor General, be deemed to have been withdrawn from the said Committee and referred to the Standing Committee on Human Rights;

That Orders in Council P.C. 1986-2040 and P.C. 1986-2041 concerning certain appointments made to the judiciary, tabled in the House on Thursday, October 16, 1986 and referred to the Standing Committee on Justice and Solicitor General, be deemed to have been withdrawn from the said Committee and that the tabling of the Orders in Council be declared null and void; and

That, the thirty sitting day period for consideration of Orders in Council P.C. 1986-1958, P.C. 1986-2209 and P.C. 1986-2302 by the respective committees, under the provisions of Standing Order 103(1), shall be deemed to have commenced upon the adoption of this Order by the House.

[*Translation*]

Mr. Speaker: Shall the Minister have leave to present his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1110)

[*English*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 29, consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Mr. Speaker: Before recognizing the Hon. Member for Regina East (Mr. de Jong), I should like to advise him that it is the understanding of the Chair that he has 11 minutes remaining.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to continue my remarks on Bill C-14. As Hon. Members know, the Bill is an outcome of the Budget presented by the Minister

of Finance (Mr. Wilson) earlier this year. It seeks to increase the sales and excise taxes on numerous items.

In my remarks last night I detailed at some length where the increases were applied. I also noted that since taking office the Government has dramatically increased sales and excise taxes. It increased as well the numbers of items on which sales and excise taxes are placed. Because of the Conservative Government, we now pay increased taxes on soft drinks, fruit juices, chocolate bars, vitamins, insulation material, gasoline products, construction materials, and other manufactured products.

I enumerated as well the regressive nature of the sales and excise taxes. They are essentially hidden taxes. When a consumer or taxpayer purchases an item, he or she does not see the percentage being paid in taxes—the nickels and dimes and very often dollar bills. As opposed to the provincial sales tax which is added on to an item when it is purchased, federal sales and excise taxes are hidden in the cost of the item purchased. Therefore we call it a back-door tax. It is a tax which takes money out of the back pockets of taxpayers. They are not aware that they are paying it. The average Canadian family pays hundreds of dollars every year in these taxes. In fact, since the Government was elected, the average Canadian taxpayer pays some $800 more per year in hidden taxes.

Of course the Government has justified Bill C-14 and other measures which increase the tax load of the average Canadian on the basis of fighting the deficit. In my remarks last night I stated that we in the New Democratic Party are also concerned about the deficit. The amount spent every year just to service our accumulated debt is money which cannot be used for other purposes. We disagree with the Government, as we did with the Liberal Party when it was in power, that Canadians are living beyond their means and that we are spending too much money on social programs. I take issue with those remarks. Compared with other industrialized countries, the percentage of our Gross Domestic Product spent on social programs is one of the lowest. It is lower than that of Italy, Ireland, Holland, Denmark, England, Germany, Sweden, Norway, and France. When I refer to "social programs", I mean pensions, family allowances, education, health, and income support programs. As a percentage of everything produced in Canada, we spend less on these programs than other OECD countries. It is not that we are living beyond our means, certainly not compared with other industrialized countries.

Why do we have the present deficit? In my remarks last night I suggested the reason for the deficit of today was that we have not had a fair taxation policy. We have not been taxing in a fair way large corporations and wealthy individuals who can afford to pay taxes. Those who are able to pay taxes have not been paying their fair share. Billions of dollars have been lost because we do not have a fair taxation policy in Canada.

One example I used was that of a teller with the Royal Bank of Canada. In 1983 that teller would have paid more in actual dollars and cents in taxes than did the Royal Bank of Canada, although it made over $300 million. To rub salt into the wound, the Government of Canada gave the Royal Bank of Canada over $6 million in tax credits that same year. Not only did it have a profit of over $300 million and did not pay one cent of tax on it, it in fact received money from the Government. I just use it as one example. One could examine the taxes paid by all banks and find that they were certainly not carrying their fair share of the load.

Another example is the youth who pumped gasoline for Shell Oil in 1983. He paid more in dollars and cents in taxes on his meagre income than did Shell Oil in the same year. Had we had a fair taxation system, we would not have the deficit of today.

We can lay blame on the Liberal Government of previous years. Indeed it must accept a large amount of responsibility. However, the Government changed in 1984. Canadians were expecting a different direction, but all they have seen is a continuation of the same direction of philosophy, that is, the trickle down theory. That theory indicates that if corporations such as Shell Oil and the Royal Bank of Canada are doing well, eventually the profits will be recirculated in terms of new investment and new capital equipment, the creation of more jobs, and so on. However, we have seen that the trickle down theory in fact has not worked. The extra profits, tax breaks, and loopholes given to large corporations have not produced the types of jobs they were supposed to produce. Much of the extra profit went into corporate takeovers and mergers. The Canadian economy today is one of the most centralized and concentrated economies in the western world. In large part corporate takeovers are financed by the existing tax regime. In other words, they are financed, aided and abetted by Canadian taxpayers. We in the New Democratic Party not only point to the unfairness and inequities of the system but demand change or genuine tax reform.

The Minister of Finance rose in the House and presented a paper on tax reform. We certainly welcome this move toward tax reform. If there is a genuine desire on the part of the Government to institute a fair and equitable tax system, it will have our full and total support. Unfortunately, we suspect that the Government will be playing a shell game.

• (1120)

Indeed, the Minister will present a tax reform package that will do away with some loopholes, that will attempt to simplify the tax system and indeed that might even reduce the tax rates ordinary Canadians will pay. However, we strongly suspect that while the Minister of Finance will reduce tax rates for ordinary Canadians, he will increase, as he has in Bill C-14, the amount of taxes average Canadian families will pay out of their back pockets in hidden sales taxes.

This Government has relied more than previous Governments on hidden sales taxes as a source of revenue. In fact, the Government has suggested that it will soon introduce a form of a value added tax or a business transfer tax. We are awaiting the Government's proposals in this area. Previously the

Minister of Finance stated to us in the Finance Committee that he would have a paper ready as of April of last year. April has come and gone. Then the paper was to be ready in September. September has come and gone.

We suspect that there will be dramatic increases in sales taxes while there will be some small decrease in the amount of income tax Canadians will pay. It will be a shell game designed to confuse Canadians so they think they are paying less in taxes when in actual fact they are paying more. We in the New Democratic Party opposed Bill C-14 for the reasons I have enumerated and for other reasons that my colleagues will mention in the debate on this Bill.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, Bill C-14 before the House today arises from the budgetary measures of the Minister of Finance (Mr. Wilson), and its purpose is to amend the Excise Act and various taxes in this country. To rephrase this for our listeners, it means tax increases for all Canadian taxpayers.

Madam Speaker, when introducing this Bill, the Hon. Member for Trois-Rivières said that its purpose was to reduce the deficit. Later on I will explain and show how the Conservative Government should have proceeded to reduce the deficit, but first I would like to consider the general aspects of this Bill and how they relate to the May 1985 Budget speech and the February 1986 Budget.

Let us consider all those other taxes the Government has decided to impose and what the consequences will be for Canadians. First of all, I think we all remember that this Government has decided to modify the indexation of the basic deduction for dependents, and this applies to all taxpayers. After trying to subtract 3 per cent from the indexation of Old Age Security benefits and family allowances, it proceeded to do the same for the tax tables, thus affecting both the taxpayer and his family.

On February 26, the Government changed the rules for the married exemption in the year the marriage takes place. In the Budget Papers tabled by the Minister of Finance in February 26, we see that the Government has just saved $20 million. This means taxpayers are paying $20 million more to support the Conservative Government's wasteful spending.

In 1986, we also had a 3 per cent surtax that was expected to produce $550 million and will cost taxpayers $1.2 billion in 1987, $1.26 billion in 1988, $1.325 billion in 1989 and $1.4 billion in 1990, and all because of the 3 per cent surtax.

Madam Speaker, if we consider the increase in federal sales tax in the February 26 Budget, taxpayers will be paying $700 million more in 1986, $1.05 billion in 1987, $1.125 billion in 1988, $1.2 in 1989 and $1.3 billion in 1990.

Raising the tax on tobacco will give the Government about $150 million more annually between 1986 and 1990. Then we have the changes in the airport tax, another increase, and there again, the Government expects to collect about $15 million annually over the next five years.

Madam Speaker, we recall that in the 1985 Budget, this Government started to attack the people of Canada, our families and our senior citizens. First, it decided to tax candy and softdrinks. It went on to tax pet food and was adamant in its refusal to grant exemptions for guide dogs for the sight-impaired.

At the same time, the Government decided to take advantage of illness in this country and tax drugs in Canada. I am referring to over-the-counter drugs like aspirin and cold remedies. The Government decided to tax them all. When children get sick, the Government is delighted, because it gets more tax revenue.

The same applies to surgical and dental instruments and X-ray machines, so that when Canadians go to the dentist, they will be paying more as a result of the taxes levied by this Conservative Government.

Wood stoves, the entire building industry, solar heating systems, insulation panels and tubes... Madam Speaker, about the only thing that has not been taxed by this Government is the air we breathe, and that is only because it has not yet found a way to do it.

Mr. Prud'homme: But it will soon happen.

Mr. Malépart: My colleague for Saint-Denis (Mr. Prud'homme), who has a long experience of the House of Commons, tells me, and he is certainly right, that it will soon happen. Our own Brian will soon find a way to tax the air we breathe.

Madam Speaker, taken all together, the two fuel tax increases, two tobacco and alcohol tax increases, and two sales tax increases on soft drinks, food products and health products have had an enormous impact on the purchasing power of Canadian men and women.

The figures I am going to quote show the impact of the two Budgets of the Conservative Governement. A family with an income of $15,000 will see its taxes or purchasing power increase by 23 per cent. However, a family with an income of $200,000, who must have friends somewhere, will have a tax increase of 1 per cent.

Madam Speaker, is it any wonder that the Governement has lost so much ground in the polls? Why is it that the public has no confidence in the Prime Minister (Mr. Mulroney)? It is very simply because of this inequity, incompetence and social injustice.

• (1130)

If we look at single parent families with two children and an income of $15,000, we see that, as a result of the two Budgets, they will have to pay $248 more in taxes. For a family with an everage income of $200,000, the increase will be $418. As for

taxpayers with an income of $150,000, their tax increases will be proportionally much lower in view of their ability to pay.

We have been told that the purpose of this Bill is to reduce the deficit. Everyone in this House, whatever his party, agrees that the deficit must be reduced. However, we disagree about how to do it.

Madam Speaker, it would be appropriate to remind the House about the scandalously wasteful spending of the party opposite. While this Government was asking Canadian families to accept lower than anticipated increases in their family allowance cheques, it was spending $55 million to change the colour of the Armed Forces uniforms. The difference between the Conservatives and the Liberals is a matter of priorities. All the Conservatives said: We prefer to have lower family allowances and spend $55 million to get a blue uniform for our soldiers; this will make them better. We, Liberals, say: It is better to maintain our family allowances; our soldiers are competent enough and they will not improve because of the colour of their uniforms. It is only the Prime Minister (Mr. Mulroney) who believes that appearances are all important, but the Liberals disagree.

There is also the matter of the additional $400 million spent by the Government to send more Canadian soldiers to Europe. This is again a matter of priorities. I am not against our participation in NATO, but I do disagree with the priorities of this Government since this happened at the same time that the Governement wanted to de-index old Age security pensions. That is the difference between a Liberal Government and a Conservative Government. A Liberal Government wants to protect Canadians. A Conservative Government wants to reward its wealthy friends. We can understand why. In all our history, the Conservatives have not been in power very long, and when they have formed a Government, they have taken whatever they can get. We have only to recall the former Minister of Regional Industrial Expansion. He was doing quite well for himself!

If we want another case of wasteful spending, Mr. Speaker, and the Minister of Employment and Immigration (Mr. Bouchard) is now in the House, the Governement took away $30 million from 50,000 Canadian workers, including 21,000 in Quebec, people who had paid unemployment insurance premiums for 20 or 30 years and who had accepted early retirement so that younger workers could get a part-time job, and in other areas, such as Trois-Rivières, where companies closed down and laid off their employees, these workers were entitled to benefits from their pension plans, to which they had contributed, in addition to unemployment insurance benefits, but the Conservative Government took away their cheques every month without any warning and with the support of the Minister of Employment and Immigration. It has been estimated that these people are losing $10,000 a year because of the Conservative Government policy, yet at the same time the Reichman brothers used these funds to buy Gulf with Petro-Canada. This is where Quebecers in Montreal East were taken to the cleaners—$800 million worth of tax havens.

As you can see there is no limit for the rich, but as far as the Conservatives are concerned no such preferential treatment can be extended to most poor people and middle income families. Their motto is: The rich will get richer, the poor will get poorer. So much for the Conservative Government strategy.

I just referred to the case of the Montreal East Gulf refinery where we were taken for a ride, where Conservative Members had to give up in frustration after openly admitting they had been hoodwinked by their Prime Minister and others. So now we learn that the Government wants to spend $80 million to operate yet another refinery in the Maritimes. In this case they claim the American market is there to be tapped, but when *Gaz Métropolitain* was prepared to re-open a refinery with a minimum grant the then Minister of Employment and Immigration flatly refused. They said no at the time, but now they sing a different tune because the refinery is located in another province. Some $80 million right down the drain!

The collapse of banking institutions has to be the unparalleled precedent: roughly $1 billion was handed out to 200-odd depositors, including ten or so with investments of at least $2 million. They got their money back straight from cut-backs in family allowances paid to mothers. Their allowances were slashed just so the Government could come up with $1 billion cash for depositors who had at least $60,000 in these banks, not for taxpayers with a mere $10, $100, $500 or $1,000 to their names. At least $60,000 is the amount all Canadians had to pay to make up for the mistakes and blunders of this Conservative Government, they have had to make do with smaller family allowances, pay taxes on drugs and a sales tax on materials. That is where money could have been saved in order to reduce the deficit, rather than coming up with a bill that strikes at the whole Canadian people.

It was recently reported—and the scandal is getting bigger and bigger that the Prime Minister (Mr. Mulroney) himself helped waste another $41 million simply by transferring, to his own constituency, a penitenciary that was to be built in the constituency of Drummondville, and the cost is to be $41 million. At the same time, the Minister of Employment and Immigration (Mr. Bouchard) will not refund the $30 million to Canadian taxpayers who paid unemployment insurance premiums. That is a scandal. Will you call that sound management? Instead of introducing with Bill C-14, they should have prevented that squandering of money.

We could talk about the cost of receptions given by the Prime Minister, about his travelling expenses, about the cost of caviar. If the Prime Minister likes to eat caviar, let him pay for it. But making taxpayers pay for his caviar receptions in Europe, that tops it all. He could share the eating habits of Canadians in other areas. At his own expense, he may well treat himself whenever he wishes, but on the backs of the Canadian people he should exercise more restraint.

Remember the wasting of money when the Prime Minister was master of ceremonies for the President of the United States. He stated then: Let the party, let this reception cost

whatever it may. But that was the taxpayers' money. And now, in order to pay for all those errors, those blunders, as we recall that famous consultation he had with business people, labour unions, at an astronomical cost, and then the Government turned around and did the opposite of what those people had recommended. Well now, they have to introduce legislation to increase the taxes to be paid by all Canadians, thereby strinking at everybody. We know very well that some people do smoke. Those people are taxed to the hilt, having to pay a bundle in order to cover the $41—million cost of transferring the Prime Minister's penitentiary. People who drink alcohol, liquor also pay a heavy cost for this Tory Government's squandering of money.

Our unemployed who lost those $30 million also pay a high price for the foolish actions and the boobs of a Government anxious to salvage failed banks, something that could have been foreseen with a better administration and better managers.

There is something else that should also have been discussed instead of having this Bill to reduce the deficit, rather than hitting the whole population with indirect taxes—Madam Speaker, I have two minutes left—the changes to the RRSPs. We know that in 1983, RRSPs cost $4.9 billion to Canadian taxpayers, and who in the population can save the nicest amount of money for their retirement? Will it be a family earning between $15,000 and $20,000 with 2 or 3 dependent children? This is a regressive measure.

Madam Speaker, in view of my limited time, I would like to show Hon. Members what will be the consequences of the new changes to RRSPs, as proposed by the Government, changes that raise the ceiling. The way the Government went about it—and this reminds me, since the Minister of Employment and Immigration (Mr. Bouchard) is here, of the amendments to prevent workers from benefitting fully from their unemployment insurance—it was indeed the scheme in which the money was paid by middle-income people, by workers. But if you withdraw the money from your tax-exempt RRSP, because you earned a lot of money, you can withdraw the full amount, and you are still entitled to unemployment insurance benefits. That is Tory justice. But to come back to this new measure, and I would like to conclude with a few words on RRSPs, when someone with an $8,000 taxable income contributes $1,000 to an RRSP, thereby decreasing his tax liability, this costs the taxpayers $346. But when someone earning $80,000 contributes the $5,500 maximum, it will cost the taxpayer $3,323.

Madam Speaker, I conclude on that, and this shows clearly that this Prime Minister, this Tory Government are there to favour the rich. They have no understanding whatever of the less privileged people, they have no appreciation, no compassion whatsoever, for middle-income people.

• (1140)

[*English*]

Mr. Orlikow: Madam Speaker, I would like to ask a question of the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). I agree with most of his criticisms of the tax proposals of the Government. However, I would like to remind the Hon. Member that for 42 of the 49 years between 1935 and 1984 we had Liberal Governments. It was Liberal Governments which really developed, expanded and refined our tax system to its present state. The Conservatives are making it worse.

The Member has criticized the Conservative Government because the tax changes which it made benefit the rich at the expense of the poor. The Liberals were in power for three and a half of the years between 1980 and 1985. The following corporations paid not one cent in corporation taxes in at least one of those years: the Royal Bank; the Bank of Montreal; the Argus Corporation; the Power Corporation headed by that great friend of the Liberal Party, Mr. Desmarais; Investors Group, also headed by Mr. Desmarais; and the Roman Corporation, that giant corporation headed by that great Conservative who came here as a poor immigrant and is now a multimillionaire. How does the Hon. Member explain the failure of the Liberal Government to ensure that those and many other corporations paid their fair share of taxes?

[*Translation*]

Mr. Malépart: I am quite pleased with the question asked by the Hon. Member because the more often the NDP Members rise, the better they show that they have never been in power. They remind me of the days I was sitting in the Quebec Legislature when Opposition Members belonging to the Parti Québécois appeared to be the purest ones but when they came to power, they were the most insensitive towards the people. Moreover, I am pleased to answer the Hon. Member's question, because it gives me the opportunity to recall the great achievements that came to be in the social area under the previous Liberal government. In the first place, we should not forget old age security pension, the guaranteed income supplement, the spouse allowance in 1975, the income tax exemption for older people in 1948, the Canada Pension Plan and the Quebec Pension Plan in 1965. We also introduced public housing in 1949 as well as family allowances in 1945, the tax credit in 1978, the child tax exemption in 1978, the public assistance scheme in 1966, unemployment insurance in 1940, health and postsecondary education funding in 1957 and 1951, personal income tax exemptions in 1917, indexation of income tax for individuals, indexation of social programs as enacted under the present Leader of the Official Opposition, our future Prime Minister after 1988.

I am pleased that the Hon. Member is clearly asking what should have been done today. Why should a reform be undertaken today? In the first place, social programs—We started just as in the case of tax shelters or taxation, to bring in improvements year after year to social programs, to the

income security program, to health care and so on and so on. Like any other organization, now that we have created a whole series of programs, we must pause and take stock of the situation. If we are to provide a guaranteed annual income program, I agree that we should reevaluate all social programs and figure out their cost. There are about twenty of them, and we should establish their administrative costs, find a way to streamline the bureaucracy involved and to give better services to the people.

The NDP should be congratulated for the research it has done on corporations that do not pay any income tax. The same concern should apply to the individual taxpayers. Tax shelters piled up for years, some of them going back to the Diefenbaker years. They served a useful purpose in their time, but a reassessment is needed now. It is important in my view that changes be made through a tax reform. First of all, there should be a minimum tax for corporate and individual taxpayers. I also think that tax exemptions for corporations or individuals which are regressive and more useful for the rich, as I demonstrated was the case of RRSPs, be changed. When specific groups of people need help, we should use direct payments or tax credits. I suggest it is important that this kind of work be done. The Government will invite us to do it. I must confess a bit of apprehension in that regard because when you examine programs through a consultative process—

The Acting Speaker (Mrs. Champagne): The Hon. Member does not further the questioning by turning each answer into a speech. I think other people might want to ask questions and that is why I take the liberty of interrupting the Hon. Member. The Hon. Member for Winnipeg North (Mr. Orlikow).

• (1150)

[*English*]

Mr. Orlikow: Madam Speaker, obviously the Hon. Member has used his time without answering my specific question.

Mr. Gauthier: There was no question. You did not have a question.

Mr. Orlikow: Of course I had a question. I would be pleased if the Hon. Member for Ottawa Vanier (Mr. Gauthier) would make his own speech.

My question was very simple. How can the Member for Montreal—Sainte-Marie (Mr. Malépart) criticize the Conservatives for the tax breaks they are giving to the wealthy when, as I pointed out, his Party's tax system evaluated—

Mr. Gauthier: It was very progressive.

Mr. Orlikow: I say to the Hon. Member, as I said to the Hon. Member for Montreal—Sainte-Marie, that there are hundreds of corporations, some of which are the largest in the country, which did not pay a penny in corporate tax.

The Hon. Member was critical of the increased tax breaks that the wealthy will get because of changes in the RRSP regulations. I remind him that the RRSP system was developed by the Liberal Government and cost Canadian taxpayers hundreds of millions, in fact billions, of dollars.

I suggest that rather than having the RRSP system it would be much better to use the money which we have lost to increase the old age pensions for everyone. That is what the Liberals should have done but did not.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) for a brief comment in order to allow one more question.

Mr. Malépart: Madam Speaker, the Hon. Member has asked the same question and I gave an answer. I fully agree that the matter has to be reviewed.

Why did I launch an attack against the Conservative Government? Simply because we are now considering a Bill which, instead of being aimed at reducing the wasteful expenses I mentioned earlier, will force all Canadians to pay for the mismanagement of the banks and the $41 million the Prime Minister (Mr. Mulroney) wants to blow away.

I think I singled out a few sectors where the Government could have tightened the screw to lower the deficit. As to the tax reform, you may rest assured that as usual the Liberal Party will be very vigilant to make sure that middle and low income Canadians are adequately protected.

Mr. Hudon: Mr. Speaker, I have a question for my colleague on the other side. With respect to the banks' collapse I might suggest he would be well advised to read the latest decision. We had to pay up, sure enough, but the Government has not been held responsible for this fiasco.

My colleague stated that Members on this side are wondering why they have fared so badly in recent polls. Yet he had just finished saying that indexation has to be restored. Does he think people are stupid, or is he suggesting that the polls will be more favourable if we start handing out money to the people? Is that the kind of logic he wants us to endorse?

Mr. Malépart: How sad, Madam Speaker, how very sad. At first when I went to his riding I thought the Hon. Member had more judgment, but every time he takes the floor he shows his lack of calibre. A five-year-old child would have gotten the message. I am sorry to say that the Hon. Member is stupid but, Madam Speaker—

The Acting Speaker (Mrs. Champagne): Order! The Hon. Member for Beauharnois—Salaberry (Mr. Hudon) on a point of order.

Mr. Hudon: Madam Speaker, I wish to remind my hon. colleague that he should answer the question without trying to deride people. Let him just answer the question. I am going to ask a question, and if he thinks it is a dumb one, let him rise and say: That is a dumb question, and let him resume his seat. That is all.

Mr. Malépart: He understood nothing—

The Acting Speaker (Mrs. Champagne): Order please. The time for questions and comments is now over. Is the House ready for question?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): Debate. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I had anticipated that some Conservative Members would want to defend the tax increase proposed in the Bill under consideration, Bill C-14. I am deeply disappointed that not one of those Members, not even the Secretary of State of Canada and Minister for Multiculturalism (Mr. Crombie) is willing to assume the task of defending a tax hike.

I wish to remind all Hon. Members that the sales tax is going to be raised once again by 1 per cent. This means that the new rates will be 8 per cent for building materials and cable television services, 15 per cent for alcoholic drinks and tobacco and 12 per cent for other taxable goods.

Madam Speaker, last week, the Minister of Finance (Mr. Wilson) promised in his speech that he would make some changes in the fiscal reform so as to make it more progressive and fairer for ordinary Canadian families. Unfortunately, the Minister of Finance (Mr. Wilson) did not comment on any of the actions of his Government since the September 84 election. As a matter of fact, during those first two years of the Conservative Government, instead of introducing a fairer tax system, they have implemented a tax system which is less fair, very much so, than the previous one. And clearly, Madam Speaker, there were quite a few problems already with the existing system when they came in power.

Madam Speaker, we have mentioned the fact that the various changes brought about by the Conservatives have resulted in a tax increase of $1,300 a year for the average Canadian families in September 1984. And where has this tax burden been mostly applied? The tax burden was weighted heavily towards excise and sales tax, instead of using personal and corporate income tax. This new emphasis means that most of the new taxes are regressive.

Madam Speaker, I can give you the exact figures, the figures we arrived at during the tax inquiry we started early this year.

The November 1984 economic statement increased sales tax and excise taxes for the average Canadian family to the tune of $350 per year. In the May 1985 Budget, the Government again imposed a 1 per cent increase in sales tax, which cost the ordinary Canadian family an average of $325 per year. Finally, in the February 1986 Budget, another $170 per year, so that we now have a total of $845 per year. And all this in only two years' time, Madam Speaker! During that same period, income tax increases which, as everybody knows, are more progressive and more equitable for families whose financial circumstances may vary, these increases totalled only $385 per year, so that 69 per cent of our tax increases were covered by excise and sales tax and only 31 per cent by income tax.

[*English*]

I raise that because I believe these heavy tax increases are a preview of what the Government intends to do in the future. Last week the Minister of Finance (Mr. Wilson) stood in the House, as his colleagues are not prepared to do now with Bill C-14, to tell us that great days are ahead. He rose to make a promise that I am sure we will hear often between now and the 1988 or 1989 election. The Conservatives will say: "We will cut taxes, is that not wonderful?" Let me tell ordinary Canadian taxpayers, including those in the Niagara Peninsula, that they should hang on to their wallets. They may find a few dollar bills in their front pockets, but they had better watch what the Conservatives are taking from them as a result of the increases in sales taxes that the Government is contemplating.

The Government is anticipating a new form of sales tax called the business transfer tax. Western Europe and other countries which have used this kind of tax have found it very costly in terms of what it takes out of the pockets of consumers. The advantage to the Government is that it can bring in a new tax while cutting the tax rate and appearing to reduce taxes. However, the tax base is spread at the same time, until far more is being taken from that particular source of taxes than before.

Our tax probe inquiry last spring took me and my colleagues from the New Democratic Party to every corner of the country. We went as far as Yellowknife, Yukon, Newfoundland, Vancouver and Victoria. We went to every part of the country to talk to people about their concerns about the tax system. We talked to small business people, consumers, trade unionists, business people, tax experts and people in municipal and provincial Governments. They told us what should be no secret, that is, there are real problems with our tax system. The present sales tax is a bad system and should be abolished. We should be looking for alternatives. I accept that one alternative is some form of value added tax such as is being proposed by the Minister of Finance. However, that said, let us be very specific and not use it as a Trojan horse, that is, take an enormous amount of new revenues from families on ordinary incomes who are having a heck of a time surviving in today's economic environment. Yet that appears to me to be what the Government has in mind.

• (1200)

The Government is saying it is going to plug loopholes and cut personal income tax rates. People in low income brackets do not have a lot of loopholes. On the other hand, they are not going to get many cuts because the cuts the Government has in mind, in terms of marginal tax rates, are the rates of 43 per cent, 48 per cent and 54 per cent which, in gross terms, between federal and provincial Governments, are charged on upper income tax earners. There is not much benefit for people

with ordinary incomes. They may receive a few dollars but nothing much more than that.

In terms of corporate tax, the Minister has made some ineffectual suggestions, dare I say, about perhaps increasing the tax on corporations. We know the Government has now begun to realize that Canada, like the United States, has to plug corporate tax expenditures and if it does so, it can reduce the rate of tax on corporations. That in itself is not necessarily objectionable. What is objectionable is the Government's suggestion, and it was quite explicit in the budget paper of May, 1985, that it wants a corporate tax reform which will be revenue neutral.

[*Translation*]

To be revenue neutral means that instead of increasing its revenue through corporate taxes, the Federal Government will take no additional revenue from the corporate sector. Certain loopholes will be eliminated. Corporate tax expenditures will be eliminated or else limited or reduced, but generally, businesses will be compensated by such a reduction of their tax rates that they will not pay any more taxes than they do now.

[*English*]

We have seen, and we have cited these figures in the House on many occasions, just how little increased revenue the Government anticipates from the corporate tax side over the course of the next few years until 1990 or 1991. As I recall, it is something in the order of about $2 billion. We are faced with the heavy expenditures of the Government of Canada, with the difficult situation with regard to the deficit and we have a situation where tax expenditures, many directed to the corporate sector, are currently worth about $28 billion a year. If these tax expenditures were eliminated today, it would virtually wipe out the deficit. Therefore, it seems irresponsible to me for the Government to say, as it said in May, 1985, from which it has not backed away, that it is going to get rid of tax expenditures to corporations, but instead of using the money to limit the tax burden on other Canadians or using it to cut the deficit, it is going to turn around and give back the money to the corporations.

What the Government is saying, and it is quite clear, is that the Minister of Finance and his colleagues now look on the business transfer tax, on a reform of the sales tax, as a great big cash cow which it can milk in order to get new revenues to plug the deficit or to do other things it feels are important, such as putting prisons in the Prime Minister's riding.

It is clear that although this tax is to be called a business transfer tax, there is no mistaking who will pay. The consumers will pay in the first place because more than half of final demand obviously comes from consumers buying goods and services. Second, it will be paid for by consumers because, to the extent the tax is paid by businesses buying goods or services from each other, they will pass on those costs to the consumer in the end, and in the end it is the consumer who will pay.

Let us take the example of a bushel of wheat which is grown in western Canada. It sells at a domestic price of $5.50 or $6. It is then shipped to central Canada and milled into flour. Perhaps as flour it is worth $12. Then it is taken to a bakery and turned into bread and in the form of bread it may be worth $30 or $35. It is then shipped to the foodstore where it is finally sold to the consumer and that $6 worth of grain winds up as $50 worth of bread which is purchased by the consumer. On the value added at each stage, no matter how the calculation is made—and I accept the business transfer tax is slightly easier than the proposals for value added tax on the European model—there will be a tax at a certain rate on the farmers' sale, on the value added by the farmer in taking a bit of grain, fertilizers and so on, and turning it into wheat. So there is value added on the miller, on the baker, on the wholesaler and, quite possibly, at the retail level, although I am not sure whether that is contained in the proposals of the Minister of Finance because we have not seen them as specifically as we might. Therefore, the rate of tax at the end is going to be equivalent to a hidden sales tax on either the wholesale or the retail value of the entire commodity, and any transactions between businesses will still result in an increase in tax which will ultimately be paid for by the consumer.

The question then is, what will the rate be? Will there be any kind of diminution for people who are on lower and modest incomes? We have to look at Bill C-14 and what the Government has done in order to see just what its current stance is on this very important issue. In the first place, as I said a few moments ago in French, since 1984 the Government has increased taxes on the average family by $1,300, and 70 per cent of that increase has come from increases in sales and excise taxes. That is an increase of $845 a year. Has the Government done anything in order to lighten the burden of those increases on people in modest circumstances so as to make it a more progressive system? The answer is, virtually not at all.

I want to draw to everyone's attention that a sales tax by its definition is proportional to what people spend. If we have large exemptions, such as the current exemption on food and other necessities of life, then in fact it does tend to deal more with the disposable income of people after they have met the necessities of life and, therefore, it is to that extent somewhat more progressive. A future business transfer tax, if the base is going to be broadened, I presume is likely to touch such things as rent, food, fuel oil or other basic necessities of life. We are going to have to wait and see. It is difficult to judge the Government's proposals until we get that far.

But let us take that $845 increased tax burden in sales and excise tax on the average family and ask what the Government has done in order to try to moderate that. What it has done is to bring in a sales tax credit. That sales tax credit is, if I recall correctly, worth $150 a year to a family, and the value to a single person or single mom is worth $100 a year. That is not a heck of a lot of relief when we look at the average bill of $845. In fact, what we find when we look at the figures is that the

impact of the sales tax increases has been relieved by up to about $1,500 a year for people with very modest incomes. Beyond that point we see that this is not a proportional tax. It is a regressive tax. A regressive tax is a tax which hits more heavily those in modest circumstances than it does those in better circumstances.

• (1210)

The following are figures which have been drawn from the report of the National Council on Welfare. It must be noted that we are looking only at the impact of the increases in sales tax and not at the over-all impact of sales tax, which I believe we should be doing. According to the National Council on Welfare, the cost of the tax increases in 1985 and 1986 on a couple with two children at the $15,000 level will be an increase of $215. However, after the sales tax credit is taken into consideration the net cost as a percentage of family earnings will be 0.4 per cent. In other words, the sales tax credit is relatively effective in ensuring that those people at that income level, which is below the poverty line, are not heavily hit by this new tax. However, the sales tax credit expires just above that income level. When we consider a family with an income of $20,000, we see that the tax increases are estimated to be $269. I think that is a bit low. There is no relief from the sales tax credit at all for such a family. Therefore, the net cost is the same as the gross cost, which amounts to 1.3 per cent of the family's earnings. As we move into higher income brackets, for instance the $30,000 bracket, the sales tax increase is equal to 1.2 per cent of family earnings. At $40,000 it is equivalent to 1.1 per cent of family earnings; and at $100,000 it is equivalent to 0.9 per cent of family earnings.

I wish to say, Madam Speaker, that with your knowledge—

[*Translation*]

With your knowledge of Quebec society, for instance, you will see that it is much easier for someone with a family income of $100,000 a year to pay .9 per cent more of his income in sales taxes than it would be for someone with a yearly income of $20,000, just above the poverty line, with a wife and two children, to pay 1.3 per cent more of his income in sales taxes.

[*English*]

That is the problem we face. By its actions the Government has brought in a sales tax credit which is so paltry that it does not do anything to stop the regressivity of the current sales tax increases which were levied in 1984 and 1985, except for those people with incomes below the poverty line.

If the Minister had said last week that a major change in the sales tax credit, or an equivalent measure, was needed to ensure that on all incomes up to, let us say $40,000 or $45,000, the net impact was progressive as opposed to regressive, then I, as a New Democrat on behalf of my Party, would have said that we will seriously look at the measure. However, that was not done. Instead, the Minister has come forward with some bold words about tax reform on the one hand. On the other hand, as a result of his actions in Bill C-14, he is taking us in a direction which is the exact contrary. Bill C-14 is nothing but a hangover from the last Budget.

In terms of this value added tax, the business transfer tax which we will have, the Canadian federal sales tax currently taxes only 30 per cent of the potential base in terms of private consumption. In Denmark, for example, the value added tax is imposed on 80 per cent of private consumption. In France and West Germany the figure is 29 per cent, and in the U.K. it is 60 per cent—

[*Translation*]

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the Hon. Member, but his allotted time has expired.

[*English*]

Mr. Cassidy: I was quite prepared to keep on, Madam Speaker. I hope that members of the Government will actually stand up and defend this intolerable measure which is being imposed on the ordinary taxpayer.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, it is with a great deal of interest that I look at the items which fall under the Excise Tax Act being presented in Bill C-14.

Over the last two years the Government has imposed the largest tax increases ever upon Canadians. The Government promised fair and equitable measures. It promised to be open and to listen to the people and reflect their concerns. Unfortunately, the Government has been a great disappointment to many Canadians.

When Members are out in their ridings, and as we talk to our constituents, many of us sense their great unhappiness, their cynicism and their lack of trust in legislators. Money is tight and jobs are scarce. Students do not know how to make decisions with respect to their futures because the whole situation is so unstable. The concerns of the people being expressed in the ridings as we meet them, whether we are Conservative, Liberal or New Democratic, indicate a great sense of instability.

What accounts for this instability? We need to look no further than the Government of Canada. Many people watch the proceedings of the House, especially during that silly period between two o'clock and three o'clock. They think that is all we do here. The ridiculous comportment of many people in the House has left the Government in general, and the public in particular, very disturbed. It is the job of the Opposition to test and check, to ensure that we are responding in our proper role. All the ordinary people see is the external behaviour. They do not appreciate that we also work at this hour in the House to study the Bills the Government presents. If members of the public were to think about what the Government is proposing to do in Bill C-14 they might become even more cynical. The Government has literally emptied the pockets of the low and middle income people of Canada. The disposable income available to make the wheels go round, the

money people need to spend on goods is no longer there. We are seeing a slow-down in the economy. What I am saying sounds simplistic. I want it to be simple because I want those who look at the bottom line of budget sheets to stop and realize that these figures represent actual dollars in the pockets of everyone. The tax dollars which are being pulled out of these pockets, most of it in hidden taxes, is disconcerting to these people.

It is simplistic of the Government to say that it has modified the indexation of the tax table by 3 per cent. This will not look like much in the ordinary person's pocket as they go to fill out the required forms. When we look at what that does in terms of the nation we see that it is taking $570 million out of the collective pockets of taxpayers. We must also consider the 5 per cent and 10 per cent surtaxes which were imposed in the November and May Budgets respectively. They represent another $550 million which will be taken out of the pockets of taxpayers.

The Government eliminated the 1973 federal tax reduction which cost the taxpayers another $490 million. The Government levied a 1 per cent increase in the sales tax rate in November of 1984 which removed $1 billion from the pockets of taxpayers. That is $1 billion in taxes on goods on which people were not used to paying taxes previously. It was increased again in May, 1985 to the tune of $990 million. In fact, we do not even seem to care where we put our zeros at this point. The poor taxpayer is hounded and he does not know where to stop or start.

• (1220)

The Government put a sales tax which was broadened across the spectrum to include pharmaceutical products and consumer products. This included construction goods, cable and pay-TV services, alcoholic beverages and tobacco. On construction, taxable goods were increased from 7 to 8 per cent; cable and pay-TV from 7 to 8 per cent; alcoholic beverages and tobacco from 14 to 15 per cent. On other taxable goods, the increase was from 11 to 12 per cent. The sum total is billions of dollars.

When I talk about those kinds of taxes and we look at the 1986 Budget with an additional 3 per cent surtax, the additional 1 per cent sales tax, the alcohol and tobacco excise tax, it amounts to close to $5 billion of taxes taken out of the economy, which is the highest in our entire history.

Yet we were able to find a billion dollars of relief for the banks. We were able to find practically $1 billion in tax concessions to Gulf. We were able in many ways to cut back the middle and lower income people and to give bonuses to the well to do. I agree that incentives for productivity in our society are very important. But there is a need for fairness and equity. Canadians want, deserve, and expect fair play from their Government. This is not what they have received. The right to increase RRSP limits from the original $5,500 to $7,500, which is going up to $15,500, will cost a $40 million loss to the Treasury this year. It is very nice for people in the upper income tax bracket who can take out savings and protect themselves for their older years in life. It is very important that we allow for that, but we have to allow for it on an equitable basis. We have to start looking at how we cover everyone with proper pensions that are portable and vested and have a cost-of-living adjustment. This applies to not only those who presently have pensions, but also to those who are not covered.

The capital gains exemption now covers art, boats, and apartments in Florida or Paris. There is a capital gains protection of up to $500,000, which is half a million dollars. That is five times $100,000. There are people who do not even know how to write these kinds of figures, and they are the largest percentage of the population. In this Chamber we were elected to represent all strata of society, not just upper income earners. This Budget is a Budget for upper income earners. It is true that the argument is that you must protect those upper income earners because they are the people who make the wheel go round. Do they really? Who is the mass of society going out and purchasing the goods and the services? It is not the small 3, 4, or 5 per cent at the top of the scale. It is the majority of Canadians.

I would like to suggest that this is a totally unacceptable Budget, with five billion dollars more in taxes with still no control of our deficit. The Minister of Finance (Mr. Wilson) has announced that he will be $2.5 billion short of the target, so there is something wrong with the planning that we see in front of us. The Government talks with a great sense of pride about what it has done in the communications and the cultural field. The Prime Minister's (Mr. Mulroney) Government has feebly attempted to place this high priority, but it has forgotten a few of the things it has done. In the Government's first Throne Speech there was absolutely no mention of Canadian culture. In the 1984 Economic Statement and in the subsequent May Budget of 1985, we witnessed cut-backs to the cultural industries of a grand total of $122 million. The Government felt guilty over its previous cuts, and in February of this year it allotted $75 million to fund a number of cultural initiatives. I am pleased that it did that. It was just including and increasing some of the work that we had already started. Even with that addition there was a shortfall of $47 million. In July the cultural community again shuddered as there were rumours of more cuts. This was to correct an error in the Minister of Finance's budget calculations. There were cuts of $10 million to the CBC; $210,000 to the National Art Centre; $1.6 million to the National Film Board; and $1.95 million to the Canada Council. That adds up to an additional $13.7 million. All the hopes of February had been dashed. This week we heard that the CBC in its upcoming Budget for 1987-88 may be cut an additional $50 million. In this light, the Government stands there and says that it is committed to the cultural industries, it is going to protect our cultural sovereignty, and it is going to see that Canadians can stand proud and tall and count themselves in the cultural stream. I would suggest that actions speak louder than words. This Government has been very famous for shaking your hand happily beforehand and then finding ways to apologize in a backhanded way.

I alluded to the sales taxes, excise taxes, alcohol and tobacco taxes, and manufacturing taxes. Many people in Canada travel by air. Effective May 1, 1986, there will be a tax on domestic air travel, which will be limited to a maximum of $50, while the tax rate will increase from 9 to 10 per cent. The tax will be extended to tickets sold outside of Canada on or after August 1, 1986. That is very good for our tourist industry. But at least we avoided the major part of Expo. Expo was a great success for which we can all be grateful.

On the telecommunications side, there has been added a telecommunication programming service tax called the TPST tax. This tax applies to television equipment provided to customers of cable and pay-television services. It also applies to equipment used by hotels and other closed-circuit broadcasts. The TPST was increased by 1 per cent to 7 per cent in the 1985 Budget. The proposed legislation will increase this tax by another 1 per cent to 8 per cent effective April 1, 1986. The Government is certainly finding many ways to enable the Minister of Finance to reduce the deficit effectively. The only problem is that he has not controlled it yet, even with all these excessive taxes.

The 1985 Budget may be perceived as having changed the method by which federal sales tax is levied on motive fuels. There is a sales tax which continues to be imposed as an *ad valorem* tax, that is, 12 per cent after April 1, 1986. But it is calculated as a specific amount per litre. The specific amount is adjusted quarterly, according to the industry's selling price index as published by Statistics Canada.

The Ways and Means motion to Bill C-14 is intended to clarify how the sales tax calculation is to be made. We can see some very significant increases in here through the federal excise tax on non-commercial motive fuels which will be at 1.5 cents per litre. The 1985 Budget increased the excise tax on gasoline and aviation gasoline by 2 cents per litre effective September 3, 1985. This tax is scheduled to increase to 4.5 per cent on January 1, 1987. We are looking for ways to discourage tourism. When you look at the cost of gasoline, tourists must receive an incredible shock when they find out how much it costs to fill their tanks. I wonder if these costs do not offset some of the difference in our dollar calculation. They are a disincentive. I would suggest that the tourist industry has to work twice as hard to attract tourists because of our hidden taxes. They return home and wonder what happened to their money.

• (1230)

I am not pleased with the way in which the Government has chosen to direct this piece of legislation. I speak on behalf of the people in my riding of Mount Royal. They are concerned about jobs, the future, and the ability to live on a decent scale. In order for them to do that, they require justice and equity in the tax system.

I encourage government Members to examine their budgets and the way they are levying taxes, in the interest of everyone, not just the well to do.

Mr. Suluk: Madam Speaker, the Hon. Member for Mount Royal (Mrs. Finestone) made reference to the CBC in such a way that she implied the Government created some difficulties for cultural groups by its cut-backs to the CBC. It is my understanding that the CBC received in the last one year period almost $1 billion.

In addition, the CBC is the only major communications network in the North. Almost half its programs are in the Inuktitut language, the main language of northern residents.

With a situation such as this, as well as the earlier one to which I referred concerning the CBC receiving almost $1 billion from taxpayers, how could the Hon. Member honestly believe that cutting a few million dollars from the budget of the CBC would undermine the cultural identity of Canadians? Would it not be fairer to tell the CBC to trim some of its more exotic expenses?

Mrs. Finestone: Madam Speaker, I thank the Hon. Member for his question. It provides me with an opportunity to say a few things which I think need to be said.

Very few of us realize the very difficult management task of the CBC. If one stops to think about the CBC, one realizes that it is quite an extraordinary national expression of Canadians. It expresses our diversity, as well as the beauty and grandeur of our country. It certainly has some problems. Nothing in Canada is perfect; nothing in Canada is totally beautiful. However, we should stop to think about the activities of the CBC. It broadcasts in French and in English across the land, from Newfoundland to B.C., from Cap d'Espoir to Vancouver Island; from the U.S. border to our friendly borders in the far North. Its services cover the Inuit and other native peoples, as well as our diversities in major regions, both in radio and in television. We should also think about the fact that on the international scene the CBC is an instrument of Canadian national policy of which we should be extremely proud.

There has been a $75 million cut to the CBC plus $10 million in new equipment which was required, for a total of $85 million in the November statement. There was an additional $10 million cut when the Minister of Finance made a mistake and announced $500 million. He was short and went to find places to cut, so he cut the CBC again. He has now cut another $50 million, or it is an anticipated increase. Therefore we are talking about $145 million in cuts.

Let us also look at a serious matter which is of concern to everyone in the House. I am referring to the $57 million which we cannot find and has not been accounted for. The Auditor General is concerned about it, as is the President of the CBC, Mr. Juneau. Mr. Dye and Mr. Juneau are trying to locate that money. The problem in terms of its loss was the institution of a new budgeting procedure.

My answer to the Hon. Member would be a return question to him. What right had the Government in 1985 to allow the CBC to go into a very complex budgeting procedure, a new fangled highly complex system, without ensuring that a back-

up system was in place or that the Department of Communications was doing its proper job in supervising the CBC?

We must be very cautious when we talk about the CBC and in a sense protective, but at the same time we must demand the kinds of answers we as legislators require.

Mr. Foster: Madam Speaker, I listened to the Hon. Member for Mount Royal (Mrs. Finestone) and thought she made an excellent speech. She outlined the very regressive nature of the taxes which are being heaped, with each succeeding Budget, upon low and middle income Canadian families. It is certainly not the progressive taxation regime about which most Hon. Members talk. She dealt with the matter in great detail by indicating the increases in excise and sales taxes and so on.

However, I would be interested in her view of the speech of the Minister of Finance (Mr. Wilson) a week or so ago. He talked about tax reform and trying to reduce income tax scales. I am wondering whether she finds the same conflict in her mind which I find in mine. One economic statement and two Budgets, all of which contained devastatingly regressive taxation measures, have affected average Canadian families of four with incomes of only $30 per year to the tune of an additional $630. However, the Government talks about tax reform in terms of lower income scales for lower income families.

The first two Budgets of the Government seemed to be geared toward reducing taxes for large multinational oil companies, increasing taxes for low income families, deindexing the income tax scale for families, deindexing personal exemptions, deindexing the family allowance, and so on. Does the Hon. Member see the Government making a 180-degree turn on its taxation policy? Because the Minister talked about reducing income tax levels—and I believe it was modelled after the American system—I would be interested in hearing the Hon. Member's comments.

Mrs. Finestone: Madam Speaker, I do not have much time to answer the Hon. Member as my time limit is coming to an end. However, I should like to make three observations. First, whatever happens, the purchasing power of the dollar left in an individual's pocket will be reduced. As we near Hallowe'en, the trick or treat is that personal income taxes will go down and corporate income taxes will go up. That is how the Government blows a smokescreen, because in essence, there will be more taxes of a hidden nature through the business transfer tax. The food bank that presently exists in the riding of Mount Royal, a total shame, will simply have a longer line of people who are waiting to get one decent hot meal per day. I would suggest that things will get worse if the measures outlined by the Minister in his speech, as I understand them, come into action.

• (1240)

Mr. Dave Nickerson (Western Arctic): Madam Speaker, it is my intention to speak very briefly and only on one aspect of Bill C-14, that being the excise tax imposed on airline tickets. The point I wish to make is that the Government of the day is responsive to the representations of the citizens of Canada.

Some time ago, the excise tax on airline tickets was 7 per cent, I believe, or perhaps 8 per cent, and there was a cap on it, a maximum tax payable of $35. About a year ago, or perhaps a little more, changes were made to that excise tax in order to generate more revenue. Of course, the Government had a very good point when it argued that additional revenue from aviation was required because the amount of money that was being collected was nowhere near enough to provide the necessary services to aviation.

At that time, the excise tax was raised to 9 per cent, but the cap of $35 maximum was removed. This resulted in taxes on an airline ticket from the town in which I reside, Yellowknife, to Frobisher Bay on the other side of the Territories of about $150. This, of course, was ridiculously high. The airfares in that area are high to begin with and to put a $150 tax on top of that is ridiculous. The situation was the same for all long distance transportation in Canada. In those areas where ticket prices on a per mile basis are higher, the northern and remote areas of the country in particular, the removal of the tax cap was particularly onerous.

As a result of the removal of this cap, many representations were made to the Minister of Transport of the day, the Hon. Member for Vegreville (Mr. Mazankowski), by chambers of commerce, municipalities and even the Province of British Columbia. I was worried for a while because I thought that the Government might not do anything about this. However, it did turn out well. The Minister of Transport was responsive to the wishes of the citizens and so was the Minister of Finance (Mr. Wilson).

The legislation that is before us, Bill C-14, increases the excise tax to 10 per cent but reimposes the cap. This is what the people wanted. They did not mind paying their fair share in taxes on airline tickets, but they did not want to pay $100 or $150 in taxes on expensive tickets. They wanted the cap reinstated, and that is what Bill C-14 has done. Therefore, I would like to take this opportunity to thank both the former Minister of Transport and the Minister of Finance for acceding to the wishes of Canadians and in particular those who live in the far reaches of the country.

Mr. Cassidy: Madam Speaker, the Hon. Member knows that one of the reasons for the increase in revenues sought by the Government through the increase in the excise tax on airline tickets of 1 percentage point in the 1986 Budget is that it will be used to pay for the exemption on capital gains which will shortly rise to $500,000. Of course, every resident of Western Arctic will be paying some increased amount of money because of the increase in the sales tax. I would ask the Hon. Member to estimate what proportion of the residents of his constituency, particularly among the Dene and the Inuit, will be in a position actually to benefit from the exemption on capital gains in any meaningful way. His answer is likely to be darn few because we know those capital gains exemption

benefits will go to wheelers and dealers, people who drive BMWs and Porches and who live in Montreal, Toronto and Vancouver. Very few people who live in the vast expanses of Canada such as those which lie within his particular constituency will benefit.

Given that very few if any of the Hon. Member's constituents will benefit from the capital gains tax exemption and given that those few who will benefit will be those who were in the upper income brackets to begin with, where is the justice in raising the sales tax paid by all residents including trappers, miners, hunters, truck drivers, construction workers, housewives and day care workers in his constituency? This will be done in order to give a tax exemption to a very small proportion of people in the country and an even smaller proportion of people in his own constituency.

Mr. Nickerson: Madam Speaker, first I think the Hon. Member is wrong to assume that the increase in excise taxes will only pay for the exemption on capital gains. That, of course, is wrong. Excise taxes come in and go out of general revenue. One could equally argue that a tax of this nature will pay for old age pensions or will go into the unemployment insurance fund. The Consolidated Revenue Fund receives money from many sources and there is a number of ways the money goes out of the fund.

The exemption on capital gains has been very well received in my riding as it has right across Canada as far as I can see. I do not know the exact proportion of people who can benefit from it, people who cannot benefit from it or people who can benefit from it in the future in any one riding. The capital gains tax exemption is an incentive for people to invest, start small businesses or begin to farm with the expectation that they will be able to benefit from it in the future.

Since the capital gains tax exemption has been in effect, I have noticed a resurgence of small business investment in my riding. People are getting involved in agricultural pursuits. I am sure the exemption is one of the underlying reasons for this. People now have an incentive and can see a future advantage. The measure has been well received in my area and if there has been any criticism of it, it has been that it has not gone far enough.

A great many of my constituents would argue that there should not be capital gains taxes at all. One group in particular feel a little left out in the cold, and that is, prospectors. Sales of their properties are not treated as capital gains. They argue, and I certainly support them in their argument, that we should go back to the old rules which were that capital gains applied to prospectors.

Mr. Parry: Madam Speaker, I would like to comment on the discourse of the Hon. Member for Western Arctic (Mr. Nickerson). I too am glad, as one who represents a northern riding with many far-flung communities, that the Government made a wise decision to put the cap back in place on the excise tax on airline tickets at a level of, I believe, $50. That is somewhat higher than the previous level but certainly better than the example the Hon. Member gives. It was an extreme example, of course, but then we live in a country where the geography is extreme. In order to go from one half of the Northwest Territories to the other it is often necessary to travel via southern Canada and via more than one airport.

• (1250)

That brings me to a point which I had hoped the Hon. Member for Western Arctic was prepared to address, that is, the double taxation which falls very heavily on residents of his riding by virtue of the excise tax on motor vehicle and aviation fuels, and refined petroleum products of all sorts. As the Hon. Member well knows, gasoline used to fuel a flight from, say, Baker Lake through Churchill or from Pine Point to Yellowknife, bears a tax because of the cost of transporting it to those communities. There is presently no arrangement, mechanism or scheme to eliminate what is in its ultimate effect a measure of double taxation of northern residents. In many remote communities, for example, a litre of gasoline requires the burning of a quarter litre of gasoline to transport it to the community in which it is going to be consumed, and that quarter litre is taxed at the same rate. Therefore, I would like to ask the Hon. Member, particularly given his role, unless it has been superseded, as Chairman of his Party's northern caucus, if any consideration has been given to some measure to adjust these inequitable effects of the excise tax.

Mr. Nickerson: Madam Speaker, the Hon. Member certainly brings a very good point to light. My colleague from Nunatsiaq has spoken about this on several occasions. The question is much more important in his part of the country than it is in mine.

It would be nice if we could do something to alleviate taxation. I am sure, Madam Speaker, you do not like paying taxes any more than I do. I must confess that I have not given a great deal of thought to the point raised by the Hon. Member but I certainly will in the future. The question which immediately jumps to mind is how you would administer such a plan. Would you have a blanket exemption for the fuels used in the transportation of other petroleum fuels or for all commodities? What would the effect be on revenues?

It is interesting to point out that for the territorial Government, sales taxes on transportation fuels are a pretty sizeable source of revenue. It is sometimes hard to accept that when you drive across the border from Alberta, where there is no provincial sales tax on fuels, and you get north of the 60th parallel, you are faced with a pretty hefty increase in the price of gasoline and diesel fuel because of the tax levied by the territorial Government. Of course, that is their decision to make.

I would like to thank the Hon. Member for his valid observations.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, we have before us a Bill whose life was somewhat interrupted. Bill C-14 implements changes to sales and excise taxes

announced in the Budget Speech of February 27, 1986. I think a brief résumé of the nature of these changes will be instructive to understanding the effect they will have on the Canadian economy and the Canadian taxpayer, particularly those at a lower level of income, on whom this tax will bear regressively.

The 1 per cent sales tax increase applies to a number of essential goods and services, for example, construction materials, where the rate goes from 7 per cent to 8 per cent. On other taxable goods it goes up from 11 per cent to 12 per cent. While neither I nor my Party need shed too many tears over the increase in taxes on alcoholic beverages and tobacco, both of them destroyers of human life and longevity and both, after all, the popularly styled sin taxes, which frankly are set at a level which might easily be increased with over-all benefit not only to the exchequer but also to the health of the nation, yet they are taxes people pay. When we look at the over-all impact of the excise tax and federal sales tax increase, we cannot believe it will be anything but negative. The increase in these indirect, hidden taxes, as they are sometimes known, is part of the Government's strategy of increasing taxes. Indeed, it makes a very powerful contribution to the implementation of that strategy.

My Party has calculated that the tax burden on the average family since the Progressive Conservatives came to power has increased in the order of $1,300. That is based on an annual income of $35,000 for a family with two dependent children. It is useful to contrast the level of increase in taxes on the average family with the level of increase in taxes on the average corporation. Here the disparity is quite dramatic. I frankly believe that when the history of the 1980s is written, unless there is some dramatic move by the Government, something rather more than what was promised in the recently tabled proposals for tax reform, this decade will go down as the period in which the average family in Canada was called upon, and called upon disproportionately, to shoulder the burden of deficit fighting. That will be seen as a sad commentary on the orientation of the Progressive Conservative Government.

The increases which have taken place already, together with that proposed by this measure, constitute $845 of the $1,300 figure I referred to. The November 1984 Economic Statement adds approximately $350 a year. The May 1985 Budget adds $325 a year. The February 1986 Budget adds $170 per year for the average family. Because of the ratcheting effect of successive increases, this is beginning to take me back to my point about taxes being paid on taxes. So we have a situation where the average family in Canada is being called upon to bear the burden of this Government's deficit fighting initiatives.

At this point I wonder if I might call it one o'clock, Madam Speaker.

The Acting Speaker (Mrs. Champagne): It being one o'clock I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CULTURE

FIFTH INTERNATIONAL FILM FESTIVAL IN ABITIBI-TÉMISCAMINGUE, QUE.

Mr. Gabriel Desjardins (Témiscamingue): From November 1 to November 6, Mr. Speaker, Rouyn-Noranda will be the site of the fifth International Film Festival in Abitibi-Témiscamingue.

Over the years, this has become a long-awaited major cultural event which is the pride of our people and which has an impact far beyond our regional boundaries.

About ten countries will be represented at the festival this year and we will have the privilege of attending the world *première* of a few films.

Mr. Speaker, we owe the resounding success of this international film festival primarily to the enthusiasm and dedication of the organizing committee, and also to the calibre of international cinematographic productions, the generous co-operation of the media and, of course, the ever growing participation of the people of Abitibi-Témiscamingue.

So movie fans of Abitibi-Témiscamingue, Quebec, Canada and the world, will be meeting in Rouyn-Noranda from November 1 to November 6 next.

* * *

AUTOMOTIVE INDUSTRY

GOVERNMENT'S OPPORTUNITY TO HELP GENERAL MOTORS PLANT IN SAINTE-THÉRÈSE IN ORDER TO PROTECT JOBS

Mr. Dave Dingwall (Cape Breton—Richmond East): Mr. Speaker, today I would like to speak in support of General Motors of Canada and its efforts to maintain its automobile plant in Sainte-Thérèse (Québec). The many years of service of some 4,000 employees in Sainte-Thérèse symbolize their hard labour and their loyalty. We must also note that the Sainte-Thérèse employees are ready to compromise.

The Government of Canada must help General Motors maintain that plant in operation. A committment should be made to General Motors of Canada so that it can keep the 4,000 jobs and ensure the future of that plant.

I therefore encourage the Minister of Regional Industrial Expansion (Mr. Côté) to do everything that is needed to protect the 4,000 jobs at the General Motors' Sainte-Thérèse plant.

The Province of Ontario has received from General Motors a $2-billion committment. It is now Québec's turn.

* * *

[*English*]

ENERGY

SITUATION IN OIL INDUSTRY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, Canada lost its real Energy Minister yesterday—Sheikh Ahmed Zaki Yamani of Saudi Arabia. No longer will a Canadian Prime Minister, in the immortal words of the Member for St. John's West (Mr. Crosbie), "dance sheikh to sheikh in the desert" with one of the world's most powerful men. Canada once tried to have its own national energy policy but the Liberals retreated from it and the Conservatives completely dismantled it, making us totally reliant on the so-called free market of international prices.

There is no real free market for oil. In the politics of oil we have only a choice of who is going to call the shots—the Sheikh and his successors, the large international oil companies or, so far as it is able, the Canadian Government with a real energy policy. That would mean a Canadian energy policy with made-in-Canada gasoline prices and Canadian control, both public and private, over our most important energy resource, namely, oil. The alternative is once again to leave the choice of our next Energy Minister to King Fahd and the Councillors of Riyadh.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

EXTENSION OF APPLICATION OF SECTION 17(6) AND (7) OF ACT

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, I was most happy to see the Minister of Employment and Immigration (Mr. Bouchard) table the legislation to extend until January 4, 1988, the 10-week standard qualifying period in the of Kamouraska—Rivière-du-Loup riding.

This proves once again that this Conservative Government responds to the employment needs of areas that are particularly underprivileged. This means that in my constituency, the qualifying period for unemployment insurance remains 10 weeks.

That Bill tabled by the Minister of Employment and Immigration goes to prove that my representations, those of *Action-chômage* and of the *Mouvement Chambre de commerce de Rivière-du-Loup—Kamouraska* did not remain unheeded. During September 1985, I formally approached the Minister of Employment and Immigration asking that Sections 17(6) and (7) of the Unemployment Insurance Act remain in force.

In conclusion, fishermen, peat moss workers and others have reason to welcome as I do a very heartening announcement by this Conservative Government.

* * *

[*English*]

PEACE

RELIGIOUS LEADERS' PRAYERS FOR PEACE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on Monday of this week religious leaders from many faiths met in Assisi to pray for peace. It is essential that Governments listen to these prayers and do something concrete to assure peace.

Since the end of World War II in 1945 there have been 120 regional wars throughout the would, resulting in 19 million deaths, 11 million civilian and 8 million military. In 1986 Governments in the world spent over $900 billion on arms while 15 million children died of hunger. According to the Thorson Report in 1983, it would require $18.5 billion to provide food, shelter, education, and health care to the world's poor.

• (1405)

How can we justify $900 billion for arms, which goes far beyond what is required for defence and security and which does nothing to deal with the causes of conflict? When will we stop this madness?

* * *

THE PERFORMING ARTS

STRATFORD SHAKESPEREAN FESTIVAL

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I am very pleased that within my riding we have a great cultural industry called the Stratford Shakespearean Festival Foundation. October 31 marks the end of their fiscal year. It has been a great year, with improved finances, but they still need much more public support.

The festival receives the least percentage of government support of any major artistic institution in Canada. The hundreds of thousands of people who come to it spend another $50 million in the surrounding area, and the Governments of Ontario and Canada have a spin-off benefit of about $5 million in taxes.

I am very pleased that a troupe of the festival actors is presently in Ottawa presenting the play "*A Man For All Seasons*" at the National Arts Centre. I know that you have

enjoyed this play, Mr. Speaker, and will agree with me that this troupe has wonderful artistic talent and is a great asset to Canada.

* * *

NATIONAL DEFENCE

AWARDING OF CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, yesterday I protested the way in which Winnipeg is being downgraded by the Tory Government, referring to the new subordination of the Winnipeg office of Statistics Canada to Edmonton. Last night it was widely reported that the Prime Minister (Mr. Mulroney) is arguing for the CF-18 contract not going to Winnipeg on the grounds that western Canada recently received $1 billion in aid to grain producers. If the Prime Minister actually used such an argument, let me tell him that the $1 billion program is a national program, only a fraction of which goes to Manitoba. Furthermore, are we to take it that the $1 billion, which was a special response to a special need, is to be constantly held over the heads of western Canadians?

Until now, Manitobans from all parties chose to trust the Government to respect the tendering process, to have confidence in the merits of the Winnipeg bid, and not be the first to politicize this issue. If the Prime Minister actually intends to use the national farm aid program against Winnipeg, then such an approach is completely unwarranted.

Finally, could it be significant that the contract favoured by the Prime Minister might also be favoured by the Deputy Prime Minister (Mr. Mazankowski), because 400 jobs will be created in Edmonton by that contract?

* * *

CANADA POST CORPORATION

DENIAL OF SECOND-CLASS MAILING PRIVILEGES FOR RELIGIOUS PUBLICATIONS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, Canadians who have had to become accustomed to the high-handed attitude used by officials of Canada Post when dealing with the taxpaying public have yet another surprise in store, courtesy of the board of this Crown corporation.

Not only is Canada Post denying second-class mailing privileges to Canadian religious publications, the chairman's recent ruling on an appeal by a religious publication that this publication was insufficiently religious in content and not to be classed as a religious publication, must be considered bordering on the sublime, even for Canada Post.

I do not subscribe to this publication but I doubt that Canada Post has either the criteria or the qualifications to make this judgment call.

Not only do I urge him, I beg the Minister in charge of Canada Post to take control of this monster before it devours us all. The mandate of Canada Post is to deliver the mail on time.

* * *

[*Translation*]

INTERNATIONAL PEACE WEEK

ANXIETIES AND OPINIONS OF PAUL-GÉRIN-LAJOIE SECONDARY SCHOOL STUDENTS OF OUTREMONT, QUE.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, during the International Peace Week, close to 200 students of the Paul-Gérin-Lajoie Secondary School in Outremont have written to the Minister of National Defence (Mr. Beatty).

I am pleased as their representative here to convey to this House the concerns and views of these young people aged 11 to 16 about world peace.

These children prompt us to reflect on the arms race, nuclear tests, hunger and poverty as well as stresses and conflicts which now prevail throughout the world.

These students are suggesting among other things the use of funds earmarked for arms for humanitarian purposes, research, education and job creation. They ask the Minister of National Defence to take concrete steps to maintain peace in Canada and to promote it elsewhere in the world.

* * *

[*English*]

MEMBERS OF PARLIAMENT

MEMBER FOR GLENGARRY—PRESCOTT—RUSSELL—CONSTRUCTION CONTRACT VOTE

Mr. Bob Horner (Mississauga North): Mr. Speaker, it is a clear case of the pot trying to call the kettle black. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has consistently raised spurious accusations against government Members for supposed conflict of interest violations. Now we find out that the Member himself reeks of patronage.

It has come to light that the Member, in his previous capacity as a municipal councillor for Cumberland Township, voted to award $82,000 in construction contracts to his brother-in-law's firm.

• (1410)

Mr. Speaker: Order. The Chair has had to rule already, and most recently yesterday, on the use of Standing Order 21 for

what amounts to a personal attack. I would ask Hon. Members to conform to the ruling the Chair made yesterday. The Hon. Member for Kenora—Rainy River (Mr. Parry).

* * *

[*Translation*]

TAXATION

NEED FOR TOTAL REFORM

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I wish to announce today that the company getting our award as an untaxed corporation is the *Canada Trustco Mortgage Company*. Canada Trustco has benefited from loopholes provided by successive Liberal and Conservative governments and obtained tax credits in 1979 and 1980 in spite of profits amounting to $52.4 million. If we had a fair taxation system in Canada and if Canada Trustco had paid a 25 per cent rate on its profits, Canadian taxpayers would have had their own taxes reduced by $13.1 million because of that company alone. It is high time for the Government to introduce measures for a comprehensive tax reform.

* * *

[*English*]

MEMBERS OF PARLIAMENT

LIBERAL MEMBER'S CONDUCT

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, the chickens are coming home to roost. One of the Hon. Members of the Liberal Party has constantly abused members of my caucus with derogatory and wild accusations and now we find he is no stranger to the public trough—

Mr. Speaker: Order. I think Hon. Members are bound by the ruling I made yesterday. I would ask Hon. Members to abide by it.

The Hon. Member for York Centre (Mr. Kaplan).

Mr. St. Germain: Order.

* * *

NATIONAL RESEARCH COUNCIL

BUDGETARY CUT-BACKS

Hon. Bob Kaplan (York Centre): Mr. Speaker, a few days ago I attended a public meeting in my riding. A number of people were there to talk to me about the government cut-backs at the National Research Council. They brought to my attention an advertisement published by The Professional Institute of the Public Service of Canada on the subject of these cut-backs. The ad notes that since 1984 the budget of the National Research Council has been reduced from $.5 billion to $400 million and the number of employees has been reduced from 3,600 to 3,100. The ad notes there will be a further loss of 200 positions.

This group calls upon the Government, particularly the Prime Minister (Mr. Mulroney), to honour the promises made during the last election campaign and not only stop the cut-backs of these programs but increase the over-all spending on research and development, especially at the National Research Council.

The signed cut-outs addressed to the Prime Minister do not comply with the rules for presenting petitions, and I wanted to take this opportunity to put these views forward. I intend to send them to the Prime Minister and express my own hope that these cut-backs will be reversed and that the NRC budget will be increased.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ADMISSIBILITY CRITERIA AND CONTRIBUTION RATES

Mr. Marcel Tremblay (Québec East): Mr. Speaker, yesterday the Government introduced a bill amending the Unemployment Insurance Act to extend the variable admissibility criteria and maintain present contribution rates for unemployment insurance for a year. The new legislation will be beneficial to small and medium-sized businesses as well as to workers in Québec East. The Governement intends to maintain contribution rates at their present level for 1987. With this decision, Mr. Speaker, we will avoid a substantial increase in contributions paid to the unemployment insurance fund.

Once again, Mr. Speaker, our representations were successful. Our arguments and our ideas on the matter were rewarded with a favourable response from the Minister. I am sure that such good news will be welcomed by my constituents of Québec East. I urge the House, Mr. Speaker, to pass this legislation as soon as possible .

* * *

• (1415)

[*English*]

INSURANCE

LIABILITY INSURANCE—INCREASE IN PREMIUMS AFFECTING SPORTS PARTICIPANTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to urge the Government to take immediate steps to end the

liability insurance crisis which is threatening organized sports and community services. Persons participating in sports such as hockey, football, and skiing are finding it almost impossible to afford liability insurance.

The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) should immediately consider the recommendation of his own commission on the subject which recommended establishing a self-insurance scheme for these sports, as has been done by the school boards in Ontario. It is time the Government took a stand against the international insurance companies which are forcing Canadians off the playing-fields and out of the arenas while fleecing the public.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN AND MEMBERS OF SELECT COMMITTEE ON AGRICULTURE OF UNITED KINGDOM

Mr. Speaker: I would like to draw to the attention of Members the presence in the gallery of members of the Select Committee on Agriculture of the United Kingdom under the chairmanship of Sir Richard Body.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

PUBLIC WORKS

PORT-CARTIER PRISON—AUDITOR GENERAL'S REPORT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is addressed to the Minister of Public Works. It concerns the prison at Port-Cartier. Yesterday in the House the Minister referred to a letter from the Auditor General dated October 27, in spite of the fact that it was not addressed to him and in spite of the fact that the Auditor General stated in the letter that it would be prudent to avoid discussion of the matter until the issue has been investigated. The Minister said at that time: "—it was admitted by the Auditor General that he had made a mistake in his report." That is not the case. It is not true. It is not what the Auditor General said in the letter.

Mr. Crosbie: Does he have a question or not?

Mr. Nunziata: Will the Minister stand up today, admit that he was wrong yesterday regarding the letter from the Auditor General, apologize to the Auditor General, and apologize to the House for a blatant misrepresentation of this letter?

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair is reluctant to interfere with the lead question when it is posed by a member of either opposition Party. I would ask the Hon. Member to rise again and put the last part of his question in words which are less inflammatory.

Mr. Nunziata: Mr. Speaker, in view of the fact that the statement of the Minister would appear to contradict the contents of the Auditor General's letter, is the Minister prepared to stand up today, admit he was wrong yesterday, apologize to the Auditor General and apologize to the House?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I did indeed raise a letter from the Auditor General dated October 27 that had been in circulation. In it he indicated, and I quoted the first sentence of it, that indeed there was a possibility of a mistake. We have checked with various officials and confirm that in our view there is a mistake. I am very happy to note that in today's paper it is reported that the Auditor General has seen fit to recheck the situation and verify the information in his report.

Mr. Nunziata: Mr. Speaker, on three separate occasions yesterday in the House the Minister of Public Works said that the Auditor General was wrong. I spoke to the office of the Auditor General today and was told that, in fact, that was not what the Auditor General said in his letter.

NEED FOR PRISON

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary question is for the Solicitor General. In paragraph 7.89 of the Auditor General's Report the Auditor General stated that the prison could not be justified based on need. In the House on October 22 the Solicitor General said that, in fact, there was a need for the prison.

Some Hon. Members: Come on!

Some Hon. Members: Order!

Mr. Speaker: I would ask the Hon. Member to put his question.

• (1420)

Mr. Nunziata: The Solicitor General has contradicted the Auditor General in his finding that there was not a need for a prison at Port-Cartier. Will the Solicitor General stand up today, admit that he was wrong, and apologize to the Auditor General and the House?

Hon. James Kelleher (Solicitor General of Canada): Let me reiterate that I have never contradicted the Auditor General. Indeed, I agree with his tables. I refer the Hon. Member to paragraph 7.51 of the Auditor General's Report where he says that there will be a surplus of 30 protective custody beds. That figure includes the Port-Cartier beds of 250. If Port-Cartier is not built, the 30 surplus must be subtracted which leaves a

deficit of 220 beds. That proves that we need the building of this prison.

Some Hon. Members: Hear, hear!

Mr. Nunziata: The Solicitor General once again contradicts the conclusions drawn by the Auditor General.

Some Hon. Members: Order.

TREASURY BOARD DECISION

Mr. John Nunziata (York South—Weston): My second supplementary question is directed to the President of the Treasury Board. In view of the fact that the Auditor General stated at paragraph 7.99 of his report that the Treasury Board did not have all the facts when it approved the relocation of the prison, and in view of the fact that the President of the Treasury Board said in the House on October 21 that he did have all the facts when he approved the relocation, will the President of the Treasury Board stand up today, admit he was wrong, and apologize to the Auditor General and the House for undermining the authority and integrity of the Auditor General of Canada?

Hon. Robert de Cotret (President of the Treasury Board): I am happy to stand up in the House today and reaffirm the statements I made when I answered the question. I would like to indicate to my hon. colleague opposite that in no way was I questioning the validity, the judgment, or the right of the Auditor General to make that statement from the point of view of the Treasury Board. I felt that the Treasury Board at that point had the required information. He obviously felt otherwise. It is a legitimate difference of opinion, and I stated that, and I stand by my statement.

* * *

[*Translation*]

PENITENTIARIES

CHOICE OF ARCHITECTS' FIRM FOR CONSTRUCTION OF PRISON IN PORT-CARTIER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the President of the Treasury Board. Yesterday, following questions from the Opposition about the awarding of contracts for the Port-Cartier penitentiary, the Minister said, and I quote: "The contract was given to the firm which was judged the most competent to give the best value for the money of Canadian taxpayers." In the light of this statement, could the Minister inform the House why the firm that designed the penitentiary at Donnacona was not chosen and was not even considered, although the same plans and specifications are being used to build the penitentiary at Port-Cartier? How come?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I made it quite clear to Opposition Members yesterday that the usual procedures were followed in awarding the contract. An evaluation was made, the company that won in the bidding was given a rating of 110.5 by the officials of the department concerned, compared with ratings of 98.5 and 93.5 for the two other companies. I also offered to be available for questioning by Members in committee, when I would be delighted to provide more details, something question period does not allow me to do.

POSSIBLE APPEARANCE OF PRIME MINISTER BEFORE PARLIAMENTARY COMMITTEE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Minister, who may wish to take this opportunity to table the relevant documents in this case. I want to ask the Deputy Prime Minister, considering the fact that a committee of this House has asked the Prime Minister to appear before it to justify the statements made and the action taken with respect to Port-Cartier, whether he is prepared to make a commitment today and inform the House that the Prime Minister will appear before a committee of this House as soon as possible, to provide the desired justification?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that statement is totally untrue. There is no committee that has called for the appearance of the Prime Minister. I understand there has been a recommendation put forward by a steering committee, but that would have to be ratified by the Standing Committee itself.

• (1425)

AUDITOR GENERAL'S LETTER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Public Works. Yesterday, in trying to weasel out of a question regarding—

Some Hon. Members: Order. Order!

Mr. Riis: Yesterday, in an attempt to avoid a question dealing with government patronage and contracts at Port-Cartier, the Minister hauled out a letter from the Auditor General. What was the intention of that particular move?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, very clearly the intention was to put before the House all relevant information which formed the basis of all the inquiries of last week. Additional information, through the letter of the Auditor General, came to our attention, and it was important that Canadians knew of that information immediately.

MINISTER'S STATEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the questions posed yesterday dealt with the architectural contracts and the tendering of those contracts at Port-Cartier.

The letter of the Auditor General dealt with the management project, a totally unrelated set of contracts. When the Minister of Public Works said that the Auditor General admitted he had made a mistake and that he had confirmed the Auditor General had made a mistake, had he actually spoken to the Auditor General to ensure that was the case?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I believe my words were that the Auditor General indicated the possibility of a mistake. We have checked our records. We know the situation. We confirm that a mistake had been made. Now the Auditor General is to check out the actual facts.

INTEGRITY OF AUDITOR GENERAL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Minister's comments yesterday in the House that the Auditor General had admitted that he had made an error were regarding a set of contracts totally unrelated to the questions being posed about architectural services. Was the Minister, in his response yesterday, simply trying to evade questions about the Government's integrity by casting doubt on the integrity of the Auditor General of Canada?

Hon. Stewart McInnes (Minister of Public Works): Absolutely not, Mr. Speaker. I think some question about the integrity of government practices had been put in issue. Indeed, a question about that issue had been raised by the Auditor General. Now he has agreed to go back and verify the basis of his information. This is appropriate, and we applaud this initiative of his.

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ENERGY

COME-BY-CHANCE OIL REFINERY—ANNOUNCEMENT OF SALE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I will direct my question to the Deputy Prime Minister. On Monday of this week the Premier of Newfoundland, Brian Peckford, and the Hon. Member for St. John's West jointly announced the sale of the Come-by-Chance oil refinery to a Bermuda-based company called Newfoundland Energy, for $2. Yesterday the Newfoundland Premier confirmed that the refinery had still not been sold. Why did the Minister of Transport, representing the federal Government, participate in a press conference with Premier Peckford announcing the sale of the Come-by-Chance oil refinery when Petro-Canada, the owner of the refinery, advised both the Premier and the Minister in advance of the press conference that no deal had been concluded for the sale of the refinery?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Acting Minister of Energy is the Hon. Minister of State for Forestry and Mines, and he will take that question.

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I assure the Hon. Member and all Members of the House that the people of Newfoundland certainly welcome the opportunity to have additional jobs and economic activity in that province.

MINISTER'S PARTICIPATION IN PRESS CONFERENCE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the people of Newfoundland welcome that kind of opportunity, but they are not willing to be participants in *The Gong Show*. I will repeat my question. Why did the Minister of Transport, representing Her Majesty's Government, participate in a press conference with the Premier of Newfoundland announcing the sale of the Come-by-Chance oil refinery when Petro-Canada, the owner of the refinery, advised—and they told me so this morning—both the Premier and the Minister that there had been no sale?

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I am awfully sorry the Hon. Member does not share the happiness of the people of Newfoundland in having those new jobs in that area.

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HEALTH

REQUEST FOR BAN ON CIGARETTE ADVERTISING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of National Health and Welfare. I suspect he will know that Steve Fonyo's father has said that he wished someone had warned him of the hazards of cigarette smoking when he was young. Of course he will know that Mr. Fonyo is now dying of lung cancer. Will the Minister respond positively to Mr. Fonyo's appeal? Knowing that tobacco companies are spending $200 million a year to undo any good that the Minister's pro-health campaigns are doing, will he respond positively by putting an end to the disinformation campaigns, with a total ban on cigarette advertising?

• (1430)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think all of us received the news of Mr. Fonyo Senior's illness with deep regret. Regarding the ban on advertising, as I told the Hon. Member earlier, that issue has many more implications. It is not simply a matter of banning advertising so that people will no longer smoke, thereby ending lung cancer. Obviously that which the Hon. Member continually puts forward is not the complete answer.

PLEA BY PHYSICIAN'S ORGANIZATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister not respond favourably to the latest campaign of Physicians for a Smoke-Free Canada? As the Minister knows, Members of Parliament will receive black-edged cards when their constituents die from tobacco-related diseases. Will the Minister respond favourably to the plea Physicians for a Smoke-Free Canada made this morning when they stated that they are tired of government inactivity, and specifically requested a ban on advertising as a first step toward controlling smoking in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, regarding the argument that there has not been government activity in the last two years, I really do not think I have to defend that once again in the House of Commons. The Hon. Member knows as do most Hon. Members that, from my perspective, if it were possible, the route I would like to take would be to ban cigarette advertising. I constantly hear the argument that Finland has done so. I spoke to the Minister for Social Security of Finland two days ago. The Finns had to amend their Constitution in order to ban cigarette advertising so that it would not be an abrogation of press rights. I would suggest to the Hon. Member that, when she wants to put facts before us, she should put the entire package before us so that we can look at it in that sense.

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ENERGY

COME-BY-CHANCE OIL REFINERY—ROLE OF PETRO-CANADA

Mr. George Baker (Gander—Twillingate): Mr. Speaker, two weeks ago Premier Peckford promised Newfoundlanders that he would "blow their minds" with an announcement. The announcement was made. It did not blow their minds, it boggled them. The Premier announced the sale of the refinery but Petro-Canada said that it was not sold. However, the Minister promised us today that jobs will be created and we thank him for it.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. I hesitate to interrupt the extensive applause with which some Hon. Members are greeting the preamble to the question of the Hon. Member for Gander—Twillingate. Perhaps if the Hon. Member would proceed with his question there might be more applause.

Mr. Baker: I am sure there will be, Mr. Speaker. Since Newfoundland Energy Limited is so keen and is putting up $20 million to reopen the refinery, could the Minister tell the House what he thinks is wrong with Petro-Canada? Why could Petro-Canada not do what this company says it will do with the refinery?

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I think the people of Newfoundland are very, very happy that this company will try to find markets and make things happen in Come-by-Chance, something which the Hon. Member's Government could not do.

NORTHEASTERN UNITED STATES MARKET

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the projected market is in the northeastern United States and the refinery in the riding of the Minister used to supply that market until it got cut off, as did refineries in Quebec and Nova Scotia, and jobs were lost. What guarantees do we have now that the Come-by-Chance oil refinery will not also be cut off from this same market at the very time it is opening? We do not want Come-by-Chance to go by chance again.

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member can be assured of one thing: there were more jobs lost in Saint John, New Brunswick, by the former Liberal Government's policies. The opportunity for new jobs and economic development is welcomed by the people of Come-by-Chance. They are the ones who will be the net beneficiaries of this, and the Hon. Member should be very happy about it.

* * *

[*Translation*]

TRADE

FREE TRADE WITH UNITED STATES—POSSIBLE EXCLUSION OF AGRICULTURE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a question for the Minister of State for External Affairs.

Yesterday, the *Union des producteurs agricoles du Québec* met with the three political parties in Ottawa to object to the inclusion of the farming industry in the free trade discussions with the United States.

My question is this: Can the Minister now assure us that agriculture will not be included in the free trade negotiations between Canada and the United States?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the question of the Hon. Member surprises me. Is he suggesting that agriculture should not be part of the free trade negotiations?

Mr. McKnight: Remember the leadership in Saskatchewan, Lorne.

[*Translation*]

REQUEST THAT MINISTER GIVE COMMITMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the answer is yes. The UPA has said that the dairy industry and sectors such as poultry and pork production would be destroyed by a free trade agreement between Canada and the United States.

Can the Minister tell us once and for all whether or not the farming industry will be on the negotiation table, because the UPA would like an answer now.

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, there are a number of elements involved in the negotiations. I would like to point out to the Hon. Member that a poll released today showed that 57 per cent of Canadians support the free trade initiative of this Government.

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FINANCIAL INSTITUTIONS

OWNERSHIP CONTROL REGULATIONS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of State for Finance. Last night before the Finance Committee, the Chairman of the Continental Bank stated that in order to preserve the jobs of his employees he had no option but to seek a merger with a foreign controlled bank since, without legislative changes, large Canadian non-bank financial institutions such as Sun Life and National Trust could not acquire the Continental Bank. Will the Minister bring in changes to the ownership provisions for Canadian financial institutions in order to enable control to remain in Canada should a similar situation develop in the future, or is he satisfied that the loss of Canadian control is the only way to save jobs in Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member is asking about a future policy about which he is curious. I can guarantee him that in the next month or two we will bring forward our policy which will endeavour to maintain Canadian control as best we can, create jobs, and increase the further competitiveness of our banking system.

[*Translation*]

ENERGY

EXISTENCE OF NEW MARKETS FOR PETROLEUM PRODUCTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Deputy Prime Minister or the Acting Minister of Energy, Mines and Resources.

Last year around this time, *Gaz Métropolitain* and the Quebec Government were asking the Conservative Government for assistance, in keeping the Gulf refinery open in Montreal East. The Energy Minister at the time answered that there was no market.

Could the Minister inform the House today how he was able to find an export market when a year ago, there were no markets to keep the Gulf refinery in Montreal East operating?

[*English*]

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, it should be noted that in the ongoing negotiations for the Come-by-Chance refinery, no federal moneys are directly required. All of the output of this particular refinery will go to the United States thanks to very good negotiations by the Province of Newfoundland.

[*Translation*]

EVOLUTION OF MARKET

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister doesn't have his facts straight. The Government is going to sell at a discount price of less than $2. And besides, *Gaz Métropolitain* was merely asking for permission to purchase the Gulf refinery.

Could the Minister explain what has changed in the energy sector to make him say today there is a market in the U.S., while a year ago, the Energy Minister at the time told us there were no markets?

[*English*]

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, it should be well known that the purchasing company will purchase the entire output of that particular plant. We think it has found its own market niche and we welcome that kind of opportunity for economic activity in Come-by-Chance.

* * *

• (1440)

ENVIRONMENTAL AFFAIRS

LYELL ISLAND LOGGING OPERATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment. The Haida people and Canadians from coast to coast want to know if the federal Government is prepared to offer fair compensation to the

loggers and logging companies on Lyell Island and in South Moresby so that the area will be protected. Can he tell this House, the Haida people, and the people of Canada, whether or not he is prepared to make that offer today?

Mr. Blackburn (Brant): Good question.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is a good question. I provided the answer in this House some weeks ago when I said to the House and, through it, to Western Forests Products Ltd. that the Government of Canada would be very predisposed toward sitting down with them to negotiate the value of the timber licences and to reasonably compensate the company for them.

POSITION OF BRITISH COLUMBIA GOVERNMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I thank the Minister for that answer. However, as he knows, logging is going on on Lyell Island today in areas under negotiation for designation as Canada's highest priority national park. Is the Government going to take the necessary steps to get the co-operation of the B.C. Government to stop that logging before it becomes the South Moresby National Slash Park?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the situation is delicate. I do not think one needs to resort to exaggerated rhetoric to underscore the problem. The Government of Canada is deeply concerned about what is happening in the South Moresby area. I do not think it would be an overstatement to say that violence, even death, is possible if this thing gets out of control. We are working behind the scenes, quietly, reasonably and co-operatively, with the Government of B.C. and the Haida themselves to see whether we can avert disaster.

* * *

[*Translation*]

TAXATION

REQUEST FOR CLARIFICATION OF GOVERNMENT DECISION ON MINIMUM TAX

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is for the Minister of Finance, or in his absence, for the Minister of State (Finance).

The Conservative Governement has imposed a minimum personal income tax, but not a minimum corporate income tax when we know that thousands of profitable corporations pay no taxes in Canada.

Must we conclude, Mr. Speaker, that the Minister of Finance was not aware of certain figures which are essential to prepare any budget or implement any major tax initiative? Or must we conclude, Mr. Speaker, that the Minister of Finance and his Government deliberately and unduly favour these companies, some of which are very large?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the issue of a minimum tax for corporations is of course being examined in the ongoing consultations on tax reform. I will tell the Hon. Member that 13,000 Canadian corporations paid tax last year that had never paid tax before. I will also tell him that the American system of a minimum corporate tax is not working very well and produces trivial amounts. We have to look at this carefully because there is no easy answer.

* * *

[*Translation*]

CONSUMER AFFAIRS

POSSIBLE GASOLINE PRICE INCREASE—DELAYED IMPLEMENTATION ON BEHALF OF CONSUMERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

Last Spring, when the price of crude oil went down by 60 per cent, the Government was very slow to react. Canadians had to wait three months before noticing any change in the prices at the pump.

According to a Canadian Press release from Calgary, there will be an increase in prices within a month.

Can the Minister assure us that the Canadian consumers will have the same three months of grace before there is any increase at the pump?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the Hon. Member knows, there is no constitutional authority for the federal Government to set prices. We can only try to ensure that the market-place is truly competitive. In that regard, the Director of Investigation and Research in the Competition Branch is monitoring petroleum markets directly. If the Hon. Member has any evidence of efforts to manipulate the market to the disadvantage of consumers, she should let us know and we will take action immediately.

[*Translation*]

GOVERNMENT MEASURES TO GIVE EQUALITY OF TREATMENT TO CANADIAN CONSUMERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my supplementary is for the same Minister.

Last Spring, the Minister of Energy, Mines and Resources became involved by sending a short and weak telex to the oil giants pleading for lower prices at the pump.

Can the Minister state what action he plans to take to provide Canadian consumers with equality of treatment?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I just became aware at lunchtime that in the Niagara Falls region right now gasoline is selling at 32 cents a litre as a result of a price war. We are trying to promote as much competition as possible so we will have price wars as frequently and as widely spread as possible. That is the best way to get the best results for consumers—good healthy competition.

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ENVIRONMENTAL AFFAIRS

LYELL ISLAND LOGGING OPERATIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. In order to avoid the possibility of violence and death, which the Minister referred to a moment ago, will he stand in his place today and publicly ask the Government of British Columbia to stop the logging on Lyell Island until such time as successful negotiations can be concluded?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member will know that I was in Vancouver a few weeks ago to meet with my provincial opposite number, Austin Pelton, to make a request similar to that which the Hon. Member calls upon me to make now. I can assure him that we are pursuing the matter with vigour. The position of the Government of Canada is clear and it has been conveyed clearly to the Government of B.C.

OBSTACLES TO SETTLEMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, if that kind of representation has been made privately, I again ask the Minister to make it publicly here. I also ask him, if the federal Government is prepared to put up money, what is the problem? If the money has been offered and the federal Government is willing to negotiate, who is standing in the way of a successful negotiation of that problem?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think one of the things standing in the way of progress is the grandstanding which the Hon. Member is wont to do from time to time. I say that with reluctance because it is not characteristic of his personal style. I draw to his attention a sentence from a letter written by his colleague, the Hon. Member for Skeena, to the Prime Minister, in which he said: "This issue transcends partisan bickering".

Mr. Blaikie: Indeed.

Mr. McMillan: I commend it to the Hon. Member.

NATIONAL DEFENCE

PURCHASE OF TORPEDOES FROM UNITED STATES

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Associate Minister of National Defence. Yesterday it was revealed that the U.S. Navy overcharged Canada and Turkey by more than U.S. $14 million on the sale of torpedoes. As most of this sale was to Canada, our share of the overpayment could be Can. $18 million, plus interest. Can the Minister inform the House what measures his Department is taking to retrieve the overpayment?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I want to advise the House that we have no reason to believe that Canada was overcharged since the final cost of the contract will not be known until the expiry date, 1988 in this case.

[*English*]

MONITORING OF CONTRACT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Can the Minister assure this House that all contracts of this nature are monitored, from the manufacturing stage to the middleman, to the final purchaser? Will that be done in this case, and will she give us a report on the final outcome?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, of course I can give the assurance that we will follow the competitive procedure and that further information will be made available in due course. It may be that the allegations we have been hearing are unfounded.

* * *

[*English*]

CANADA POST CORPORATION

SERVICE TO NEW COMMUNITIES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. According to newspaper reports the Post Office is planning a major publicity campaign to sell the idea that mailboxes are better than door-to-door delivery. Is the Minister now in a position to confirm that the Government has decided against door-to-door delivery in new communities?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Government has not decided on anything.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Truer words were never spoken.

Mr. Côté (Langelier): We have been presented with a corporate plan which we are examining and, when we are ready, we will make the announcement at the appropriate time.

Mr. Keeper: I take note of the fact that the Minister has not denied that he has decided against door-to-door delivery.

[*Translation*]

COST OF PROMOTING IDEA MAIL BOXES BETTER THAN DOOR-TO-DOOR SERVICE

Mr. Cyril Keeper (Winnipeg North Centre): A supplementary, Mr. Speaker. Is the Minister prepared to tell the House how much money Canada Post officials will spend to promote the idea that mail boxes are better than home delivery, and why should this money not be used to expand the services people want, which is door-to-door delivery?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I can only answer that Canada Post have considerably reduced their deficit since 1984—down to $184 million from $347 million—precisely as a result of sound corporate administrative decisions. Naturally we will weigh the representations and recommendations made by Canada Post and respond in due time.

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INDIAN AFFAIRS

REQUEST THAT GOVERNMENT INTERVENE TO REINSTATE DEMOCRATIC SYSTEM IN KANESATAKE INDIAN BAND

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. The Kanesatake Band Council is elected for life, under the Customs Hereditary Chief system. Many members of that band, who do not agree with that system nor with the policies or philosophies developed by the Kanesatake Band Council, submit that their rights are flouted since they cannot get information and no public meetings are held, and because of their disagreement, they have become second-class band members. Can the Minister, under the authority that is vested upon him, intervene in order that the democratic system that existed before 1979 be reinstated?

• (1450)

[*English*]

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the Hon. Member's interest. She is correct that the Oka Band has election by custom, that being the Mohawk custom. It would be totally inappropriate for the federal Government or this Minister to interfere with the elections or customs of the Indian government of the Oka Band.

NATIONAL RESEARCH COUNCIL

GOVERNMENT FUNDING—RADIO OBSERVATORY

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Science and Technology. The Minister of Science of British Columbia has called the Government's plan to shut a radio observatory a "dereliction of responsibility". He has also expressed a "lack of confidence" in the leadership of the federal Government.

Given this damning indictment of his policy from a respected scientist and a Minister of the B.C. Government, will the Minister of Science and Technology immediately agree to reverse his plan to cut the budget of the National Research Council?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I, too, monitored the statement of the Minister of Science in the former B.C. Government. It made reference to the closure of one or the other of the observatories in British Columbia. There is no intention of closing those observatories.

Mr. Berger: Mr. Speaker, it is not a specific observatory that is being criticized, but the Minister's policy.

REQUEST THAT MINISTER TABLE STUDIES

Mr. David Berger (Laurier): Mr. Speaker, will the Minister table in this House the analyses upon which he based his decision to cut the budget of the National Research Council, the list of groups which he consulted, and the recommendations and advice he received from members of the National Research Council?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I said the other day, I spent three hours in the Standing Committee tabling and offering all kinds of information to Members. Unfortunately, this Hon. Member did not see fit to attend the meeting. He can read the record of it and he has access to all the information I tabled.

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FISHERIES

FRASER RIVER—DUMPING OF DEBRIS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Since last Saturday the Kerkhoff-Hyundai consortium has been raising polluted debris from the bottom of the Fraser River near the Pattullo Bridge and dumping it just over the edge of the pilings into the flowing river, thereby seriously endangering the fish habitat.

Why is the Department of Fisheries permitting this dumping when no environmental impact studies have been done and no public hearings have been held?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I have not yet received a report from officials on the West Coast about the problem raised by the Hon. Member. If there is any evidence of contraventions of Sections 31 and 33 of the Fisheries Act, appropriate action will be taken immediately.

Ms. Jewett: Mr. Speaker, I am shocked. This has been going on since Saturday and the Minister does not know anything about it.

REQUEST FOR INSPECTION

Ms. Pauline Jewett (New Westminster—Coquitlam): Will the Minister take immediate action by having his inspectors go to the site and immediately begin to conduct the necessary tests to protect the fish in the Fraser River?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, if practices are occurring which are contrary to the habitat provisions of the Fisheries Act, immediate actions will be taken if they have not been taken already.

Every incident is not brought to my attention immediately, but I certainly take seriously the necessity to act immediately upon receipt of evidence. The only evidence I have heard is the allegations of the Hon. Member.

Ms. Jewett: Go check it out. That is really shocking.

MARKETING OF FRESHWATER FISH—SENATE COMMITTEE REPORT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is also directed to the Minister of Fisheries and Oceans. What is the Government's response to the September report of the Senate Fisheries Committee on the marketing of freshwater fish in Canada? Will the Minister now allow competition with the monopolistic Freshwater Fish Marketing Corporation?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am very cognizant of the Hon. Member's interest in the freshwater fishery in the western Arctic. I visited the Hay River plant of the FFMC with him and met fishermen there some years ago. Indeed, about a month ago we received a report from the Senate Committee on the Freshwater Fish Marketing Corporation. That report is being reviewed with provincial and territorial officials and officials of the corporation. Improvements will be made to the corporation which will benefit the fishermen and employees of the plant in the Hon. Member's riding. The suggestions which are viable will be initiated.

CANADA POST CORPORATION

CAMPAIGN TO PROMOTE MAIL BOX SERVICE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. I have a copy of the 60,000 advertisements which were distributed to postal employees advertising the new Tory buzzword, "super mail box" which is to replace home delivery in new residential districts.

Is this part of the postal business plan which the Minister is supposed to announce? If not, what is in the plan? Canadians want home delivery rather than a "super mail box".

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, as I have said earlier, I think the Post Office has improved tremendously since we came into power.

Mr. Orlikow: You're kidding.

Mr. Côté (Langelier): The super mail boxes will upgrade service for rural and urban customers. This will have no impact on customers currently being served by letter carriers.

Mr. Keeper: You'll get to them later.

[*Translation*]

REQUEST THAT GOVERNMENT ANNOUNCE INTENTIONS IMMEDIATELY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, why is the Minister not announcing his plan immediately instead of leaving Canada Post reduce its services and increase postal rates?

Why not say exactly what you are going to do, instead of letting Canada Post do your work for you?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, again, Canada Post is a Crown corporation that operates and has to make corporate decisions. I have indicated that many improvements have been made by this Government, and the matter of superboxes is something else that involves the management of the corporation and that is part of its plan.

As far as we are concerned, we are still assessing the plan that was submitted to us, and when our decision is made it will be announced.

[*English*]

ENERGY

NATURAL GAS INDUSTRY DEREGULATION—GOVERNMENT POLICY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Acting Minister of Energy and is with regard to natural gas deregulation. The Conservative Party's policy in its handbook reads as follows: "We will adopt market sensitive pricing for exported natural gas while ensuring that Canadians always pay less than their American neighbours". Is that still the policy of the Government of Canada?

Hon. Gerald S. Merrithew (Acting Minister of Energy, Mines and Resources): Mr. Speaker, at this very time my colleague, the Minister of Energy, Mines and Resources, with his colleagues, the other Energy Ministers of Canada, are making a statement in Calgary with regard to this matter. I think the statement will be well received by the producing provinces, the consuming provinces, the distributors, and the pipeline companies. I can assure the Hon. Member that the agreements that were made by the participants will ensure that the consumers and producers are protected.

• (1500)

EXPORTS TO UNITED STATES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the recent announcement made by the Minister of Energy, Mines and Resources in Calgary is the opposite from the previous Conservative policy that surplus tests and the adjacent border tests will disappear for natural gas. Why is the Government sacrificing our precious gas resources to give Americans cheaper gas than Canadians? Why are you following that idiotic policy?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines): Mr. Speaker, perhaps I could quote what the Minister said:

> We can and will, however, carefully monitor domestic and export prices to ensure that Canadians are not placed at a disadvantage.

Surely that is clear enough.

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MEMBERS OF PARLIAMENT

CONGRATULATIONS TO MEMBERS FIRST ELECTED IN 1972

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order. May I extend to you and other distinguished Members of the Class of '72 the congratulations of the House on the fourteenth anniversary of your election to Parliament.

Some Hon. Members: Hear, hear!

Excise Tax Act

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, when the Secretary of State for External Affairs (Mr. Clark) rose on his point of order, I could not think of what would surpass in importance the weekly question as to the business the Government will call for the next seven days. However, now that I have heard his point of order, I entirely agree that it was a worthy one in this case.

I would like to ask the Government House Leader what business he intends to put before the House in the next seven days.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, today we will continue with second reading of Bill C-14, the Excise Tax Act. If that is concluded, we will proceed to Bill C-17, concerning the PGRT. Friday is an allotted day. I understand the Liberals will be presenting a motion in that regard.

On Monday we will return to Bill C-17, and on Tuesday we will move to Bill C-15, the amendments to the Criminal Code and the Canada Evidence Act, standing in the name of the Hon. Minister of Justice (Mr. Hnatyshyn).

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at one o'clock, the Hon. Member for Kenora—Rainy River (Mr. Parry) had the floor.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to reclaim the floor, even in the somewhat disruptive aftermath of Question Period, because it gives me the opportunity to emphasize again to the House the way in which the Progressive Conservative Government is garnering its increased taxes principally upon the backs of ordinary Canadians and at the expense of the budgets of ordinary Canadian families.

Before we rose for lunch I was at the point of coming to the division of increased taxes under the Government. The figures are instructive and I hope the Government will observe and absorb them because they are surely a signpost showing the principles the Government is following in its tax gathering campaign.

There has been an increase of $6.7 billion in sales and excise taxes since the Government took power, compared to $3.3 billion in personal income tax increases, and a meagre $1.4 billion in increases in the corporate income tax. The only conclusion one can reach when considering these increases together is that they are regressive.

We know that the sales and excise taxes that go into the purchase cost of most goods that are purchased in Canada—apart from food and refreshments obviously—are taxes that are paid in a much more equal fashion by the poor and the wealthy than any other form of tax. Not only have repeated studies analysed this tax as being regressive, I have not even heard anyone on the government side contradict this analysis. Unlike the personal income taxes which are progressive in the sense of being paid at a higher rate as one's income increases, sales and excise taxes are regressive.

For example, if a person with an annual income of $15,000 buys the same mix of taxable goods and services as someone who earns $75,000 a year, they pay the same amount by these indirect taxes. It should also be pointed out how these taxes are concealed from the taxpayers, namely the consumers. Unlike the provincial retail sales taxes which are added as a percentage of the price and are visible to the consumers, except in the case of beverages in some provinces, federal sales taxes are hidden from the consumer because they are included in the final price of the item. For example, families with an income of $20,000, who are not eligible for the so-called refundable sales tax credit which the Government has introduced, are the ones who will be hit hardest by this combination of sales and excise tax increases.

It is worth-while calling the Government's bluff on this question of the refundable sales tax credit. Our Party is not against such a tax credit and believes it does something to offset the increased taxes, but let me point out the analysis of the National Council of Welfare which has calculated that while this form of tax relief reduces the over-all burden considerably, it does not fully offset the cost of that increase. The $50 and $25 for each child will offset most of the increase, perhaps, for families who are in the $10,000 to $15,000 income range, but those with incomes below even $20,000 will be paying more in tax even after the refundable sales tax credit has been factored in.

It is no secret to those who study economics that this diverts money from consumer spending. Indeed, the Conference Board of Canada has calculated that the increases will assist in slowing down personal expenditures by Canadians—that is, no expenditures—from a growth rate of 5.2 per cent in 1985 to 2.7 per cent in 1987. The National Council of Welfare has pointed out that over the last five years, with the exception of the wealthy and, gratifyingly, the very poor, on the average Canadians have experienced a decline in their purchasing power. I believe this is a trenchant criticism of this increased tax measure. When this is allied with the fact that over the last eight years Canadians have experienced a drop in their real wage income, their real available spending power is also declining.

This must also be juxtaposed with statements by the Progressive Conservative Government concerning the need for economic growth. The restrictive effect that these increased taxes have on consumer spending will, of course, have an adverse effect on economic growth over-all.

I want to relate what we have seen the Government table in Bill C-14 to its suggested plans for tax reform and point out some of the inconsistencies. It is not my purpose to deny the possibility that the Government may indeed have had a change of heart or, perhaps as some of its back-benchers might say, suffered a change of heart. The fact is that there is a clear divergence between the actions of the Government in tabling Bill C-14 and its stated intentions, at least in the statement by the Minister of Finance (Mr. Wilson) on October 23, 1986. The statement that the Government needs more consultation time was instructive. Perhaps the Government wanted more time to elapse so it could garner tax at higher rates before introducing any measure which might lead to some loss of tax revenue in one of the three major tax accounts.

• (1510)

The Minister of Finance stated that he intended to reduce the rate of personal income tax in relation to over-all revenue. He felt that this could be done by seeking higher revenues from the corporate and sales tax systems. We can applaud an increase in the corporate taxes as a means of ending some of the outrageous selective tax preferences which my Party is now daily highlighting in the House, and with very good response from Canadians, I might say. Those measures have enabled many corprorations to avoid completely the payment of tax at the same time as their income statements and balance sheets are showing their increasing health. At the same time the stock market is showing in the clearest way possible that these corporations, which are in fact flourishing and prospering, are failing to make a contribution to the tax system.

Looking again at the sales tax system, it is difficult for my Party to see where further increases can be imposed without further increasing beyond the degree to which we are presently condemning the regressivity of that system. I think there is some fear of the imposition of a business transfer tax, a modified version of the value added tax, now endemic in other jurisdictions and, indeed, generally adopted within the European Economic Community, because that is in the statement as well. Similar products should bear the same rate of tax and the sales tax burden should be spread more equally across goods and services. We have here what has been referred to as "smoke and mirrors" and what has been referred to as "front-pocket donations and back-pocket extractions". As we have seen in the past, and as a well known satirical piece points out, the net result is that lower and middle income tax payers in Canada are going to pay. It is they who will make up the difference.

The over-all unfairness of the system is bolstered by the increase in sales and excise taxes, the hidden taxes, more regressive taxes which are difficult to administer, inflationary and, frankly, it is difficult to see how any business transfer tax could be introduced without essentially spreading some of the negative characteristics we have pointed out in the federal sales and excise taxes with, of course, the exception of the positive aspects the "sin taxes" have of discouraging the use of those products which are obviously harmful to all of us.

With respect to the business transfer tax, a value added tax by any other name, we have not seen anything concrete proposed, so perhaps it would be appropriate to leave that tax, even though it might cause an increase in the number of companies collecting by fifteenfold, and return briefly and finally to the federal sales and excise taxes. By 1988, revenues from the federal excise taxes and duties will have risen over 1984 by almost 90 per cent. That, I think, in a word, sums up the degree to which the Government is shifting to a form of tax which has been condemned by commentators right across the ideological spectrum in terms of economics, as a tax which is really counter-productive to the economy and one which is less than fair to those people who bear the largest share of the tax burden, and those people we must be concerned with, the ordinary Canadian family.

The Acting Speaker (Mrs. Champagne): Questions or comments? Debate.

[*Translation*]

Questions or comments.

Is the House ready for the question?

Resuming debate. The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I am pleased with this opportunity to speak on Bill C-14, an Act to amend the Excise Tax Act and the Excise Act. The purpose of this Bill is to increase certain taxes, which means that Canadians will again have to pay more for certain consumer goods, including manufactured goods and petroleum products.

To find out what might be of interest to Canadians in a Bill, you read what the Minister or his Parliamentary Secretary had to say about it. I will therefore refer to yesterday's *Hansard* at page 878, where the Parliamentary Secretary, speaking on behalf of the Government, introduced this budgetary measure.

[*English*]

I found it interesting that the Parliamentary Secretary for the Minister of Finance (Mr. Vincent) spoke for exactly 10 lines on the Bill itself. He said the Bill arose out of the Budget of February, 1986 and from the Ways and Means motion tabled on June 11 of this year. The essential and substantive part of his speech reads:

Excise Tax Act

The purpose of this Bill is to increase federal sales tax in certain areas. An increase of 1 per cent will raise sales tax on construction materials from 7 to 8 per cent, on alcohol and tobacco from 14 to 15 per cent and on other commodities from 11 to 12 per cent.

That is all we heard about Bill C-14 because for the rest of his speech he, true to form for a real good Tory, made political and partisan comments. I read it twice and underlined it trying to find further comments on Bill C-14, and there was nothing.

To be fair to the Parliamentary Secretary, perhaps he did not want to, or was not capable of doing what he should have done, and that is explaining what Bill C-14 was all about, the principle of it. But his speech was all style and little substance. So I will try, with all humility, to cover what the Bill intends to do. I will try to go along with my usual parliamentary habit and clarify somewhat what is in this Bill.

First, the Bill is a federally manufactured sales tax increase. This tax of 1 per cent will add tremendously to the costs of manufactured goods. I want to give to the House an appreciation of the impact of this tax. In his speech, I must admit, on page 879 in *Hansard*, the Parliamentary Secretary said:

—this Conservative Government and their Prime Minister are acting in a responsible manner, that we know where the money we spend is going.

That is fine, but he says further on that the Government announced in its last Budget that:

A family of four earning less than $15,000 will get $150 tax credit.

He enlarged on the great generosity of the Government and how lucky Canadians were to be allowed to receive $150 tax credit if they earn less than $15,000. I looked at my notes, which were quite substantial, to see what the facts are. What are the cumulative effects of the main tax measures introduced by the Tories since they took power in 1984? To find out one must go back to the November 1984 Economic Statement, and the respective Budgets of May 1985, and February 1986. If one goes through that exercise one will find that increases in taxes have been substantial.

• (1520)

However, for the couple with two children earning $15,000, the family to which my hon. friend referred yesterday, we find that because of the modified indexation of 3 per cent, because of the additional 5 per cent and 10 per cent surtaxes, because of the elimination of the 1973 federal tax reduction, because of the modification of child benefits, the family allowance, the tax credits, the exemptions—all those matters put together—that family will have to pay $190 more in tax than it paid in 1984. This shows that, indeed, the $150 is not sufficient even to cover these costs.

If we look further we will see that there is a 1 per cent increase in sales tax rates effective November, 1984; a 1 per cent increase in sales tax rates effective May, 1985; and an increase in the so-called sin taxes on tobacco and alcohol levied in the same Budget. The sales tax base was also broadened by that Budget. There were increases in the RRSP limits, and there was the famous capital gains exemption from which, we know, a family with an income of $15,000 does not profit very

much. When we add all of this together we find that the result comes to an additional $175 for these items minus, and I must be fair, $10, which is a possible deduction on capital gains that a family earning $15,000 may have. That is a hypothesis which I put out.

With respect to the February, 1986 Budget, there are additional measures. We see that there is a 3 per cent surtax which adds $10 to the tax bill of this same family. It takes care of the $10 they gained on the capital gains exemption. Then there is the refundable sales tax credit which was mentioned by the Parliamentary Secretary. There are increases in the tobacco and alcohol excise taxes which will cost this family another $40. When we add up all these figures, this family will pay $255 more than they paid in 1984, even taking into account the $150 sales tax credit. That is not what I call fair, equitable or responsible, which are the words used by the Parliamentary Secretary. I think they are unfortunate words. So much for the federal manufacturers' sales tax increase and its impact.

The next item with which I wish to deal is the alcohol and tobacco excise taxes. I think people who use alcohol and tobacco should be paying additional taxes because they add to our national health bills. They eventually cost us more money. We should try to capture this money from them so that we can look after their health if they do not wish to look after it themselves.

The next item I would like to refer to is the air transportation tax. Effective May 1, 1986, the tax on domestic air travel will be limited to a maximum of $50 while the tax rate will increase from 9 per cent to 10 per cent. The tax will be extended to tickets sold outside Canada on or after August 1, 1986.

The fourth item with which I wish to deal is the telecommunication programming services tax. This tax applies to television equipment provided to customers of cable and pay-TV services, and to equipment used by hotels and other closed circuit broadcasts. The TPST was increased by 1 per cent to 7 per cent in the 1985 Budget. The proposed legislation will increase the tax by another 1 per cent to 8 per cent effective April 1, 1986.

Then we come to the fifth item in the Bill which deals with the motive fuel tax. Members will recall that in the 1985 Budget the method by which federal sales tax was levied on motive fuels was changed. As a result, the sales tax continues to be imposed as a percentage or *ad valorem* tax. It is calculated as a specific amount per litre. The specific amount is to be adjusted quarterly according to the industry selling price index as published by Statistics Canada. Clauses 6, 7 and 8 of the Ways and Means motion to Bill C-14 are intended to clarify how this sales tax calculation is to be made. We all know that additional sales taxes were added in 1985 to the order of .32 cents per litre for regular gasoline; to .35 cents per litre for unleaded gasoline; to .36 cents per litre for premium gasoline; and to .29 cents for diesel. We also know that the sales tax increase as per the Budget of April 1, 1986, will be increased by .329 cents for regular gasoline; .36 cents for unleaded gasoline; .37 cents for premium gasoline; and .302 cents for diesel.

The next item with which the Bill deals is with respect to tourist literature. The 1985 Budget exempted government-sponsored tourist literature from federal sales tax. Effective February 27, 1986, the legislation proposed here would extend the exemption to tourist literature acquired by boards of trade, chambers of commerce, municipal and automobile associations, and similar organizations. The exemption applies only to material that is of general as opposed to specific commercial nature and that is distributed to the public at large free of charge. I think this is a plus in the Bill.

The next item with which I wish to deal is the refunding of sales and excise taxes on motive fuels to diplomats. The Secretary of State for External Affairs (Mr. Clark) will decide who will receive such refunds. This Bill proposes to refund sales and excise taxes on motor gasoline and diesel fuels to eligible diplomats from countries that provide similar relief to Canadian representatives.

The eighth item in the Bill deals with tax collection by Revenue Canada. As an aside, I am going through the Bill in this way because I think that yesterday most of us missed the principle at hand here. I am trying to be as brief and as specific as I can. Therefore I hope Hon. Members will excuse me if I do not go into too many examples with respect to each one of these items. According to existing legislation, Revenue Canada officials can demand payment of taxes owing for an unlimited amount of time. The Ways and Means motion to Bill C-14 proposes to allow Revenue Canada to collect only that amount of tax that will be paid or will become payable within 90 days after Revenue Canada serves the taxpayer notice of its intention to collect.

The ninth item deals with a motive fuel tax rebate to farmers. This is a measure in which a great many Members are interested, and justifiably so. It is a measure which has been mentioned by many Members in their speeches yesterday and today. The 1986 Budget extended a three-cent-per-litre fuel tax rebate to primary producers for another year, or until January 1, 1988. Then, on April 30, 1986, the Prime Minister (Mr. Mulroney) announced that effective May 1, 1986, the tax rebate would be increased by another 2.5 cents per litre, for a total rebate of 5.5 cents per litre. The Government, and justifiably so, estimates that this measure will save farmers an aggregate $165 million over the next two years.

• (1530)

This is a laudable move, and something which is justified. I only wish that the trappers had been included in the same measure. There are quite a few people who make a living from trapping in Canada, and they should be allowed the same rebate and receive the same consideration from the Government. As was mentioned before in debate, unfortunately this has not come about yet. Being an optimist, I am hoping that

some day the Government will see fit to allow people who make a living from trapping to be eligible for this rebate.

The only difficulty is that the $165 million over the next two years is based on an estimate. It assumes that the rebate program will be fully subscribed. However, previous experience will show that this is a questionable assumption. Not all people are aware of the rebate and, therefore, not all farmers claim it. The Government, therefore, gets away with not having to pay it all. Nevertheless, it is there and people should know about it. It is a good measure and we applaud it.

The last and final item is the impact of this sales and excise tax Bill on federal Government revenue. According to the Government's figures, this increases and extends the fuel tax rebate to farmers over the next two years. It will cost $65 million in lost revenue for 1986, and $100 million for 1987. This is in addition to the $120 million of lost revenue indicated in the years 1986 to 1990 under the commodity tax measures. Those items will be shown in the eventual cost to the Government, and, therefore, will have to be authorized by the House.

I wish to end my few remarks by saying that we deplore the fact that Canadian consumers are again being asked to pay increased sales taxes and will have to bear the brunt of these measures. I plead with the Government that it not use these regressive tax measures to try to expunge the national deficit. The $150 sales tax credit is a good measure. It is not sufficient to allow those in the low income groups to really be protected from these additional measures. This reduces their take-home pay and their capacity to keep up with both inflation and the demands of their families. If the Government wanted to be fair, equitable and just, it should have come in with a sales tax credit of a great deal more than $150 for those families. That would have given them a little more relief and would not have used what I would define as very regressive measures in terms of their revenues.

I end my remarks on that note. I hope that the Government will be responsive to expanding that sales tax credit, which I think is a good measure, and will allow for those with low and moderate incomes to protect themselves against inflation and increasing taxes.

Mr. Boudria: I congratulate my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his usual eloquence and objectivity in his remarks.

Does the Hon. Member think it is fair—and I know he will have considerable comment about this—that a married couple with two children, whose income is $15,000, will have to pay an increase in taxes of $255 as a result of the economic statement of November, 1984, and the Budgets of 1985, and 1986. Does he think it is fair that the Tories want to go through with this regressive tax measure which will inflict that sort of pain on ordinary and low income Canadians?

[*Translation*]

Mr. Gauthier: Madam Speaker, I thought I made this quite clear in my comments, but I want to thank the Hon. Member for giving me a chance to repeat what I thought I said in my speech, namely that it is unfair, regressive and lacking in any equity whatsoever to force these families where four people have to live on a very low income of $15,000, an income that is below the poverty line—we recognize that today—and in absolute terms, below the poverty line means that they are constantly having a hard time making ends meet and even putting food on the table. God knows that the definition of poverty... We should make a distinction here between absolute and relative poverty. Without wishing to seem frivolous, absolute poverty—intellectually speaking—may be what the Conservatives are suffering from, but as far as... Yes, you Tories are absolutely incapable of any kind of original thinking. But absolute poverty, aside from the Tory connotation, may mean being unable to support one's family. Relative poverty means one is poor compared with other people in the same environment. Someone can be poor, meaning that he is unable to keep up appearances.

I realize that the Hon. Member—

Mr. Boudria: Beauharnois—Salaberry!

Mr. Gauthier: —for Beauharnois—Salaberry (Mr. Hudon) has a good definition of poverty, but I was not referring to intellectual poverty. I was referring to poverty—

Mr. Boudria: Not Conservative poverty!

Mr. Gauthier: —as an economic concept, and not as a lack of intellectual capacity or initiative. He is an expert as far as that goes. Initiative just may be something which helps people make progress. A Conservative does not have initiative and stays put, he does not move at all. Therefore it is not very hard to define.

I would like to tell my colleague from Glengarry—Prescott—Russell (Mr. Boudria) that I am very sorry indeed to see this regressive measure under which the Government will tax two-child families, couples with income as low as $15,000. I said in my remarks that the Government was supposed to use this sales tax credit measure to boost the income of those people and give them the money they need to make ends meet. That is all.

Mr. Boudria: A supplementary question, Madam Speaker. I thank my colleague for giving such a clear answer to my first question. Since he gave a very good explanation in answer to the first question I put to him, I should like to ask him whether he can understand why the Progressive Conservative Party on the other side continues to introduce such regressive measures—against a couple with two children, earning $15,000 a year, therefore already below the poverty level as my colleague from Ottawa—Vanier (Mr. Gauthier) so eloquently put it a moment ago—whether he can understand why the Conservatives would want to promote this kind of tax measure.

Mr. Gauthier: Madam Speaker, the explanation is fairly simple. All we need do is look at the tables and figures to appreciate that poor and middle income families are hit

hardest by sales taxes and regressive taxes. Couples with two children and an annual income of $30,000—let us refer to figures which are not quite as dramatic as the $15,000 mentioned earlier—did suffer as well because of the 1984-85 and February 1986 Budgets. Again I might enlighten the House with a series of figures I have here. A couple with two children and an income of $30,000 has to pay $245 more than in 1984 as a result of the 1984-85 Budget which reduced indexation by 3 per cent, added 5 and 10 per cent surtaxes, did away with the 1973 tax reduction, and changed family allowances, the tax credit. In addition, they have to pay $280 more because, as you will recall, the sales tax went up by 1 per cent in 1984 and by another 1 per cent in 1985 and the tax base was enlarged, which means another $280, and when we add to that the impact of the 1986 Budget and the 3 per cent surtax, the 1 per cent increase in the sales tax and what we call the sin tax on alcohol and tobacco. We end up with $630 more a year for a couple with two children and a $30,000 income.

If we look further—and this is the funny thing—if we look at a family with an income of $50,000, we see that, because of the capital gains tax exemption, these people are paying only $575 more. With an income of $50,000, they are therefore paying less than a family with an income of $30,000. I wanted to point this out because when I mentioned this fact recently in a speech, a reporter told me that I had made a mistake. I replied that I had not because, according to the figures, a family with two children and a $50,000 income pays less in taxes today than a family with a $30,000 income.

Mr. Boudria: Incredible!

Mr. Gauthier: It is indeed incredible. I repeat that a family with a $30,000 income pays $630 more while a family with an income of $50,000 pays $575 more.

When I look at the Tories, Madam Speaker, I tell myself that they are right to look embarrassed. Is it not embarrassing to be taxing the middle classes more than the rich?

The Acting Speaker (Mrs. Champagne): Questions and comments. Debate. The Hon. Member for Kamloops—Shuswap (Mr. Riis).

• (1540)

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I realize that we are anxious to get this Bill into committee for thorough examination, but this is an opportunity for Members of Parliament to discuss Bill C-14 in principle. The Bill we are debating today imposes a whole set of new taxes upon Canadian citizens. When they purchase soft drinks at the end of the day, they will pay more federal taxes. When they pick up chocolate bars or packages of gum, they will pay more federal taxes. When they fill up their gas tanks on the way home, they will pay more federal taxes. If they purchase some food for their pet cats of budgie birds, they will pay more federal taxes. I could go on and on, but we are actually discussing a new regime of taxes being levied by the federal Government upon Canadians.

Not only are these taxes vast, comprehensive, and all encompassing, they are sneaky. They are hidden taxes. People do not understand and recognize them unless they have listened intently to the proceedings in the House of Commons, read *Hansard* or read carefully some of the financial pages in our national publications. Average Canadian citizens are unaware of the sneaky attempt to levy additional taxes.

This comes at a very peculiar time. I listened with interest to the comments of the Minister when he introduced Bill C-14. He went on at some length about the need for the Government to obtain more revenue. Of course he was concerned about the deficit, as we all are. We are all deeply troubled by the size of the deficit facing Canada. He went on to explain that this was why the Government had to go to Canadian citizens—rich or poor, middle or low income earners, easterners or westerners, men or women— and ask them to pay more taxes. I make that point for the following reason. It is the most regressive form of taxation anywhere in the taxation regime.

Living in a northern climate, most Canadians will be purchasing winter tires or heavy duty winter batteries; most Canadians will be winterizing their automobiles and so on. They will be required to purchase these materials and therefore pay sales taxes. Everyone pays the same amount of sales tax on a set of snow tires which costs $150, for example. Whether they are very wealthy or poor, whether they are low or middle income earners, it is irrelevant. Therefore it is perfectly clear who is penalized most by these taxes—low and middle income Canadians. The same amount of money is levied upon everyone.

When corporate presidents earning $200,000 to $300,000 per year purchase snow tires, they will pay a few extra dollars as a result of Bill C-14. They will not notice it. It will not have a significant impact upon their lifestyles; as a matter of fact, it will probably have no impact whatsoever. However, when low income earners who are heads of households with two children and annual incomes of $15,000 purchase the same snow tires for their automobiles or trucks, they also have to pay a few extra dollars as a result of Bill C-14. It will have a significant impact upon those families. This is why we in the New Democratic Party will oppose Bill C-14 at every stage. If there is a need to raise money or revenue, there are more appropriate ways of doing it.

Why do I say "if there is a need"? It is because in introducing this piece of legislation the Minister made a point about the deficit. It is not surprising that we have an increasing deficit. When we look at the tax system, we find that there are tens of thousands of profitable Canadian corporations which pay no income tax to the federal Government year after year. As a matter of fact, in 1983 there were 79,196 profitable Canadian companies which did not pay a single penny in federal income tax at the corporate level. By the way, their profits combined were some $13.3 billion. In 1983, $13.3 billion went untaxed.

I suppose one of the reasons for the present deficit—and unfortunately it appears to be an increasing one despite the comments of the Minister of Finance (Mr. Wilson)—is that our tax system is so incredibly inept, biased, and unfair that it allows $13.3 billion to go untaxed. This is not my figure. This is not our figure. Figures such as this one were brought to our attention as a result of our 1986 tax probe. Various organizations across the country provided us with information. In fact, the federal Government provided the information indicating that 79,196 profitable corporations paid no income tax to the federal Government in 1983.

We should also consider the fact that 64 of the companies which paid no federal income tax in 1983 had profits in excess of $25 million. These are not corner stores or small Canadian companies; their profits in 1983 were in excess of $25 million. It is not surprising the Government has trouble in terms of collecting revenue.

May I make a rather humble suggestion. Rather than penalizing Canadian citizens by increasing sales and excise taxes or by imposing what is being called a business transfer tax, which will be even more oppressive, the federal Government ought to give serious consideration to an immediate overhaul of the tax system at both the corporate and personal levels and ought to determine to what extent it needs to continue to raise more revenues on the backs of Canadian taxpayers.

I do not have to remind Hon. Members of the SRTC boondoggle. It was an attempt by the Liberal administration to encourage Canadian companies to participate in research and development. Because of its ill-conceived nature, this cost Canadian taxpayers somewhere in the neighborhood of $2 billion to $3 billion. I do not have to remind you, Madam Speaker, of the billion dollar bank bail-out or of the billions of dollars that have now been given to the multinational oil companies as a result of the removal of the PGRT. It has been estimated that as a result of that decision, billions of dollars will not be going to the federal Treasury over the next few years.

• (1550)

I suppose the most stinging indictment of all is the continued support of the Minister of Finance for the $500,000 capital gains exemption. There are very few countries in the world where one would find people whose incomes are derived from selling race horses, artifacts or Caribbean boats or from investing in the Hong Kong stock exchange going totally untaxed to the tune of half a million dollars. I am not aware of any country in the world which has *carte blanche* application of a capital gains exemption. I have never heard of such a country, but perhaps other Hon. Members are aware of other countries that have this provision.

I would like to tell the House about the general track record of the Government since it has taken office. If there is a hallmark of this Government, it would certainly be the fact that any increases in revenue tend to come by way of hidden taxes. Rather than making up-front increases to the personal or corporate tax levels, the Government imposes hidden taxes so that Canadians are unaware of what is going on. Now the Government is committed to introduce what would be a simply inappropriate type of tax, a value-added tax, or as the Minister of Finance has called it, a business transfer tax. It should not be called a business transfer tax because it is essentially a widening of the federal sales tax base.

At the moment, the sales tax base is restricted primarily to the manufacturing sector but the business transfer tax the federal Government will be introducing in the next few months will tax virtually every business transaction that takes place. Experts in the tax field have called this a massive tax grab. I do not know of one single tax expert who has not called it a massive tax grab, a licence to print money or another descriptive phrase of that nature.

The Government might be lowering the personal tax rate so that a few extra dollars get into the pockets of Canadians. While a few extra dollars might go into their front pockets, the Government will be reaching behind to pull a few hundred dollars out of the hip pockets of Canadians. This will be done through a hidden, sneaky tax called the business transfer tax. It is a very regressive step and one that will concern you, Madam Speaker, a great deal, unless it is introduced in the context of over-all, massive, comprehensive, total tax reform along the lines of that which occurred in the United States.

In the United States, there has been a shift away from the personal taxpayer to the corporate taxpayer. President Reagan himself has decided that $120 billion will be moved onto the shoulders of the corporate sector and off the shoulders of the personal sector. That is the kind of step that makes a great deal of sense.

The Government has been taxing and taxing Canadians. In the economic statement of November, 1984, the federal Government announced a 1 per cent sales tax increase that had previously been introduced by the Liberals. The Government also announced an increase in the petroleum compensation charge. In the May 1985 Budget, a 1 per cent federal sales tax increase was announced for January 1, 1986, and an excise tax on gasoline was to be increased by 2 cents per litre on September 3, 1985, and by 1 per cent per litre on January 1, 1986. A new excise tax of 2 cents per litre on diesel and aviation fuel was imposed. There was a broadening of the federal sales tax base to include candy, confectionary, soft drinks, pet foods, certain health foods, energy conservation equipment and pharmaceutical devices. An excise tax on tobacco was increased by 52 per cent in the May 1985 Budget and an excise tax on alcohol was increased by 2 per cent. In the February 1986 Budget, there was a 1 per cent federal sales tax increase for April 1, 1986. An excise tax on tobacco increased by 6 per cent. An excise tax on alcohol increased by 4 per cent.

Adding together all of these personal tax increases including sales tax, excise tax, gasoline tax and personal tax increases, it amounts on average to $1,350 per Canadian family. By a Canadian family, I mean a family of four with an average

annual income of $35,000. As a result of two years of Progressive Conservative Government, each Canadian family is paying an extra $1,350 out of its pockets. That means that in every small community, whether it be Richmond, Kamloops, Chicoutimi, Carp or Hawkesbury, the average Canadian family is losing to the federal Government $1,350 each year, year after year.

What does this mean to the small businesses in those communities? It simply means that that money is not circulating in those areas. That money is down here being used for highly questionable expenditures like bail-outs to bank depositors.

I will never feel comfortable with the fact that the Government provided thousands of millions of taxpayers' dollars to depositors like the Bank of America, Wells Fargo, the Bank of Japan, the Bank of Hong Kong, the Bank of Abu Dhabi and the Bank of Saudi Arabia. Did those banks really need to be bailed out by small Canadian taxpayers? No, Madam Speaker. As a matter of fact, this has not happened anywhere else in the world. Taxpayers' money has never been used to bail out uninsured depositors of that type before.

The record of the Government has been rather abysmal. Just the other day, I read with interest the October 1986 issue of a magazine entitled *Policy Options*. It would make good reading for Members of Parliament because it goes on to describe the impact of taxes in vivid detail. As a matter of fact, it almost makes one break down after finding out what is happening to the poor and middle-income families of Canada. It discusses the massive tax increases imposed on the average Canadian family. The middle-income group is being squeezed and squeezed at the same time as tax breaks are going to upper-income earners, those who are most likely to take advantage of the $500,000 capital gains exemption and the changes to the Registered Retirement Savings Plan. If a person happens to have $15,000 lying around at the end of the year, he can put it away tax free. How many of your constituents, Madam Speaker, have $15,000 at the end of the year to invest in retirement? If they do have $15,000 in cash to invest, ought we not use our tax system through a tax deferral program to assist that handful of individuals provide for their retirement?

The point I am trying to make is that at the same time as we are giving break after break to upper-income earners, we are hammering away at the middle-income earners. We are hammering away at the poor. The number of poor people is increasing while the middle class is decreasing. At the same time, when you shift your attention to the corporate side, you find the effective tax rate paid by small companies is higher than that of large companies. As a result of various tax breaks, thousands and thousands of profitable Canadian corporations do not pay tax. We have a long list of companies in the $50 million to $300 million profits range which have paid no income tax at all. That is why the Government slaps on to the backs of ordinary Canadians a whole range of new taxes such as we see in Bill C-14.

• (1600)

The rather sad aspect of all this is that these taxes are not out in front for everyone to see. In a sense we are not being honest. We are not being accountable. What we are levying as a result of this Bill's passage is a whole set of under-the-table, sneaky, behind-the-door taxes. The person paying the taxes is, by and large, unaware of it. If we believe in our tax system, if we want to be accountable for our deeds, it is imperative that we put in place a progressive, not a regressive, tax system. People should pay according to their ability to pay. If you have a large income, you can expect to pay a bit more tax. If you have a very low income, then in many cases you should be paying no income tax whatsoever. That is the kind of tax system a progressive country should have.

I will simply say in closing that we will continue to speak against this Bill. We will do what we can to encourage government Members to see their folly in the hope that the Government will see fit to withdraw the Bill.

The Acting Speaker (Mrs. Champagne): Questions or comments?

Mr. Holtmann: Madam Speaker, I would like to put a question to the Hon. Member with maybe just a short preamble. He talked about NDP principles. I think both this House and the Hon. Member need to be reminded about NDP principles as we have seen them concerning taxes. He mentioned that this was the most regressive tax in Canada. I would like to remind him that in the great Province of Manitoba, which I dearly love, an NDP Government put in place a 1.5 per cent payroll tax. He cannot stand in this House and say that was not a regressive tax by a party which says it stands for the development of small business. That Government penalized small business people.

I also want the Hon. Member to consider what happened when we had a scientific research tax credit. The first person to jump on board was a cabinet Minister in the Pawley Government. Consider the principles of the NDP and their attitude in rejecting what we are trying to do to broaden the tax base so we can carry on some of the social programs they support. If the Hon. Member wants to add to the number of social programs, how is he going to pay for them?

He knows that in Manitoba an NDP Government thinks nothing of taxing small business. Members of the NDP think nothing of jumping in to reduce their personal income tax, as was demonstrated by one of the provincial Ministers. They think nothing of doing that when they can take advantage of it. Where is the NDP's principles is the question I would like to ask the Hon. Member.

Mr. Riis: Madam Speaker, I appreciate the intervention by my hon. friend. I will do my best to respond.

There were a number of questions. The point I want to make right off the mark is that when I refer to the fact that there are 79,196 Canadian corporations not paying tax, I do not

necessarily say those individual companies have done anything wrong at all.

Mr. Siddon: Most of them are small.

Mr. Riis: A lot of them are relatively small businesses, yes. They are simply using the tax system which successive Liberal and Conservative Governments have put in place. They are not doing anything wrong by using what the duly-elected Government of Canada has given them to use. They will presumably take advantage of the $15,000 retirement program and are not doing anything wrong, just simply taking advantage of a silly program.

Mr. Siddon: You would take it away from them?

Mr. Riis: What I am saying is that it is wrong in principle when we go out and gouge the taxpayer time and time again. We have done that so many times in the last two years since the Progressive Conservative Government took over—

Mr. Siddon: Not true and you know it.

Mr. Riis: —more than any other time in Canadian history. Some $1,350 in increased taxes for the average family. We are simply saying that it is wrong for profitable corporations like the Bank of Montreal, the Royal Bank, Shell Oil, or the Hudson's Bay Company to not pay some tax. It could be $10, it could be $2,000. Some tax. Surely the Hon. Member is not saying on behalf of his colleagues that banks which make at least hundreds of millions of dollars should not pay any tax at all.

Mr. Siddon: He did not say that.

Mr. Riis: I hope he is not saying that.

Mr. Siddon: What about Manitoba?

Mr. Riis: The Hon. Member made the point that, presumably, there are some difficult times in Manitoba. If my recollection is correct, when the unemployment figures came out last month, the Province of Manitoba had the lowest level of any province in the country. There were also some statistics from the Department of Finance recently which said that there was more business investment per capita in the Province of Manitoba than in any other province in Canada. The Hon. Member stands in his place and presumably implies they are having some difficult times. They are not perfect. What I am saying is that there is more corporate investment per capita in Manitoba than in any other place in Canada and unemployment is the lowest in any place in Canada. He should be leaping to his feet and congratulating that province's Government, saying it has done an excellent job and thank you very much.

Mr. Allmand: Madam Speaker, this Bill will certainly not implement tax reform, as the Hon. Member and others have pointed out. However, in recent weeks the Government has spoken about tax reform. Considering what has been done over the last two years to gouge middle and low-income taxpayers, to talk about tax reform now seems a bit incongruous.

Perhaps the Hon. Member mentioned this in his speech and I did not hear it, but does he believe it would be a good idea, considering the promise of the Government to bring in tax reform, to suspend these measures altogether until we see what the Government has in mind specifically, or, as an alternative, make this a temporary Bill as from time to time some tax measures have been made. It would be timed to expire in one year's time or two years' time. We can then seriously work on tax reform. To vote for a Bill like this while there is talk of tax reform appears to be contradictory.

I would also like to know whether the Hon. Member, as a principal representative of the NDP, takes the position that before we discuss tax reform there should be some direction from the Government. It should not simply be saying, as it did in answer to a question the other day, that it is not putting any kind of paper or direction before the Canadian people as to where it would like to go. It is consulting without any paper on the table and it is just going to listen. In any case, I would like to hear the views of the Hon. Member on those questions.

• (1610)

Mr. Riis: Madam Speaker, I know how hard the Hon. Member works in his constituency and that he is well aware of the problems of his constituents. The people of his constituency are almost unanimously overtaxed. Whether you are a small business owner, an employee in a large or small company, or self-employed, you are overtaxed. We have taxed people too much. Therefore, I agree with the Hon. Member that to proceed with this with the promise of tax reform around the corner is inappropriate.

I am going to attempt to predict the future. I know that is a shaky business. However, I believe that you will see the biggest con job that you have ever seen in your life. The Minister of Finance (Mr. Wilson) has not called this the business transfer tax for no reason. He wants to give the impression that the business transfer tax is a tax on business. Rather than raise corporate rates or remove some of the most obvious corporate loopholes, he will simply say that the Government is levying a new business transfer tax which, as you well know, Madam Speaker, is not a business transfer tax but a fancy value-added or sales tax.

If the Government was committed to real and comprehensive tax reform, it would not be proceeding with Bill C-14 as it is before us today. This is one of the most regressive and backward- looking comprehensive sales taxes that has been introduced in a long time.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg North (Mr. Orlikow)—Science and Technology—(a) Request for restoration of funding. (b) Basic research funding. (c) Scientists employed by Council; the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand)—Employment—(a) Private sector job creation—Minister's statement. (b) Training of workers; the Hon. Member for Algoma (Mr. Foster)—Agriculture—(a) Assistance for grain farmers. (b) Allocation of assistance.

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Cadieux that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question? Debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, thank you for this opportunity to take part in the debate today. In fact, I was somewhat reluctant because I thought the Conservative Government would have realized it had to change its approach and that today in the House, we would hear Conservative Members being more straightforward about the disastrous effects these budgetary measures would have on Canadians.

I was disappointed, though not surprised, when not a word was said today by Conservative Members about this budgetary measure, and I am referring to Bill C-14.

[*English*]

Yesterday in the House of Commons the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) presented this Bill to us. We were all here listening very attentively to him. Most of us were listening with great anticipation, hoping that the Parliamentary Secretary would present an unbiased, non-partisan view of this Bill, listing all its benefits. Instead, he spoke only very briefly about what the Bill would do. He said:

> The purpose of this Bill is to increase federal sales tax in certain areas. An increase of 1 per cent will raise sales tax on construction materials from 7 to 8 per cent, on alcohol and tobacco from 14 to 15 per cent and on other commodities from 11 to 12 per cent.

He then went on to compliment the Tory Government and say all kinds of other partisan things. That is about all he said about the Bill. We are in the House again today waiting with great anticipation for another Conservative Member to explain to us in detail the positive benefits of this piece of legislation. However, that has not been forthcoming and that is very unfortunate. I would like to read some of the partisan remarks which the Parliamentary Secretary made yesterday. He said:

> As you know, Mr. Speaker, last week the Auditor General presented his report in which he referred to the spendthrift habits of the previous administration and pointed out how they wasted Canadian taxpayers' money for unduly partisan ventures, but the people were not fooled and we turfed them right out.

Can you believe that a Tory made a remark like that, Madam Speaker? I am sure you are surprised that such a remark was made in this House, and I do not blame you. I am totally dumbfounded that a Conservative would have the unmitigated gall to make such remarks and I know you are as well. He went on to apologize for some of these taxes in his usual conservative way and said:

> On one hand, we increase certain taxes in areas where it is reasonable to do so—

Please bear in mind the words "reasonable to do so". I will tell you the true story of what will really happen. I have a table in my hand which indicates the net effects of Bill C-14. A family of four with one breadwinner earning $15,000 a year will have their taxes increased by 1.7 per cent. Do you think a family of four with one breadwinner earning $15,000 a year can afford to pay any more money to the Tories? Surely not. I know that you understand that.

A family of four earning $50,000 a year will have increased taxes of 1.2 per cent. How can it be fair that someone earning $50,000 a year ends up paying a proportionately smaller increase than someone earning $15,000 a year who has the same size of family? I will now turn to another situation.

[*Translation*]

A single-parent family with two children and an income of $20,000 per year would see its taxes increased by 2.1 per cent. A single-parent family, $20,000 per year and two children.

Now consider the pitiful circumstances of a person with an income of $100,000 per year. A married couple, one breadwinner, two children, $100,000 per year. I realize the Conservatives think these people are much to be pitied. But consider. This family's taxes will increase by 1.7 per cent this year. This means that with an annual income of $100,000, you get a better deal from this Government than when you have an annual income of $20,000 as a single parent, a mother with two children. And why? Remember what the Parliamentary Secretary said.

• (1620)

[*English*]

Remember that the Parliamentary Secretary said that "we increase certain taxes in areas where it is reasonable to do so". It is the view of the Parliamentary Secretary that it is reasonable to do that which I have just described. Let me read more of what he said. Since he is a Parliamentary Secretary, presumably what he said in the House of Commons must be Conservative policy and that he believed it to be accurate. He said:

All families whose income is under $15,000 a year will be entitled to a tax credit . . . A family of four earning less than $15,000 will get a $150 tax credit.

The Parliamentary Secretary congratulates himself and the Conservative Government in an attempt to have Canadians believe that the family of four earning less than $15,000 a year will get some benefit from the Government. The net effect, however, is not that a family of four will be $150 richer, it will end up $255 poorer.

[*Translation*]

Well, let me explain, Madam Speaker, because I know I am stirring your curiosity. Here we are. Here is this family of four I was referring to, if we add the 3 per cent de-indexation of income tax, the 5 and 10 per cent surtax, the elimination of the 1973 deduction, changes to family allowances, the income tax credit and the exemption, all this adds up to a $190 tax increase. The 1 per cent sales tax increase in 1984, the 1 per cent sales tax increase in 1985, the widening of the sales tax base, higher alcohol and tobacco taxes amount to a $175 increase per year for that family of four earning $15,000 a year.

As far as the capital gains exemption is concerned, I may safely say that for people with a $15,000 a year income, earning capital gains means that they have to have some sort of capital. The odds are they do not have any, but let us assume they gain $10 on that. The February 1986 Budget that increased the surtax by 3 per cent, that increased this family's costs by $10, the income tax refund the Parliamentary Secretary was bragging about yesterday, all this amounts to a $150 reduction. That is true. And, finally, the 1 percent sales tax increase in the February 1986 Budget increased the whole package by 40 per cent.

Mr. Desrosiers: What is this guy bawling about again?

Mr. Boudria: I will tell the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers)—whom I welcome in this House, that I am glad to see him—that it costs that family of four an extra $255 what with the budget measures and Bill C-14.

[*English*]

There are those who believe that the Government needs the money. The Tories say that the Government needs the money because it is managing the Government properly. I hear some Conservative voice over there saying that they are cleaning up a mess from the past.

Mr. Siddon: Absolutely.

Mr. Boudria: I wonder if the cabinet Minister making that remark now has told his Prime Minister (Mr. Mulroney) to stop flying around with two jets—

Mr. Siddon: Don't be ridiculous.

Mr. Boudria: He just said he was concerned with the waste of taxpayers' money. I do not hear that partisan Minister saying that to the Prime Minister. The Prime Minister travels with five cars. Most of us can only use one car at a time, but the Prime Minister uses five to travel around Parliament Hill. He has three or four cars with flashing lights, and a big limousine. We see King Brian going all over the place when the previous Prime Minister to whom another Member is referring used to do the same with one or two cars. If the Tories are prudent with taxpayers' money, why do they waste that money in such a way? Can the Tories tell us to whom they gave the $1 billion in the bank bail-out?

Mr. Siddon: The farmers.

Mr. Boudria: Let the record show that they do not even know to whom they gave a billion dollars of the taxpayers' money, yet the Government congratulates itself for doing what it believes is a good job.

The Government decided to build a prison and since it will use tax dollars to do so, this is relevant to the Bill we are discussing today. While a prison is usually built where it is needed, this is not necessarily the criteria that the Government used. It decided to build a prison in an area where it can get the most votes and probably decided that since the Prime Minister is in danger of losing his seat, the jail should be located in his riding. It will cost $40 million more for a prison where it is not needed and about which there is a question as to whether it is needed at all.

Mr. Siddon: It is needed.

Mr. Boudria: The prison will open in September, 1988. While there is speculation that there may be an election at that time, I say it is merely a coincidence. In order to open the prison in September, 1988, the Prime Minister must accelerate the construction of the jail that we do not need in the location where it is not required. Therefore, the Government will bypass regular contract procedures, according to the Auditor General, bypass usual mechanisms and hand out contracts right and left. Is the Government doing this because we need the facility? No. It simply seems to be a good way to spend $41 million.

If one divided the number of votes that the Prime Minister needs to be re-elected in his riding by that amount of money, I suggest that running an election in his constituency will be very expensive. There was a very appropriate cartoon in

today's *Ottawa Citizen* which showed a prison on wheels being pulled by the Minister of National Health and Welfare (Mr. Epp) with the Prime Minister standing beside him and congratulating him for his initiative to put the prison on wheels so that it can be moved from one location to another. I hope there are wheels on the prison in Port-Cartier so that it can be moved to where it is needed because it is certainly not needed there.

I want to quote from a book entitled "*Where I Stand*" because it is rather interesting reading. In this book written by the Prime Minister, he states at page 44:

> How can a government call on a nation to restrain itself and to be more realistic in its collective demands upon our economy when its own record is an unbroken string of fiscal excess? Canadians may be many things, but stupid we are not. We simply will not buy leadership that so blatantly has one code of conduct for itself and quite a different one for the rest of us.

That is from the book entitled *Where I Stand*, written by none other than the Leader of the Conservative Party. He talks about many things. He talks about legislation such as that with which we are dealing now. I will read what he said about tax bills. Presumably, it would apply to this Bill. After all, the Prime Minister said so and one assumes he would be telling the truth. He said in his book *Where I Stand* on page 51:

• (1630)

> A simple procedural suggestion concerns the question of accountability. One of the most objectionable aspects of the budget process is that budget measures usually take effect the moment they are announced.
>
> I believe it should be accepted as a matter of principle that no new budget measure takes effect until it is actually passed by Parliament and given Royal assent.

I do not know about you, Madam Speaker, but I am paying those taxes right now and they have never been passed in this House. That is contrary to what is in the book written by none other than the present Prime Minister. I can only question if the Minister of Finance (Mr. Wilson) was aware of the book *Where I Stand*.

Mr. Gagliano: Or the book "Where I Stood".

Mr. Boudria: Or should the book be appropriately retitled, as my colleague suggested, "Where I Stood"?

Circumstances sure change and being in power sure has changed this Government. It now has a moral sense which is far different from the one it used to have.

The Leader of the Conservative Party was interviewed concerning the deficit by Jason Moscovitz, a very respected journalist, on November 9, 1984. He clearly accused the Government and the Progressive Conservative Party of being inconsistent in its policies. I would love to elaborate, and if I am asked to do so by some of my colleagues in the 10-minute question or comment period, I will do so because that is a very important point and I know that you, Madam Speaker, would want to be aware of it. I thank my colleagues for the opportunity to participate in this debate and look forward to answering questions, particularly on that point.

Mr. Thacker: Madam Speaker, my friend opposite has a long reputation for going after patronage, saying it is improper and certainly leaving the impression that he himself is above that type of conduct. However, certain revelations have indicated that may not be so. I would like to read Resolution No. 7138 and ask the Hon. Member's view as to whether this would constitute patronage: "Moved by one Frank Kinney, seconded by one R. V. Friel that whereas the recreation building for Sarsfield and Vars were reconsidered and new submissions were presented in light of recommended changes to the building plans, be it resolved that Ron Morris Construction be accepted for both buildings at $48,816 for Sarsfield and $34,400 for Vars and that construction be allowed to proceed. The approval of the Vars building is subject to the donations being raised to $5,000. Yeas, Kinney, Friel, Boudria. Nay, Counsellor Macdonnell left his seat. Carried."

Mr. Blaikie: Point of order.

[*Translation*]

Mr. Gagliano: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) on a point of order.

Mr. Gagliano: Madam Speaker, I submit the question asked by the Hon. Member is not relevant to the debate. It has no bearing on Bill C-14. And if he has a question, I would like it to relate to the debate.

[*English*]

The Acting Speaker (Mrs. Champagne): Order. The Hon. Member for Lethbridge—Foothills (Mr. Thacker) knows he should confine his comments or questions to the speech made by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). If he were to make a link, I could accept it. If not, I would have to call him out of order.

Mr. Thacker: Madam Speaker, I am making the link in the sense that the Hon. Member for Glengarry-Prescott—Russell (Mr. Boudria) habitually, practically every day, preaches about patronage in the most sanctimonious terms—I guess what gets me is the fact that he's so sanctimonious about it—and then we find he is no better than anyone else.

Mr. Blaikie: Point of order.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member should have made the link to the speech made by the Hon. Member for Glengarry—Prescott-Russell.

Mr. Blaikie: Madam Speaker, I rise on a point of order. I have made this point before and I make it again. The intent of the 10-minute question and answer period was to allow Hon. Members of Parties other than the Parties of the Hon. Member who just spoke to make a comment and to question. There has been a habit developing in the House of allowing Members of the same Party to rise when there are Members of

other Parties standing to question Hon. Members, and it is about time it ended.

The Acting Speaker (Mrs. Champagne): Order, please. I had seen the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—

Mr. Blaikie: I was rising on a point of order.

The Acting Speaker (Mrs. Champagne): —rise earlier and I did not see him rise again so I thought he had nothing to say. I will give him the floor. I agree with him that Hon. Members from other Parties should be given the right to speak and he will be next. I thought he had relinquished his wish to speak.

Mr. Blaikie: Madam Speaker, you misunderstood me. I was not rising on my own behalf. Earlier when you saw me rise, I rose on a point of order with respect to what the Hon. Member for Lethbridge—Foothills (Mr. Thacker) had been saying. I was not seeking the floor. The point I made a moment ago, I made on behalf of Conservative Members who were seeking the floor, not on my own behalf.

[*Translation*]

Mr. Gagliano: Madam Speaker, in congratulating the Hon. Member for his great speech I would like to ask him a question. Since he represents a constituency that has many well-informed consumers, I would like to know if he could describe for us the consequences all those tax increases as imposed by Bill C-14 will have, and what impact these well-hidden, well-disguised taxes will have on those well-informed consumers, considering that their purchasing power has decreased since April 1st, when those taxes were introduced.

The Acting Speaker (Mrs. Champagne): Order, please. In the circumstances I would appreciate a short answer from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Certainly, Madam Speaker. I will be pleased to provide a very brief answer to that very eloquent question asked by my colleague the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

The Hon. Member asked what cumulative impact that budget measure, Bill C-14, will have on Canadians, especially those living in my riding.

I would tell him—using only a few groups, very briefly—that a family with an annual $15,000 salary will be paying $255 more. For a family earning $30,000 a year, and this I did not bring to your attention, Madam Speaker, but I know you are anxious to know, that family will have to pay an extra $630 a year. A family earning $50,000 a year will be paying $575 more. The increase is lower than for the family with a $30,000 income.

I thank the Hon. Member for asking that most pertinent question.

[*English*]

Mr. Crofton: Mr. Speaker, Madam Speaker, I followed with considerable interest the speech we heard a few moments ago. You have ruled on the relevance of certain material. The public at large and Hon. Members of the House are quite capable of reading the daily newspaper, page 18, and drawing their own conclusions.

• (1640)

The Hon. Member draws attention to the fact that there are people in the country who live below the poverty line and who are in difficulty. This is quite so, and no one disputes that fact. However, it is interesting to review some of the matters that have occurred which have assisted in adding to this number. For many years we have had increasing deficits. In fact, they amounted to tens of billions of dollars during the time that the party of the Hon. Member was in government. A series of reports by Auditors General clearly indicated that the financial management of the country was completely out of control. It was recommended again and again by these Auditors General that measures should be instituted to deal with this matter. Nothing was done until the last Auditor General's Report which was tabled in the House last week. In his report the Auditor General has said for the first time that Canadian people can genuinely have some hope that measures have been taken in terms of taking into account the serious situation and dealing with it.

With respect to spending, we have instituted means to get the deficit under control. However, the Hon. Member and his party have constantly complained about every effort we have taken to arrest the run-away spending and to properly manage the affairs of the country. The Auditor General quite properly pointed out that there are still a great many programs that require action. I hope that the Hon. Member and his colleagues will assist the process and help us to take the measures that have to be taken, not the least of which must be with respect to the multiplicity of a great many Crown corporations in which spending has been totally out of control.

I would now like to put a question to the hon. gentleman. Is he not in favour of arresting the deficit? Is he not in favour of getting the expenditures of the country under control? Everything I have heard the Hon. Member and his colleagues say seems to make the opposite case.

Mr. Boudria: Madam Speaker, I am glad that we are not marking questions this afternoon. That question would certainly not rank as one of the top questions of the day.

Mr. St. Germain: These are questions and comments.

Mr. Boudria: I did not tell the Hon. Member what to ask me. Perhaps he can refrain from telling me what to answer.

Mr. Merrithew: Maybe we should ask about your resolution while you were in Council.

The Acting Speaker (Mrs. Champagne): The time set aside for questions and comments should not turn into dialogue between Members. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor, and he has one minute remaining.

Mr. Boudria: Madam Speaker, I will answer the question very slowly so that the Minister in the front row who was heckling will be able to understand the sense of what I am trying to tell him. No one is in favour of increasing deficits unless necessary. That is a motherhood issue. What I am against is the fact that the Government is wasting taxpayers' dollars at the same time as it is hitting below the belt the poorest families in the country. I will not apologize in the House for defending the interests of the poor people of my riding and the people with lower and medium incomes elsewhere. It is about time that the Government stopped thinking only of its rich friends and started thinking about ordinary Canadians.

The Acting Speaker (Mrs. Champagne): Since the point of order took up some time I will allow one more question.

[*Translation*]

Mr. Hudon: Madam Speaker, to clarify matters I would have a question for the Hon. Member who was throwing figures at us earlier. He said we are helping only the rich, for he said earlier, as *Hansard* will confirm, that a single-parent family earning $20,000 will get a 2.1 per cent increase, and that, since we are helping the rich a lot, a family with a $100,000 income will get a 1.7 per cent increase. That is true. But he implied that automatically the rich were paying less because their increase was 1.7 per cent. He was saying the opposite when he stated: There is a $255 increase on $20,000 and a $630 increase on $30,000. This is helping the rich a lot. They already pay $300 more, then a $575 increase on $50,000. So he will have to repeat what he said earlier, because it is not true that with 2.1 per cent they are paying more than those with 1.7 per cent. People earning $100,000 pay much more than those earning $20,000. If he is asking for parity, let him say so.

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

Mr. Boudria: For sure, Madam Speaker, the Hon. Member speaks like a mathematics wizard when he tells the House that 1.7 per cent of $100,000 is more than 2.1 per cent of $20,000. It must have taken him a lot of time, a lot of figuring to reach that conclusion, which is quite true.

[*English*]

Mr. Bill Blaikie (Winnipeg—Birds Hill): Madam Speaker, I will have a word to say whenever the unofficial debate in front of me ceases.

I would like to say a few words about taxes, which is appropriate when we are debating a Bill such as we are debating this afternoon. I thought it odd that the Hon. Member for Esquimalt—Saanich (Mr. Crofton) who, when commenting on what the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) had to say, had the nerve to get to his feet and talk about the so-called fiscal responsibility being displayed by the Progressive Conservative Government and to refer to the Auditor General's Report in the context of the events of the last few weeks. I say that because of what the Auditor General's Report shows, among other things. I admit that it makes something of a general comment that, over-all, matters have improved, or something along that line. But surely the thing that stands out in the Auditor General's Report is the evidence with regard to the prison in Port-Cartier. So far I have not had anything to say about that issue in the House. However, the Hon. Member by raising it gives me a chance to reply to it.

Surely, Progressive Conservatives cannot maintain on the one hand that they are making substantial progress with respect to cleaning up the type of mess that was left to us by the Liberal Party while on the other hand going to great lengths to defend a decision to relocate a prison in the Prime Minister's (Mr. Mulroney) riding for really no other reason than the fact that it is the Prime Minister's riding. I do not think that there is a Progressive Conservative Member in the House who in his or her heart of hearts does not think that that is exactly the kind of thing that they entered into politics to eradicate. I am sure it must be very difficult for them to sit in their places day after day and have to listen to the defences of this action offerred, quite naturally, by their senior Members. It must be very difficult indeed. So I extend my sympathies to them on this occasion for the great misery in which they must find themselves, and continue to find themselves as long as this issue stays before the public, as indeed it will for some time yet.

With respect to taxes and the increases in taxes which Bill C-14 represents, I would like to say something about how I regret that taxes, even regressive taxes such as sales taxes, are not used more selectively and for other purposes. I am referring here to a matter I raised in the House, I believe just last week, with the Minister of Finance (Mr. Wilson) concerning taxes on leaded and unleaded gasoline.

In this Bill, as in others, there are opportunities for the Government to use the tax system as an instrument of other goals, in this case an ecological goal, an environmental goal. Personally, I cannot understand why. I cannot see the logic of why the Government has refused to equalize the price of leaded and unleaded gasoline through the tax system.

• (1650)

A great hurrah has been made about the goal of the Government to get rid of leaded gasoline by 1992. At the same time, it should be acknowledged that the Royal Society recommended to the Government in its study that this be done by 1990. Nevertheless, the Government has set 1992 as its goal. I wish it were earlier, but it is not. In the meantime, the

very least that could be done, which is not a big deal, is simply to reduce the incentive that exists at the pumps for Canadians to use leaded gasoline. People are misfuelling now and using leaded gasoline when they should be using unleaded gasoline in order to save the difference between the price of leaded gasoline and unleaded gasoline. I cannot for the life of me understand why the government doesn't act on this.

The Minister of the Environment (Mr. McMillan) said that the continued use of leaded gasoline—and he used the words—was like arsenic in your children's food. That is not something said by some grandstanding opposition Member. That was said by the Minister of the Environment. Surely if that is the case, and I do not think that it is too extravagant an analogy, the least we could do would be to have a tax system that discouraged people from doing that type of thing. I think it bears repeating, and I will repeat it at every opportunity, that I cannot understand why the tax system is not used in that way. If we must have regressive sales taxes and other hidden taxes, why can they not at least be used for some worthy social or environmental goal?

Another one that comes to mind is the tax on recycled oil. Many things are said about conservation and the need to recycle. Yet, if my memory serves correctly, at one point there was no tax on recycled oil. Now there is. I forget when that tax came into being. I cannot even say whether it was the responsibility of the former Liberal Government or the Conservative Government. This is a tax which should be lifted so that there is an incentive to make economic the reuse of certain substances, in this case used oil, so that we do not, as a result of those types of products being uneconomic, have them dumped down the sewers, or disposed of in other environmentally unacceptable ways.

I raise those two examples. I can think of other ways in which sales taxes and other taxes could be used to make cheaper those things which would be environmentally better for people to use, and to make more expensive those things which are damaging to the environment. That in the end is not the solution. I acknowledge that it simply means that those who can afford it can continue to do the environmentally damaging thing, and those who cannot will through the tax system be forced to be more responsible than they otherwise might.

I do not suggest it as a total solution, but I do suggest it as a way of doing things which a Progressive Conservative Government in particular might embrace. It is comparable to a market mechanism. It still leaves the choice with people, rather than doing what those awful socialists might do and making it impossible for people to do the wrong thing by legislating against it. I say to the Hon. Member for Lethbridge—Foothills (Mr. Thacker), who is in the chair now, who is known for his rants against the socialists, that I am making a suggestion to him and to his colleagues that I think should find some favour with them. I cannot understand why they do not take those opportunities in the tax system to do that.

With respect to the tax system and tax reform, I wish to say that I cannot believe that we will get from a Progressive Conservative Government the kind of tax reform that I for one, and my colleagues as well, would really call tax reform in a genuine way. I will say why. It is because of the way the Conservatives believe the economy ought to be organized, and certain things that they believe about society. One of the most disappointing days of my life in the House—and I have been here seven and a half years now—was the day when the Minister of Finance introduced his first Budget. He was reading through his Budget Speech, and when he came to the point where he announced the $500,000 lifetime exemption—

An Hon. Member: Hear, hear!

Mr. Blaikie: That is just exactly what I was going to refer to. The Minister of Finance announced the $500,000 lifetime capital gains exemption and the whole Tory caucus erupted into applause, as if that was the highlight of their political career, and as if that was the thing for which all of them had entered politics. Finally, the goal had been achieved. Finally, people who had $500,000 would be able to escape taxes on their capital gains.

I said to myself, what is wrong with the type of Government we have? What is so profoundly sick about the Progressive Conservative Party that that is the type of thing, out of all the other things that the Minister of Finance had to say that day, that would bring them to their feet; that would cause them to give a unanimous ovation to the Minister of Finance. People who had $500,000 in capital gains would be able to avoid paying taxes. I thought to myself, how many of my constituents are clapping at that announcement? How many of my constituents have $500,000 that they have made on some type of capital gain that they are now glad they do not have to pay taxes on? I can tell you very, very few of them. Yet, those are the people for whom the special emotion of the Progressive Conservative caucus is reserved on the day of a Budget Speech. That was the same Budget Speech in which the Progressive Conservatives announced that they were going to do away with the indexing of the Old Age Security.

That is why I have absolutely no expectation whatsoever that there will be any genuine tax reform coming out of the Progressive Conservative Party. It defies the imagination that genuine, progressive tax reform could come out of imaginations so warped and sick that they could cheer and find as the highlight of the Budget Speech the fact that people who had a $500,000 gain in capital gains were going to go without being taxed.

An Hon. Member: Shame, shame!

Mr. Blaikie: The Minister of Finance said that the problem with this country is there is not enough rich people in it. You can imagine what kind of tax reform we are going to get when the Minister of Finance believes that the problem with the country is that there are not enough rich people. I say that the problem with this country is that there is a diminishing

number of middle income people. It is also a problem that there are too many poor people. One of the problems we do not have, as far as I am concerned, is that there are not enough rich people.

We have a situation both in Canada and the United States—I think it is actually more advanced in the United States—where the middle class is declining and growing smaller through the elimination of well-paid union jobs and some of the older industries in which people were paid a fair and decent wage. What is happening now is an increase in the disparities between the bottom of our income strata and the top. That group in the middle is getting smaller and smaller.

We often hear from the Government that jobs are being created, but what kind of jobs are being created? They are part-time jobs and jobs that do not pay as much as some of the old jobs that have disappeared. We are looking forward to a time when even more of those less well paying jobs will be created as part of the free trade package and part of other so-called competitive efficiencies being introduced into our economy.

• (1700)

I remind the Progressive Conservative Government of the old Aristotelian dictum—if we want to prevent revolution, the best way to do it is to have a large middle class. This is an insight which goes back to Aristotle. It may not be that we are at the point of talking about preventing revolution. However, if we want to prevent disparity, tension, and social fragmentation, which will eventually come but is present to some extent as a result of the disappearance of the middle class and of the continuing and growing numbers of poor, the Conservative Government should look less for more rich people. It should look less for people with $500,000 from some kind of capital gain. It should look more to preserving the incomes and lifestyles of middle income Canadians and to increasing those of the poor.

Mr. Thacker: Madam Speaker, I should like to make a couple of comments *vis-à-vis* the remarks of the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) about the $500,000 capital gains tax exemption. Of course the House realizes that everything above $500,000 is taxable. What does he think a $500,000 capital gain means to Conrad Black, the Eaton family, or other wealthy people? They will pay taxes over and above that amount. Also, I would ask him what that $500,000 exemption means for people like him and I or eastern Europeans in my riding who came to Canada from countries where they were locked into an economic system, usually socialist, and a cultural system from which they could not break out? They could not purchase a piece of land or build up a small business in order to obtain their own capital. Those people know that this is the best system, what is generally called a capitalist system.

This party brought in a minimum tax for the rich, to make them pay their fair share. The significance of the $500,000 capital gains exemption is very important. It permits people to build their own pension plans. If the socialists were in power, everyone would be dependent upon and under the thumb of the Government because they would not have been provided with an opportunity to build up an estate. When young men and women reach retirement age, they can have $500,000 and they can tell the Government to get out of their life. They can say: "Stay out of my life; I will set my own freedom for myself and my family". That is why it is so important.

Also the Hon. Member talked about the middle class. I agree that the middle class has diminished in some countries. All socialist countries do not have a middle class. Some Third World countries have a small very rich class and a huge poor class. The reason for this is that they had deficits. They permitted their Governments to get them into deficit positions which led to inflation and an adjustment at the end. It is NDP deficits which lead to the loss of the middle class, and under NDP Governments they would never have a $500,000 exemption.

Mr. Blaikie: Madam Speaker, the theory offered by the Hon. Member for Lethbridge—Foothills would make some sense if at any time the NDP had been in power in the United States where the problem of a diminishing middle class is even more aggravated than it is in Canada. If the Hon. Member wants to maintain, as I have heard him maintain before, that everyone to the left of the Hon. Member for Lethbridge—Foothills is a socialist, the theory holds true. I know he also thinks on occasion that many in his caucus are socialists just by virtue of the fact that they are to his left. If one's imagination is great enough, one can have an internal coherence theory, and the Hon. Member for Lethbridge—Foothills has that kind of imagination.

I will turn to the question of capital gains. Members of the Progressive Conservative Party repeatedly misrepresent the position taken by the NDP on capital gains. We have not been against people who have established the kind of estate about which the Hon. Member talked—small-businessmen and farmers. We have not argued that capital gains tax should be necessarily applied in a universal way. If the Government was concerned about giving that kind of break to people who have come to Canada—and they do not have to be recent immigrants; they can be people whose families have been here for hundreds of years—why did it not make a distinction between those people and people who make $500,000 by investing on the stock market, selling a yacht, turning over condominiums in Florida, or various other things which are not nation building. It has nothing to do with the Canadian economy, estate building, or thriving on the freedom of Canada which people have been glad to find when they arrive here. For that matter, it has nothing to do with capitalism. We could still have capitalism and have a capital gains tax. Let us not kid each other.

Why did the Government not make a distinction between farmers and small-businessmen who deserve a break and the

people who are making $500,000 on the stock market, selling condominiums in Florida, or turning over their yachts?

Mr. Thacker: Could I make a very brief response, Madam Speaker?

The Acting Speaker (Mrs. Champagne): I will allow the Hon. Member a very short response.

Mr. Thacker: Madam Speaker, the point the Hon. Member misses is that the right to a $500,000 capital gains is a personal right by virtue of being a citizen of Canada. When people come to Canada or are born in this country, they have a right to that capital gains. Whether they choose to use it on yachts, houses, or farms, it is a personal privilege. Everything above the $500,000 has a capital gains attached to it. It is a fundamental right acknowledged by the Universal Declaration of Human Rights. People have a fundamental right to property, and it is not a right which the NDP would give them. The NDP would take it away from them.

Mr. Gagliano: Madam Speaker, I have a question for the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). He mentioned tax reform in his speech, and I am very interested in it. In his announcement in the House, the Minister of Finance (Mr. Wilson) said that the scope of the tax reform was to reduce personal income taxes, to increase corporate taxes, and to increase consumer taxes. However, in the Budget of May, 1985 and the one of February, 1986 we saw the opposite—increased personal income taxes, reduced corporate taxes, and increased sale and excise taxes. Does the Hon. Member believe that the Minister of Finance is really interested in tax reform? Who is kidding whom?

Mr. Blaikie: Madam Speaker, I think the Hon. Member makes a good point. There is no reason to believe, on the basis of past practice, that we can count on the Government to engage in the kind of tax reform it would like the Canadian public to believe it is willing to consider.

Turning to something the Hon. Member for Lethbridge—Foothills said, he seemed to argue that a capital gains tax exemption was a basic human right according to the UN. It is interesting to hear Hon. Members on the right wing of the Conservative Party quoting the UN. Normally they see the United Nations as some kind of conspiracy for world government and other nasty things. In any event, I am told that the President of the United States just signed into law many measures to eliminate capital gains tax exemptions. I hope the Hon. Member for Lethbridge—Foothills will be using his lively imagination very soon to adjust his political vision, so that even Ronald Reagan will be found to the left of the Hon. Member and even he will have joined the socialist hordes.

Mr. Holtmann: Madam Speaker, I do not know how much time is remaining in the question and comment period, but I could not help becoming involved in this discussion. If the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) would check, I am sure he would find that there are many people in his riding who are very pleased by the capital gains tax exemption. Farmers did not have the same privilege as those who owned homes in urban centres and could sell their homes capital gains tax free. Over the course of 30 or 40 years, there was a fair amount of inflation in many areas. Urban dwellers had that right but farmers never did. In many cases, if a farmer passed his farm on to his son, there was nothing left for him. The capital gains tax exemption was the most welcome news for farmers. I never heard one iota of criticism about that exemption.

• (1710)

The capital gains tax exemption rectified a situation that was so negative before. In the past, a farmer could not pass his farm on to his son because he would not be left with enough. He would sell it to someone else who had speculative ideas or to a foreign investor because he had to calculate all the tax he had to pay after selling the farm while leaving himself enough money on which to retire. He did not want anything from the Government. He did not want social programs. He was willing to do it on his own. That is the philosophy of this Government and a lot of people believe in it.

The capital gains tax exemption was a very effective measure and I am sure the people of the Hon. Member's riding appreciated it. Perhaps one could say that the number is too high, but as my hon. friend indicated, that is the farmer's fundamental right.

The Acting Speaker (Mrs. Champagne): Order. I will give the Hon. Member time to answer.

Mr. Blaikie: Madame Speaker, the Hon. Member for Selkirk—Interlake (Mr. Holtmann) has made a very eloquent defence of a measure designed to help farmers and small businessmen. He indicated himself that $500,000 was perhaps a little on the high side for such a measure. However, it is true that such measures ought to be put in place, and this is not the only one. There are other ways to ensure the survival of the family farm and the ability of farmers to turn over their land to their children. I believe that is a good idea and I have never spoken against it. I made it very clear when I responded to the Hon. Member for Lethbridge—Foothills (Mr. Thacker) that I was not against it.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Madam Speaker, this being my first opportunity to do so while you are in the Chair, I want to congratulate you for assuming this responsibility and wish you well in your new duties.

Madam Speaker, anyone dealing with Bill C-14 might be tempted to suggest that this piece of legislation, like so many others, will have an impact, that it has both positive and negative aspects. Still I wonder whether Hon. Members are really aware of the actual impact this Bill will have on the average taxpayer, on families, and on indivuduals. If we contrast the provisions of Bill C-14 with the figures the Minister of Finance (Mr. Wilson) gave us in his February 26

document entitled "Budget Papers", on page 53, we can readily appreciate to what extent Canadian taxpayers will be hard hit by this legislation over the next few years.

This Bill is not even 15 page long, but do you realize the heavy load it will lay on the shoulders of Canadian taxpayers during the years indicated by the Minister of Finance? What it means is that Canadians, men and women alike, will have to pay $6 billion more between now and 1990. For this year alone, 1986, an additional load of $820 million: the 1 per cent increase in the sales tax will cost Canadian taxpayers $700 million, the increase in taxes on alcohol another $125 million, and two minor changes will translate into an additional $5 million reduction. Which means that altogether these additional taxes will amount to $820 million as a result of Bill C-14 now under consideration.

The year 1986 was incomplete from the fiscal point of view and yet we will have to pay $820 million in additional taxes. Madam Speaker, in 1987 which will be a complete year under Bill C-14, we will have to pay an additional $1.2 billion in taxes. In 1988, this amount will reach $1.275 billion and $1.455 billion in 1990 for a total of over $6 billion, $6.1 billion to be precise.

Madam Speaker, therefore to say that this bill is significant for Canadian taxpayers is obviously an understatement which goes to prove how much of an impact government decisions have upon the taxpayer.Madam Speaker, I would like to add that although Bill C-14 alone will considerably increase the fiscal burden of Canadian taxpayers, we must not forget about two other decisions taken by this government since coming to power. Based on the figures I have just mentioned and which were taken from page 53 of the Budget Papers published on February 26, I have been able to show that a 1 per cent sales tax increase will bring revenues in 1986 of some $700 million, and of $1 billion for a whole year.

If we add to Bill C-14 the impact of the two measures previously announced and adopted, which means another 2 per cent, as, since the Conservative Government has come into power, the sales tax has increased by 3 per cent, 1 per cent as provided in Bill C-14 and another 2 per cent of increase approved by the Conservative majority in this House, this means another $2 billion a year.

This means that in federal sales taxes alone, if we add the impact of Bill C-14 to that of the two previous measures adopted by the Conservative majority, Canadians will have to pay an additional $2.7 billion in 1986. The same applies to 1987, 1988, 1989 and 1990. According to the figures tabled by the Minister and according to conservative estimates, which reflect the Government's philosophy, for the excise tax alone, we have to add another $5 billion, or $1 billion a year multiplied by two, since there was a 2 per cent increase, which means $10 billion.

The amount of taxes, approved without any fuss in many cases, is incredible, and if the Opposition did not take the time to call the attention of Canadians to these matters, many people would not realize what they are paying in taxes and the effect that this can have on their purchasing power. These are decisions made by the Conservative Government.

Madam Speaker, there has been a lot of talk in the last half hour about the jobs created this month. We have heard that it was thanks to the action of the Conservative Government that these jobs were created.

I would like to point out respectfully, Madam Speaker, that when the Conservative Party was elected in 1984, economic recovery had already been underway for a few years, due to a great extent to the international context. After the crisis of 1982, we were beginning to see very positive results. This was illustrated by the review used by our friends opposite and published by the OECD.

If we look at the cumulative effect of the Budgets tabled in this House in May 1985 and February 1986, we find that what we had forecast on this side of this House is now happening. In other words, the taxation activity of the Conservative Government is stifling the economic recovery which was strongly underway in late 1983 and early 1984. We have said that the combined impact of the two budgets introduced by the Conservatives would be to slow down the Canadian economy so much that it would have a hard time recovering from it. I said, in a previous speech in this House, that it took between 12 and 18 months before the effects of a budget on the economy, whether they are positive or negative, could be measured, because the economy has to absorb these kind of fiscal measures and it cannot be done overnight.

• (1720)

When we look at what happened to job creation since the beginning of 1986, we realize that, unfortunately, we had every right to blow the whistle, to warn the Government of the extremely serious consequences of its budgetary measures on the Canadian economy. The figures published in early September, I believe, showed that since the beginning of 1986, there had been a net loss in Canada of 17,000 jobs. The newest figures, published recently, showed some degree of recovery and, so far this year, the net loss of 17,000 has turned into a net gain of 15,000 jobs. That is 15,000 jobs for the whole Canadian economy between the months of January and September inclusively. I submit that it is largely due to these fiscal measures.

Madam Speaker, we were told, and I heard it from my hon. friends on the Government side when they talked about the deficit... You have, like myself and all my colleagues, participated in the 1984 electoral campaign. During that campaign I heard speeches from and had face to face debates with candidates. Some have been appointed president of Crown corporations and travel by rail. However, I think that he is competent and I do not want to draw any attention on this matter. I did take part in those debates. I was then told that the Government's deficit was a real one but it was immediately added that it would be entirely counterproductive to increase taxes because economic growth would be stifled.

When I was in debates with more or less important candidates of the Conservative Party, I realized that those people were merely repeating what the Minister of Finance (Mr. Wilson) had said that is it would be counterproductive to increase taxes.

A few months after they were elected, conditions had entirely changed and taxing the Canadian economy had almost become a stimulus for economic growth. In my questions or answers and during my debates with the Minister of Finance, I was asking him: "Do you intend to tax the Canadian economy to the extent that such taxes will weigh very heavily on its development?"

Unfortunately, we realize today that we were right and that the Conservative candidates who were repeating the statements made by the Minister of Finance were indeed giving the Canadian people an entirely different direction than that taken by the Government since September 4, 1984.

Madam Speaker, the sales tax I refer to could be considered on a line with the increases for alcohol and tobacco, but as I said earlier, if we add it all up, it means $16 billion in new taxes by 1991 or 1990. For this year alone, it means $2.82 billion, just in sales tax.

Madam Speaker, I would like to compare these facts with the speech the Minister made recently in the House, where he spoke about tax reform. The Minister said that he wanted to make the tax system fairer and more equitable and so forth, the kind of scenario an academic might give you on the subject. We asked him to be more specific. Unfortunately, it was impossible to get more specific information in the House, either from the Minister of Finance or from the Minister of State (Finance).

For more information on the Government's tax policies, we have to go back to July 18 and to the beginning of September, when the present Minister of Finance made his speech in Washington. I forget the exact date, I think it was September 8 or 9. In both speeches, the message was as follows: first, increase corporate taxes and reduce personal income tax. In his Washington message, as though the Minister were afraid to tell Canadians outright from his seat in the House, on television where everyone could see him, in any event he told us, albeit in Washington, that one of the Government's tax reform proposals would be to impose a new tax, a transaction tax that would apply not only to businesses but to all manufacturing enterprises, to the whole service industry. This means paying a tax when you go to the hairdresser, Madam Speaker, or, in my case, when I get a haircut, and when your notary or lawyer or accountant provides a service, there will be a tax—

Mr. Prud'homme: When you go to Mass!

Mr. Garneau: —as my hon. friend says, I hope they are not going to tax masses and religious services in our churches. However, this tax is intended to cover every production activity.

If we consider the statements made to the press on July 18 and the speech made by the Minister of Finance (Mr. Wilson) in Washington—I am of course referring to the Minister of Finance of Canada and what he said in Washington—and we draw a parallel with what appears on pages 52 and 53 of the Budget Papers of February 26, Madam Speaker, I would say that even someone with the best of intentions who would set out to make a purely objective analysis of the Government's policy, well that person would be in for a big surprise, because after trying to make a completely impartial judgment of the Minister's statements, this person would fail to understand why, ever since September 4, 1984, the Government's tax measures have been the exact opposite of what was said by the Minister on July 18 and in his speech in Washington.

I have just spoken about the sales tax and the philosophy it reflects. Now, I would like to say a few words about two other matters, personal income tax and measures affecting corporations.

If we look only at the effects of the 1986 Budget—I am setting aside for now the 1985 Budget, which resulted in an increase of billions of dollars because of the partial de-indexing of taxation tables and the 5 and 10 per cent surtax applied to Canadian taxpayers—if we look only at the effect of the Budget brought down on February 26, 1986, we find that the cumulative effect of this Budget on personal income tax will be a net increase of $100 million in 1986, $700 million in 1987, $800 million in 1988, something over $800 million in 1989 and $900 million in 1990. We therefore have an increase of $3.3 billion in personal income tax.

I trust that no one will be shocked to learn by how much corporate income taxes will increase during the same period. The increase will amount to $240 million in 1986, $270 million in 1987, $80 million in 1988, $175 million in 1989, and $50 million in 1990. Here again, Mr. Speaker, the impact on corporations is not due to any change which might have increased corporate income taxes. It is due only to the structural effect of the measures announced by the Conservative Government. In other words, the 3 per cent inventory allowance was suddenly removed, which represents a substantial and immediate tax increase. However, since this is compensated by a decrease in tax rates, the net effect mentioned by the Minister of Finance, either directly or through his officials, would be nil. In other words, the impact of the February 26, 1986 Budget on individuals will be a $3 billion increase, whereas in the case of corporations, taking into account the consequences I have just mentioned, will be something less than $1 billion, and in the long term it will have no effect at all. In a nutshell, here is what the Minister of Finance has done since he took over on the advent of the Mulroney Government: direct and indirect taxes on individuals have increased considerably, $3 billion in personal income tax in the February 1986 Budget alone, not to mention the share these same taxpayers have to fork over in federal sales tax when they buy Canadian made goods. In the meantime corporate taxes went down, so when the Minister of Finance

comes into the House to make a statement on tax reform and pretends that the purpose of the whole exercise is equity, neutrality, justice and what have you—the kind of words we find in any dictionary and hear from the pulpit, on Sundays usually—we can see that it is the other way around altogether.

So why now? Madam Speaker, you will understand why we on this side of the House, and I especially, have tried on several occasions to have the Minister of Finance come clean and tell us exactly just where he is leading us with his tax reform. I asked questions about the surtax or the $500,000 capital gains tax exemption. I tried to find out which exemptions he wanted to abolish to lighten the onus of tax legislation on Canadian taxpayers. We could not get answers! How can we enter upon a loyal, bona fide discussion with this Government when the only reference we can use is the impact of the May 1985 Budget and the February 1986 Budget that are completely—as far apart as the North Pole and the South Pole, with all that difference between the two.

Madam Speaker, if you add the additional effect on personal income tax, the impact of the May 1985 Budget, the cumulative effect by the end of 1990 would not be $3.3 billion, but many more billions of dollars. This is why you will understand easily that on this side of the House we will oppose Bill C-14. We will vote against it. We are going to use all available means to draw the Canadian taxpayer's attention to the most harmful effects of this legislation. Not only are they harmful as such, but they are totally at odds with the statements made by the Minister of Finance on July 18, in his Washington speech.

Madam Speaker, you may rest assured that not only here but also in committee my colleagues will question the Government and find out the actual impact of each clause of this Bill which is of such consequence for the Canadian taxpayers.

• (1730)

Mr. Harvey: Madam Speaker, fortunately the speech made by the Hon. Member for Laval-des-Rapides (Mr. Garneau) will certainly not create any upheaval in my area. This Member belongs to a party that has led this country to the brink of economic disaster over a very short period. We know full well that in 1968-1970 the national debt was about $15, $17 billion, and in a matter of years it had gone through the $200-billion mark, and after creating something like 400 Crown corporations, many of which are in financial difficulty, I would be pleased to ask the Hon. Member for Laval-des-Rapides, in view of the fact that the Liberal Party is experiencing tremendous difficulty in reaching a consensus on important matters, on the constitutional issue on which they are so divided, on the matter of free trade talks with the Americans, where they are again deeply divided, I would like to know whether we may expect the Liberal Party to reach a consensus on the major tax reform this Government is getting ready to work on and about which it is getting ready to consult major agencies in Canada.

I would like to know from the Hon. Member for Laval-des-Rapides (Mr. Garneau) whether for once the Liberal Party of Canada, a supposedly responsible party, will find a way to write down and publish something articulated on tax reform. I would be pleased to read it, Madam Speaker.

Mr. Garneau: Madam Speaker, I indicated earlier that I was willing to approach a tax reform as fairly and objectively as I could. But I ask the Hon. Member who put the question: What should I take a stand on since nothing has been brought forward?

All we had from the Minister of Finance (Mr. Wilson) is what I would call a motherhood and apple pie statement. There was no concrete proposal.

I could return the question to the Hon. Member for Chicoutimi and ask what response could we give to the Business Council on National Issues, which recommends to the government to abolish the $500,000 exemption on capital gains tax.

Our stand has been from the beginning that this exemption is unfair.

Madam Speaker, what the Conservative have been saying about the deficit would make me laugh if it were not such a serious matter, because when I campaigned with my colleagues in 1984, we said we could not make foolish electoral promises considering the financial situation Canada was in as a result of the worldwide economic recession we experienced in 1981 and 1982. The hardship was felt not only in Canada but everywhere in the United States and in European countries, and the whole western world went through an economic crisis.

Perhaps I may answer his question with a question: Is the Conservative Party suggesting that in order to keep the deficit down during the recession in 1981-82, when thousands and thousands of workers were being affected, it would have been better for the Government to ignore these people, to make budget cuts and cut unemployment insurance and leave those unfortunates who lost their jobs as a result of the recession to their own devices? Is that their way of developing the economy and at the same time making their policies reflect a measure of social justice?

Personally, I think the decisions made in 1981-82 that had an impact on the deficit were decisions that had to be made. With hindsight, perhaps we would have done certain things differently. But the fact remains that there was every justification for government intervention.

And I would like to put the same question to the Hon. Member for Chicoutimi. Considering the economic recovery that started in 1983, halfway through 1983 and accelerated in 1984, when we had a GNP growth of 4.5 or 5 per cent, I want to ask him why, after almost three years of economic recovery, this Conservative Government which was going to solve all our problems has, in three years, managed to add $100 billion to the national debt?

You say it was $200 billion. For the last full year under the Liberal Government, our total national debt was $160 billion, and in three years you will have added $100 billion to that amount. Which means, dividing $100 billion by $260 billion, an increase of 50 per cent. However, I think all this is beside the point, not only as far as Bill C-14 is concerned but also if we consider the realities of our economy.

Look at the United States. There we have a President who was elected in 1980, when he promised to fight the deficit. This year, the United States will have the biggest deficit the U.S. economy has ever had, namely $220 billion.

That is why I wouldn't mind getting into some of the more detailed aspects, such as free trade and the party's position, and whenever the Minister and the Hon. Member for Chicoutimi care to have a debate on the subject, I am ready and willing. For the time being, however, we are talking about Bill C-14, and its effects not just on the Canadian economy but on the taxpayer, and I am ready for any other questions within that context.

Mr. Gauthier: Madam Speaker, the Hon. Member for Laval-des-Rapides referred to a document, "Business Council and National Issues", published in October 1986. I want to quote from this document because it is rather interesting, since this is not a Liberal document, but a paper which comes from a politically independent group. I quote from page 1:

• (1740)

[*English*]

"To begin with, many fear that the present tax system is having an adverse effect on job-creation and ultimately on our standard of living".

[*Translation*]

And further on:

[*English*]

"The current tax system was identified as an obstacle to growth and reform of the tax system was seen as an important dimension of economic renewal".

[*Translation*]

In his remarks the Hon. Member for Laval-des-Rapides described the impact of the February 1986 Budget. Of course he refrained or did not want to tack onto the economic document of 1984 and the 1985 Budget the cumulative effects of these Budgets.

I wonder if he would share his views with us and tell us what were the cumulative effects of those three Budgets, those of 1984, 1985 and 1986.

Mr. Garneau: If we consider the cumulative effects, Madam Speaker, the figures are so high that an observer who has not read the small print in the legislation that have been passed and who is not familiar with the two Budgets might think that the Member of the Official Opposition is juggling with figures which do not make sense and are beyond reality. On the contrary, and I want to assure all those who are listening here in the House or watching television that the figures are for real. The cost in 1986-87, the cumulative effect of the two Budgets represents a little over $5 billion for Canadian taxpayers. This includes the 3 per cent de-indexation in the tax tables, the 3 per cent surplus, $570 million. There was a 5 and 10 per cent surtax which Conservative Members may have chosen to ignore and, if we combine this with the elimination of the 1973 tax exemption, we are looking at another $1 billion. Then twice there was a 1 per cent sales tax, good for something like $2 billion, and a few other changes. But if we consider the full impact of the 1985 and 1986 Budgets, along with some of the decisions announced in 1984 in the early stages of the Conservative mandate, we end up with a total of $5 billion over a single year.

When the Business Council and National Issue deals with this matter, I have to admit to the Hon. Member for Ottawa—Vanier that indeed it is quite a realistic approach. If we were to sum up this document we realize that the—and this is supposed to represent big business. The mouthpiece of the capitalists. I am beginning to wonder whether, from an ideological standpoint, the Conservative Members and the Conservative Government might not stand to the right of the major Canadian corporations.

Do you know what major Canadian corporations are recommending? That the $500,000 capital gains tax exemption be abolished, and the ones who are making this recommendation are those who could benefit from this exemption since they can make investments which will bring them capital gains. It is not someone with an income of $15,000 or $20,000 who can afford to invest in the stock market and have capital gains.

Another interesting aspect of this is that the Conservative Government has announced changes to pension plans as concerns what can be invested in registered retirement savings plans. This system is also helpful. I have nothing against investing in RRSP's. But what people tell us is that such measures benefit the wealthy more than the poor and that a policy which has just been announced should now be changed to make it more equitable. This should be replaced by tax credits.

Madam Speaker, the question asked by the Hon. Member for Ottawa—Vanier was very relevant and it gave me an opportunity to add a few comments to what I said some minutes ago.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, today we are debating a set of proposals by the Minister of Finance (Mr. Wilson). It is the same Minister of Finance who is now talking about bringing in a fairer tax system.

These proposals are the latest in a series of tax measures brought in by the Government and the Minister which have

increased the sales and excise taxes and have cost every family in this country $1,300 since the Government took office.

Let me tell the Hon. Member for Selkirk-Interlake (Mr. Holtmann), who intervened in this debate to defend the $500,000 exemption on capital gains, that for every one of his constituents who will benefit from that measure, he has 100 or 200 constituents who cannot afford to pay that $1,305 increase in family taxes which the Government has imposed.

I want to say something to the Hon. Member for Lethbridge-Foothills (Mr. Thacker). First, he should keep the record straight. He said that socialist countries have no middle class. I am certain that he would want to make it clear that he was talking about communist countries in eastern Europe. Countries in western Europe, beginning with Scandinavian countries like Sweden, Denmark and Norway, and going down through West Germany, Holland, Belgium, Great Britain, France, Italy, Spain and Portugal all had, have or will have social democratic Governments. All of those countries have very wealthy people and a middle class that is alive and well. All of those countries allocate a greater part of their Gross National Product to social security and health. All of them have less poor people than Canada.

Mr. Daubney: Not true. Portugal.

Mr. Orlikow: Just look at any of the OECD reports and you will see that except for Spain, Portugal and Italy which are poorer than Canada—

Mr. Daubney: Okay.

Mr. Orlikow: Those facts are correct. Spain, Portugal and Italy are doing much better than before. We should keep the record straight.

We should keep the record straight with respect to taxation. After listening to the Hon. Member for Lethbridge-Foothills I think he would call anyone to the left of Genghis Kahn a socialist. He should be current and understand what has happened in the last month in the United States, which has its most conservative president in 50 years. They have turned their tax system around and have cut the rate of corporation taxes and the rate for personal income taxes, without increasing excise taxes but by closing the loopholes on corporate taxes and personal income taxes.

The Hon. Member talked about capital gains tax. We have made it very clear that we do not oppose farmers and small business people being able to turn their farms and their businesses over to their children without having to pay capital gains tax. I point out to the Hon. Member that in its most recent tax change bills, the United States has increased rather than decreased the rate at which people pay taxes on any capital gains they make. The Hon. Member should at least be current and look for advice from the very people whom he has lauded so often.

We are opposed to this Bill because it continues the process which the Government began when it took office. In November of 1984, the Minister of Finance in his economic statement announced an increase of 1 per cent in federal sales tax. That is something the Liberals had proposed and the Conservatives had opposed when they were in opposition. The petroleum compensation charge was increased.

• (1750)

In his May 1985 Budget, the Minister of Finance increased the federal sales tax by another 1 per cent effective January 1, 1986. He increased the excise tax on gasoline. He implemented a new excise tax of 2 cents per litre on diesel and aviation fuel. He broadened the federal sales tax base to include candy, confectionary, soft drinks and pet food. I wonder what he has against the kids who like candy? He increased the excise tax on tobacco and on alcohol.

In his Budget of February 1986, the Minister of Finance increased the federal sales tax as of April 1, 1986 by another 1 per cent. He increased the excise tax on tobacco and on alcohol. We have calculated that those tax increases cost every family $1,305.

At the same time, the Minister of Finance was permitting, as has the United States for many years, some of the largest corporations in the United States and Canada to get away without paying any sales tax at all. The Citizens for Tax Justice in the United States has compiled its annual list of corporate taxpayers or what they call "corporate free-loaders". It is no surprise to me that not only are many of the top 10 corporate free-loaders not paying any taxes but are receiving tax rebates. They are getting money back.

The top 10 companies in the United States had a profit of $39.6 billion from 1982 to 1985 and received a rebate of $1.5 billion for an effective tax rate of minus 3.8 per cent. I would like to put on the record some of those companies. Boeing Company between 1980 and 1985 made profits of $2.25 billion. It received a tax rebate of $121 million. Pepsi Cola received a rebate of $89.3 million. DuPont received a tax rebate of $179 million. Texaco received a tax rebate of $68 million. International Paper received a tax rebate of $59.8 million.

The Government is congratulating itself because it sold—I believe it gave—de Havilland to Boeing. Boeing in the United States, as I indicated, paid no corporate tax at all. I am worried that Boeing in Canada will be permitted by the Minister of Finance and the Government to do in Canada what it did in the United States, that is pay no taxes at all.

We must ask the Minister of Finance if that is the kind of fair tax system he talks about. The illustrations I have given about what has happened in the United States can be duplicated over and over again in Canada. Our research tells us that there are a whole host of companies, some of them the largest corporations in Canada, which in the five years from 1980 to

1985 paid no taxes at all in at least one of those years. Let me detail some of these corporations.

The Royal Bank and the Bank of Montreal paid no taxes at all. There is not an employee of either of those banks who has not paid income tax, but the companies they work for have made hundreds of millions of dollars in profits and paid no taxes at all. The Hudson's Bay Company, the Thompson financial interest, is among the largest and wealthiest groups in the world. It owns oil companies, newspapers, television stations, and retail stores, yet paid no taxes at all. The Power Corporation and some of its groups, and the Investors' Group, paid no taxes at all in at least one of five years I mentioned. I could go on and on, Madam Speaker. I am sure Conservative Members of Parliament know a good deal more about the Roman Corporation and Mr. Roman than I do. He has become one of the wealthiest people in Canada. I do not object to his doing well if he is aggressive and clever and adds something, as he does, to the productive capacity of this country. However, I think that as long as ordinary citizens, some of them making very little over the minimum wage, have to pay income taxes and the kinds of sales and excise taxes I have talked about, it is only fair to say to Mr. Roman, and to the hundreds like Mr. Roman, that they should be paying their fair share of the taxes as well. We have not seen any desire on the part of the Minister of Finance or his Government to do that. What we have seen again and again is increases in taxes, many of them hidden. We are now talking about a business transfer tax, which is another form of sales tax but even more regressive than the previous sales taxes.

We have seen increases in taxes, usually hidden, as often as the Minister of Finance can figure out how to do it, which adds to the burden of the ordinary citizen, which cuts down on the real incomes and living standards of ordinary Canadians while at the same time encouraging and permitting those at the top to live ever better and better.

It is our intention, which will come as no surprise to Conservative Members of Parliament, to oppose this tax measure which we believe to be regressive and unfair, and we will continue to urge the people of Canada to demand a tax system which will be fair and one which will get the revenue the Government needs to provide the services from those who are best able to pay. The proposal contained in this Bill does the exact opposite. As we have done in the past and will do in the future, we intend to oppose and vote against passage of this Bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

Adjournment Debate

SCIENCE AND TECHNOLOGY—REQUEST FOR RESTORATION OF FUNDING. (B) BASIC RESEARCH FUNDING. (C) SCIENTISTS EMPLOYED BY COUNCIL

Mr. David Orlikow (Winnipeg North): Madam Speaker, on October 16 I asked the Minister of State for Science and Technology (Mr. Oberle) if the $20 million being cut from the National Research Council could be restored. Many of the programs of the National Research Council have been cut because of the desire of the Government to reduce the deficit. It seemed to me to be a modest request given the significance of the work carried on by the NRC and the manner in which the Government spends its money in other areas.

• (1800)

One can ask which is more important, spending $41 million more to move a prison to Port-Cartier or spending $20 million to keep NRC at a minimum strength to continue its programs. This question has been asked of me a number of times in a number of different ways. Why, for example, could not $20 million be found in the $1 billion for research for the universities which the Government keeps talking about?

This is a valid question, and one which the Government should seriously answer. As more persons become aware of what is happening at the NRC, they will see that panic cuts are shutting down entire programs in which huge amounts of capital have been invested in the past. This is no way to wind down research. It severely undercuts the resources available to the nation in terms of scientific expertise.

We know already that we will be losing a world-class observatory at Algonquin Park, and that the electromagnetic engineering section of NRC is being closed down despite its clear record of achievement in health areas that the Minister of State for Science and Technology said he would protect. We will know more about the effects of these cuts in the days ahead. In fact, each day brings a new horror story of how Canada is losing out again in an area in which the Government has promised major improvements in national performance in scientific research and development. After all, the Government promised that it would move to devoting 2.5 per cent of Gross National Product to scientific research and development.

The question I asked also raised the question of Dr. John Polanyi, our new Nobel Laureate in Chemistry, who began his distinguished career in Canada in post-doctoral work at the NRC. The Minister's response to my inquiry about giving future Canadian researchers the same opportunity that Dr. Polanyi had was to beg the question by saying that Dr. Polanyi had not worked for the NRC for some time and that he is now a professor at the University of Toronto.

The facts are these. Dr. Polanyi began his career in Canada. He came from Great Britain to the NRC. His lab is now being shut down as a direct result of these cuts. Dr. Polanyi greatly enjoyed his time at the NRC. In his own words: "It was a great place to do science". Dr. Polanyi now has great doubts about Canada's will or ability to support research. He said that if he were starting today: "I think I would go to the United

States." Nothing could be more clear-cut about our decline in the eyes of those who know research work best.

It does no good for the Minister to say that Dr. Polanyi has endorsed the policies of this Government because he has not yet moved to the United States. Other universities have felt the brain-drain acutely, and it will be accelerating. When one examines it, the Government's five-year, $1 billion plan for university research means that matching grants from industry must fund additional research, otherwise funds for research are frozen and will decline.

No doubt Dr. Polanyi will have no trouble obtaining research funding now. But what about the future Polanyi's? What private sector corporation will have the wisdom and the funds to back them when they are unknowns trying to get started, as so many of them are?

For these and many other reasons I must go back to my first question. Will the Government find a fairly small amount—$20 million—so that valuable research and development in the national interest at the National Research Council can continue? Without it we may be at a research point of no return.

It is a final irony that the one university which seems to be suffering the most from lack of research funding is the University of Waterloo, a university which entered new fields of computer technology. Yet it is the whole nation which is watching and which will suffer from the Waterloo which the Government has reached in scientific research.

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, in answer to the Hon. Member, Dr. Polanyi worked at the National Research Council for two years ending in 1954. He then moved to the University of Toronto where most of his research was performed with extensive assistance from the Natural Science and Engineering Research Council. The success of his work there demonstrates the strength of supporting pure research at the universities.

• (1805)

The decision to scale down the NRC laboratory dealing with photochemistry and kinetics was made by the NRC's Executive Council after careful consideration of all programs. The photochemistry program at NRC has been wound down over the last decade as the science and technology has been transferred to industry and universities. Dr. Polanyi is himself an example of this development.

It should be remembered that Dr. Polanyi's connection with the laboratory is now 32 years old. He joined the laboratory in 1952 after completing his PhD. at the university of Manchester in England and worked there for two years before moving to the University of Toronto. While there he received increasing support from government granting programs. In fact, this year with $220,000 he is the largest single recipient of a research operating grant in the whole country.

The important thing we can learn from this is that world class basic research was done at a university with government support. This demonstrates the vitality of the government approach of supporting pure research at the universities. Basic research at the universities can be effective.

The Government wants to foster basic research at the universities because the graduate students involved in this effort come away with the most up-to-date experience possible. In many ways, it may be easier to perform such research in government laboratories, but then it has proven difficult to train people to use the results. Our new thrust is to move the performance to universities where training is an integral part of their job and the knowledge of outstanding researchers like Dr. Polanyi can be passed on.

This is a healthy shift in emphasis. We are not discontinuing all basic research at NRC and other government laboratories. It has its place there. But we are pushing more of it toward the universities. In 1950 only 19 universities received research assistance from the federal Government. That number has now increased to 52. The university sector represents a rich and varied pool of talent that is well able to undertake the increased work being sent its way. That is why earlier this year the Government took steps to preserve the funding level of the granting councils for the next five years, even in the face of the need to control spending wherever possible.

I must say that the alarmist attitude of the Hon. Member opposite does nothing for the research community in Canada.

AGRICULTURE—ASSISTANCE FOR GRAIN FARMERS. (B) ALLOCATION OF ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, on October 8, 1986, I directed a question to the Minister of Agriculture (Mr. Wise) and asked him about the $1 billion assistance program to grain farmers which the Prime Minister (Mr. Mulroney) mentioned a few days before. This was an interesting announcement by the Prime Minister. In the Speech from the Throne on October 1 there was no mention of the $1 billion of assistance.

Three or four days later when the Minister and the Prime Minister spoke in the Address in Reply to the Speech from the Throne, the Prime Minister casually mentioned that the Government was going to provide assistance to farmers, that the amount of the assistance had been estimated at $1 billion, and that he was going to negotiate it with Premier Devine of Saskatchewan.

It was very interesting that that announcement came during the Prime Minister's speech. We assumed that it resulted from a sheer terror telephone conversation supposedly to the Minister of Justice (Mr. Hnatyshyn) from Premier Devine in the midst of the election campaign, and to the Minister of Indian Affairs and Northern Development (Mr. McKnight). This precipitated the casual mention of $1 billion of assistance need. The Prime Minister followed this up on about October 8 saying that this was desperately needed by western farmers.

• (1810)

At the same time the Premier of Saskatchewan suggested that the assistance would be in the form of a cash deficiency payment. However, the Minister of Agriculture was saying that the assistance might be in the form of a loan or some other assistance. As a matter of fact, I am not sure whether the Minister of Agriculture ever said that it would be a cash deficiency payment. Time has passed, the election has gone by, and the whole matter seems to be going into limbo.

There have been meetings of Deputy Ministers. In fact a Deputy Minister returned from a meeting in Saskatchewan and announced that the benefits would be made available on the basis of 1986 crop production, which would mean that in Saskatchewan there would be a cash deficiency payment of $457 million. Of course the office of the federal Minister of Agriculture denied it. Everyone has looked with great interest at this $1 billion of assistance. In fact, some farmers have actually called it "Brian's bogus billion". No one seems able to find out whether the money exists, whether it will be paid as a deficiency payment, whether it will be a loan, or whether it will be a loan guarantee. In any event, time goes on and the Government continues to talk about meetings and discussions.

I had an opportunity to discuss the issue with a provincial Minister. Although these supposed consultations are taking place, he certainly did not know how the assistance would be paid. In one comment to the media the Minister of Agriculture said that the $35 million self-sufficiency program in Atlantic Canada, which he announced some time last summer, might be raised to $50 million. That was the only reference to how the money would be paid, whether it exists, whether it is new money, old money or whatever. I hope the Parliamentary Secretary will be able to announce tonight that it is not "Brian's bogus billion" but in fact is a $1 billion cash deficiency payment.

In another exchange which I had with the Minister of Agriculture concerning the $1 billion assistance for Canadian grain farmers, I asked him whether it would be paid as a deficiency payment in order to reduce the obligation of the Government under the western grain stabilization fund. Knowledgeable observers of the grain trade have said that the Government would be obligated under that fund to pay about $1 billion for the 1986-87 crop year. In his report the Auditor General pointed out that the deficit in the western grain stabilization fund this year would be approximately $100 million. We were trying to clarify whether it was new money to decrease the obligation of the federal Government under the western grain stabilization fund.

The Minister said that it was not to reduce the Government's obligation under the fund. It seems that the $1 billion under this aid program will be brought in under an appropriation Bill or in some other way and will not be used to reduce the Government's obligation under the western grain stabilization fund.

Provided that it is not a bogus offer on the part of the Government, grain farmers will be getting $1 billion of assistance as a result of the tremendous problem in national grain trading and pricing this year, perhaps the worst since the 1930s. As well, people in the western grain area or the Wheat Board area will be receiving $1 billion or whatever the western grain stabilization fund will pay out.

I know the Parliamentary Secretary, being a very illustrious Member of Parliament and having great responsibility in the field of agriculture, will want to announce in clear and decisive tones tonight exactly how much money will be paid, on what terms it will be paid, whether it will be a cash deficiency payment based upon deliveries of grain, whether it will be an acreage payment, and how it will be paid out in other parts of Canada. We look forward to his comments this evening.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, on October 3 of this year, the Prime Minister (Mr. Mulroney) promised a $1 billion assistance program for grain farmers who are being affected by the subsidy war between the EEC and the United States. The measure had hardly been announced when the Hon. Member for Algoma (Mr. Foster) asked us to put the cart before the horse and announce how much farmers in his riding would receive and when.

I am sorry to disappoint him, but we want to act responsibly and consult with the main parties concerned before going any further. To this end, the Prime Minister announced in the House that the federal Government will be consulting with the farmers and the provinces before taking any action. We want to improve self-financing for farmers in the most effective and equitable way possible. I think that is pretty clear.

The so-called subsidy war between the EEC and the United States has created a national problem which requires the right national solution. Instead of going out and spend, spend and spend as the Hon. Member for Algoma would have us do, we want to consult with farmers' organizations and act in consultation with the provinces.

For some time we have been discussing with the provinces how best to help our grain farmers. In Victoria, on August 27 of this year, the Agriculture Ministers of all governments made a commitment to intervene in this area, in order to assist the agricultural sector and protect industry-related jobs throughout the country.

Following this meeting, the Ministers asked their officials to formulate recommendations on ways to assist the farmers affected by this subsidy war.

Madam Speaker, these recommendations were discussed at a meeting on October 9 in Ottawa. The provincial deputy ministers of Agriculture then pursued this task by assessing all options for countering the harmful effects of these subsidies.

Perhaps the Hon. Member for Algoma would care to hear what the Minister of Agriculture (Mr. Wise) told them at the beginning of this meeting, and I quote:

> We are not excluding any options. We are asking you to help us identify the best and most equitable ways of giving farmers the assistance they need.

Madam Speaker, the meeting was held less than a week after the Prime Minister's announcement. We believe quick action is necessary but also that we should think and consult before we spend. The Prime Minister has announced that the federal Government will increase the farmers' cash flow by about $1 billion. This new federal aid comes in addition to assistance already available under existing programs and will not involve reallocation of funds earmarked for other farm programs.

I said earlier that we are facing a problem which affects all farmers throughout this country. A national problem calls for a national response, and this is why I believe our initiative will take into account a wide range of farm products and various needs. The situation is clear and we have shown that we are prepared to take action. No option has been left aside. We are now looking at all possible solutions in co-operation with the main interest groups. Given the circumstances, this process is quite reasonable.

This week the Minister of Agriculture will have consultations with the leaders of our major farm organizations. I expect you will be there. Later on this month he will be meeting with his provincial counterparts, for the same reason.

• (1815)

[*English*]

EMPLOYMENT—PRIVATE SECTOR JOB CREATION—MINISTER'S STATEMENT. (B) TRAINING OF WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, on October 7, I asked the Minister of Employment and Immigration (Mr. Bouchard) if his speech of October 6 in reply to the Speech from the Throne was a forecast of a further withdrawal from employment creation by the Conservative Government and of further cut-backs in job creation programs. The Minister did not answer my question and consequently I scheduled this debate for this evening.

• (1820)

In his speech of October 6 the Minister strongly suggested that the private sector, the provinces and individuals should have the principal responsibility for job training and job creation. That was nothing new. What was new was for the first time, at least that I recall, a Minister was saying it. Up until that time Ministers were saying that they were committed to job creation and job training but doing the opposite.

The Minister and his predecessor had already taken steps to abdicate their role in job creation. In the spending Estimates there was a reduction of $300 million from 1984 to 1986 in job creation funds, approximately 27 per cent when inflation is taken into account. The number of employment centres has been cut, including specialty employment centres at universities. The number of people counselled by the Department has been cut. When an unemployed person seeks counselling with respect to employment, only about 20 per cent are given interviews and registered. The others are referred to bulletin boards where they are directed to look for work. There have been cuts in unemployment insurance, post-secondary education, and institutional training in the Department.

All this is happening at a time when 1.2 million people are unemployed. The Government maintains there have been improvements and of course the rate of unemployment has declined since the pit of the recession in 1983. However, it is still 9.5 per cent nationally. In Atlantic Canada it is nearly 15 per cent; in Quebec, 10.7 per cent; in the rich Province of Alberta, 9.9 per cent, higher than the national average; in British Columbia, 12.3 per cent. Youth unemployment is still approximately 15 per cent. While the Government claims it is doing well, there is still much to be done and this is no time to cut back on job-creation programs and leave it to other people.

In 1981, the year before the recession, unemployment was 7.5 per cent, and that should be the goal. In the period between 1965 and 1980, the average rate of unemployment was 5.6 per cent. That is a goal which should be pursued by the Government before it starts cutting employment programs. Part-time employment as a percentage of total employment has increased from 9 per cent in 1980 to 18 per cent in 1986. Those unemployed for more than a year is double in 1986 what it was in 1983, and four times the rate in 1981.

My conclusion is that if you look at all these statistics which I have referred to, this is no time to be cutting back on these programs. It is no time to be sloughing off the federal Government's responsibility. It is no time to tell individuals, the private sector and the provinces that this is their primary responsibility and the federal Government has nothing to do with it; or, if the Government does not go that far, that its role is not the principal role. It is, and the Government should return to the budgets and commitments it had when it came into office in 1984. This is no time to withdraw.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Madam Speaker, when the Minister says that "practical training and job experience lead to permanent jobs", I fail to see what is wrong with his statement because this is what the new reality of job creation is all about.

My colleague opposite says that our job creation programs are necessarily geared to training, he claims that this is not a new approach, but he is quite wrong. It was a new approach indeed, the new job creation programs had to be geared to training, and this is how we got results. Members opposite do admit there have been results, but my colleague seems to imply that they were nothing but a by-product of improvement in the world economic situation. This is unfair, it was due to concerted action on the part of all interest groups, private and public

promoters alike, they all co-operated and managed to overcome the greatest danger we faced when we took office, a danger which is becoming smaller with time.

I agree with my colleague, we should strive for even lower unemployment rates. We all agree on that, but one thing is clear: whatever one may say or do, it is a fact that since September 1984 our job creation programs and policies have been successful, unemployment did go down. There are fewer unemployed. The unemployment rate has declined. And when people say that we pay less for unemployment insurance, it is obvious. I, for one, would like to pay nothing for unemployment insurance. That would mean full employment. Therefore, if people say that the Government is paying less, I am obviously happy. If we are paying less, it is because more people are working, which is what Canadian men and women want to achieve. This is why we have instituted new programs featuring compulsory training. Challenge '85 was a success, Challenge '86 was an even greater success since even student summer jobs were career oriented, and you can be sure that Challenge '87 will be better still!

The Acting Speaker (Mme Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Friday, October 31, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ABORIGINAL RIGHTS

NATIVE CLAIMS SETTLEMENT POLICY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, in the next few days the Government of Canada will be making important decisions on a new comprehensive native claims policy. This is an opportunity to establish a more productive and mutually beneficial relationship between the aboriginal peoples and all Canadians.

The new policy must affirm aboriginal rights. It must enable the aboriginal peoples to protect and enhance their cultures. It must allow them to have decision-making authority over their own lives, lands, and resources. Self-government must be a part of the new policy.

These are the essential elements, the reasonable and just accommodations which the Government must make if it is serious about making the aboriginal peoples partners in our great Canadian Confederation.

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF LIBERAL PARTY

Mr. Joe Reid (St. Catharines): Mr. Speaker, the confusion and disarray among the Liberals on the importance of the freer trade talks continue to grow and spread.

There is the Leader who says: "It is no good but the talks must go on". Then there is the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) who says: "No way. We are fence builders".

That confusion was compounded when the marketing vice-president of Canada's largest Great Lakes shipping group, the Canada Steamship Lines, called for a common Shipping Act and the putting of U.S. shipping protectionism on the table of trade talks. Then came the well-known Liberal leadership contender, Paul Martin Jr., president of the same shipping company, who told a Liberal fund raising dinner in St. Catharines a few days ago that the free trade talks with the United States are not the answer.

• (1105)

No wonder the rank and file Liberals look like lost sheep wandering around in the wilderness without a shepherd.

* * *

EXTERNAL AFFAIRS

HONDURAS—REPORTED ESTABLISHMENT OF CONTRA BASES BY UNITED STATES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, of all the countries in South America, Honduras receives the most development aid from Canada. It receives almost $40 million a year. Considering this, Canadians must be very concerned about the growing militarization of Honduras. Today's *Globe and Mail* reported that the United States plans to establish Contra bases on Honduran islands off the coast of Nicaragua.

The Contra war is an anti-development war. The Contras have targeted teachers, doctors, nurses, and other development workers for murder and kidnapping.

If Honduras continues to be used as a military base to destroy development in Nicaragua, Canadians must ask about the value of our development assistance. Canada must protect the integrity of its development program by protesting to both the United States and Honduras against this crude attempt to force Nicaragua back into colonial status.

* * *

[*Translation*]

AEROSPACE INDUSTRY

HEADQUARTERS OF FUTURE CANADIAN AEROSPACE AGENCY

Mr. Nic Leblanc (Longueuil): This week, Mr. Speaker, I asked that the Canadian aerospace agency be headquartered in my riding. Indeed the riding of Longueuil has all facilities to accommodate this agency whose establishment will be announced in the near future. My riding already has the skilled labour force needed in this field, not to mention an industrial and transport infrastructure which is second to none and ranks among the most efficient. Longueuil and Greater Montreal are ideally suited to the needs of the aerospace industry. Earlier this morning the Government decided to

award the F-18 maintenance contract, further acknowledgement that the Montreal region is best for aeronautical and aerospace projects.

Establishing the Canadian aerospace agency in Longueuil is bound to revive the local economy, especially so if the agency's mandate is to oversee the applied research related to this new technology. The agency will also reinforce our sectorial economy development policy.

* * *

[*English*]

THE ECONOMY

WESTERN CANADA—CRITICISM OF GOVERNMENT ACTIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the Throne Speech at the opening of this session of Parliament the Government said that special emphasis will be given to diversifying the economic base of western Canada. Prior to this in my own region we had the cancellation of the NRC research station, the VIA maintenance base, and many of the transportation aid programs. Now we have the statement made by the President of the Treasury Board (Mr. de Cotret) that a western Canadian consortium is not capable of undertaking technology transfer in the interests of Canada. This is the effective program of economic development that the Government is offering to diversify the base of western Canada. Instead we have the Prime Minister (Mr. Mulroney) saying that we are giving aid to farmers. This aid program is going to be distributed across the country.

The real question we have to ask is this. When is the Government going to understand that in order for western Canada to realize its economic potential it must have federal investment to enable it to develop its scientific, technological and industrial base. All the Government has done up until now is reduce, eliminate, subtract, and eviscerate that base. It is time that the Government understood that western Canada demands its fair share.

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POLITICAL PARTIES

NOVA SCOTIA LIBERAL PARTY—ADVICE ON ECONOMIC DEVELOPMENT OF HALIFAX

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I would like to point out to all Atlantic Canadians that we in the P.C. Party are competely opposed to the current Liberal thinking as expressed at its annual meeting in Nova Scotia this past weekend.

The Liberal Party of Nova Scotia, short of ideas, sought the advice of National Sea President, Gordon Cummings, and of Bank of Nova Scotia Vice-President, Peter John Nicholson. The Liberals were advised to concentrate economic development in Halifax at the expense of the rest of the Atlantic region. The idea is to turn Halifax into another Toronto. This may be the type of advice that the Liberals of Nova Scotia are seeking. These corporate people in their ivory towers will have a hard time justifying these ideas to the entrepreneurs of Middleton or the fish plant owners of Yarmouth. If the policy of the Liberal Party is to stifle business development in 99 per cent of the Atlantic region, I would like to state very emphatically that I am glad I am not a Liberal.

* * *

• (1110)

ENVIRONMENTAL AFFAIRS

LYELL ISLAND—PROTECTION OF HAIDA PEOPLE FROM LOGGING OPERATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, less than a century ago over 90 per cent of the Haida population on the Queen Charlotte Islands perished from small pox and other diseases introduced by the white population. Thousands of Haida men, women, and children died in the South Moresby area in a few short months in the mid-1880s.

Yesterday the federal Government made it clear that a cash offer is on the table to compensate fully the loggers, communities and forest companies for the cutting rights on Lyell Island and South Moresby. The Haida have returned to Lyell Island and they are erecting a long house at Windy Bay. They have made it clear that these lands are their country, their spirit, their past and their future, and that they will be preserved.

Yesterday the federal Government warned of violence and even death if the logging continues. Mr. Speaker, the logging continues at the request of Premier Vander Zalm. Today the Prime Minister (Mr. Mulroney) must call his friend and avert disaster. The process that will lead to the possible death of Haidas, loggers or others, must be stopped.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

COST OF ELIMINATING REGIONAL DISPARITIES

Mr. Jean-Luc Joncas (Matapédia—Matane): In recent weeks, Mr. Speaker, we have been witnessing a rather peculiar phenomenon. Our Liberal Opposition colleagues are adamantly opposed to the construction of a prison in Port-Cartier in the riding of Manicouagan because, they claim, it will cost a little bit more. Apparently, Mr. Speaker, they would have us believe that every time the Government is prepared to spend a little bit more money to create jobs in regions which are far removed from major urban centres we ought to forget about it and

totally ignore these people who are up against high unemployment and its many attendant problems.

If this is true, Mr. Speaker, does the logic of the Liberal Party imply that we ought to neglect or simply abandon Canadians who happen to live far away from major cities, in regions where we might have to spend more generously to spur the economy?

Our Opposition colleagues would be well advised to reconsider their funnel-like approach to regional disparities in this vast country of ours, otherwise many Canadian men and women might make them regret it.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

LYELL ISLAND—NEGOTIATIONS URGED TO STOP LOGGING OPERATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, South Moresby, in particular Lyell Island, continues to be the focal point of conflict between Western Forests Products and the Haida Nation. Yesterday in the House the Minister of the Environment (Mr. McMillan) said that "the Government of Canada would be very predisposed toward sitting down with" Western Forests Products "to negotiate the value of the timber licences and to reasonably compensate the company—".

The Minister left unanswered the legitimate question of why negotiations to stop the logging have not begun. If there is a disposition to negotiate, why are negotiations not yet under way in light of this near-crisis situation? I urge the Minister to proceed with all possible speed, because the situation is serious, and to demonstrate the Government's commitment to native rights in South Moresby and throughout Canada.

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NARCOTICS

VIDEO CAMPAIGN TO COMBAT DRUG ABUSE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the video messages which the Solicitor General (Mr. Kelleher) unveiled yesterday are proof of the Government's desire to urge Canadian youth to resist drugs. Drug abuse, including alcohol abuse, does untold damage to our young people. Drugs sap the potential of young lives and can cause irreparable damage.

Along with drug enforcement must come drug education. We must do more to impress upon Canadians, especially youth, that taking illegal drugs is socially and personally unacceptable. We must reduce the demand for drugs, and we must do it early.

Professional and amateur athletes represent an excellent way to reach youth with a message to which they will listen. Athletes are role models and an inspiration to Canadian youth. When they talk, young people listen. The co-operative spirit between Government and professional sport means that everyone wins. Through continued support and hard work we shall reduce the demand for drugs among Canadian youth.

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SUPPLY AND SERVICES

AWARDING OF CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT TO CANADAIR

Mr. Rod Murphy (Churchill): Mr. Speaker, only one hour ago the President of the Treasury Board (Mr. de Cotret) announced that the F-18 maintenance contract is being awarded to Canadair despite the fact that the Bristol bid was less expensive and that government people consider it to be of higher technological value. The reason of technological transfer given by the President of the Treasury Board was not even considered in the evaluation system of government officials.

This points out the problem we have with our tendering and bidding system. It is very important that citizens and corporations of Canada believe that they will be dealt with equitably in the tendering system. If the Government is going to award a contract on a basis other than price or technical evaluation, then that should be stated at the outset. It is a matter not only of the integrity of the bidding system, but of the integrity of the Government itself.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

RECEIPT OF CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT BY CANADAIR—IMPACT ON MONTREAL REGION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today, the people of Montreal must be both proud and disappointed.

The Government's decision reflects honourably, first of all, on the workers at Canadair, the Canadair Survival Committee chaired by Mr. Cherry, all the members of the Board of Trade of Montreal, and on Robert Bourassa who managed to force the Government to make up for the mistakes it made in Quebec. Today, I think Montreal has reason to be proud and to rejoice.

It is too bad, however that Quebecers have to set up a survival committee and come all the way to Ottawa just to get their fair share.

• (1115)

[*English*]

GOVERNMENT EXPENDITURES

OECD REPORT COMMENDING GOVERNMENT'S PRACTICES

Mr. Don Ravis (Saskatoon East): The Organization for Economic Co-operation and Development has joined the Auditor General in publicly praising the Government for its efforts in managing the public purse and the deficit. I commend the Government for its commitment and efforts to curb public expenditures. Guidelines for economic renewal have been stated, such as tax reform, enhanced trade, and increased employment. We are on the road to economic recovery and the foundation has been laid for sustained growth. Saskatoonians, and Canadians in general, will benefit from a Government which is prepared to face tough decisions related to reduced expenditures, duplication, and waste.

When you look at the Liberal Party you can see the flaws in their own financial management. At the time of the 1984 election they borrowed money and were in debt to the tune of $2.5 million. Now officials claim they must raise almost $22 million in the next two years to pay off the debt and get through another federal election without going into the hole. Shame on the Liberals who mismanaged the public purse and who cannot practise fiscal responsibility.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. RICHARD FRENCH, MINISTER OF COMMUNICATIONS OF THE PROVINCE OF QUEBEC

Mr. Speaker: Order! I would like to draw the attention of the House to the presence in our gallery of the Hon. Richard French, Minister of Communications of the Province of Quebec.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

FAMILY REUNIFICATION ADMISSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of State for Immigration. Under the immigration levels announced yesterday the Government, for the third year in a row, froze at 45,000 the number of immigrants who can be reunited with their families in Canada. Why did the Minister choose to ignore the strong recommendation of the parliamentary committee for an increase in the family class under our immigration rules?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, as I indicated when I responded to the standing committee report, I was able to respond favourably to almost all of their recommendations. There was only one I disagreed with. The five recommendations dealing with the assisted family and assisted relative class, which I described as the most exicting and far-reaching, needed more consultation and thought. I said we would go into that with the private and public sectors and the provinces. In the meantime I can assure the Right Hon. Member that family unification is the cornerstone of our immigration policy.

[*Translation*]

INQUIRY WHY SUFFICIENT PERSONNEL NOT FORESEEN TO PROCESS IMMIGRATION APPLICATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister created false expectations when he promised to increase immigration to Canada without providing the personnel required to process immigration applications, especially for family reunification.

Why did the Minister not provide sufficient personnel to process immigration applications, especially for family reunification?

[*English*]

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the quality and intensity of the work of all Members of Parliament who went around the world and provided me with an excellent report on procedures and practices gave me a good indication of the ways I can improve and cut out a lot of the bureaucratic red tape and ease the entry of immigrants to Canada. I have also looked at the quality of service in our country. We are going to look at state of the art technology, and the procedures and practices which have been in place for years and which we cannot rationalize. When we do all those things and become more efficient and cut down a lot of the struggles and frustrations people have been going through, we are going to be able to bring a lot more people into this country with the same resources.

• (1120)

DEPARTMENT'S EVALUATION SYSTEM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister says that he followed the recommendations of the committee. He ignored one of the more important recommendations. Another one that he ignored is a change in the evaluation system for immigrants to allow more points for those people who have family members in Canada. Why did the Minister not accept that recommendation so as to facilitate the reunification of families and allow Canadians already in the country to have their family members join them here?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, one thing is very clear. We have heard and understood the frustrations and what the communities have been going through. In the levels that I announced yesterday, we added some 32 new categories of independent skills in which immigrants do not need a relative or do not need a certified job offer in their pocket. While we withdrew 12, the 20 additional categories show our willingness to make movement in those areas.

We said that in order to open the assisted family class and assisted relative class we would have to understand the full implication and do so in consultation with the community, the provinces, the private and public sector, and indeed with Members of Parliament. That is what we will be doing. Furthermore, an indepth study under the Minister of National Health and Welfare is already under way, with the participation of my Department. We look forward to the results.

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SUPPLY AND SERVICES

AWARDING OF CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—TECHNOLOGY TRANSFER FACTOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of Supply and Services. In making the announcement of the decision on the CF-18 maintenance contract this morning, the President of the Treasury Board confirmed that Bristol Aerospace had the lowest price and lowest bid. When the original tenders were announced, price, not the question of technology transfer, was considered to be the primary criterion. When did the change take place? Why did you make the change, and why was that not part of the total submission so that all the companies would have an equal chance in that kind of application?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we had two excellent contenders at the final moment, through the bidding process. They were very close on technical merit and on cost. We looked very closely at the issue of technology transfer because it is an important issue for the country. The Government had a choice, and it made a very deliberate choice to favour Canadair because we felt that the downstsream technology transfer could be better done through the existing facilities of Canadair than by the competing consortium because Canadair is a producer of aircraft as well as being in the maintenance business. The bids were close and it was because of that overriding factor that the contract went to Canadair.

TENDERING PROCESS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, this being Halloween, it looks like it is a case of trick and treat. I suggest that we have to ask some serious questions about the way the process was handled.

Without looking at the end result, the fact is that when the original tenders were put forward and the applications were sought, the question was basically one of the lowest bidder for that contract. Now that the rules have been changed in midstream, is it not proper that the Government should have made that very clear to those excellent submissions that were made so that there would not now be the suggestion that in fact the real question was one of interference, not one of confidence?

Hon. Robert de Cotret (President of the Treasury Board): First, Mr. Speaker, there was no interference of any kind. Second, it was clearly indicated in the original bids that the Government, as in all bids—which the Hon. Member's deskmate can confirm—is never bound to the lowest bid. That is clearly outlined in those submissions. However, my colleague raises an interesting point and one that I would like to address seriously in the House.

Stating all of the national concerns that we may have in making a final decision is something that we would certainly want to consider in future requests for submissions. That has never been done before and my hon. friend has raised a serious issue that we would be happy to consider. However, I still stand fast by my word that this contract, on an economic and financial basis and for the future of Canada, was given to the best consortium that made a bid.

[*Translation*]

CONTRADICTORY STATEMENTS FROM GOVERNMENT SOURCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. On February 12 in the newspaper *La Presse*, someone from the Prime Minister's Office clearly indicated that Canadair would obtain the contract. According to the newspaper, a source near the Prime Minister had said that Canadair could virtually rely on getting the contract.

• (1125)

[*English*]

The very next day in Winnipeg, the Minister of National Health and Welfare was quoted as saying: "I just know that from our Manitoba perspective, things will be okay". The Minister followed that up by another extraordinary statement. I hold the headline in my hand. The Minister of National Health and Welfare said in Manitoba he was confident the CF-18 contract would land in Manitoba. In a decision as important as this in terms of its regional reception, does the Prime Minister think it is appropriate for Ministers of the Crown to go around the country building up false expectations, with different things being said in different parts of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think, not unlike some other matters in the past, this contract has brought about a fair amount of comment from Members of Parliament and people who are not Members of Parliament. I do not think that is to be unexpected.

I suppose in a country as diverse as ours that is something which has taken place and will take place in the future. I do not think there was anything untoward said in any of those cases. I think the reasons provided by the President of the Treasury Board indicate that the award was made in the national interest.

EFFECT OF MINISTERS' STATEMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I find the Prime Minister's answer extraordinary. Is he saying it is his perception, not that of Members of Parliament, backbenchers, or even members of the Opposition, that Ministers of the Crown who will be involved in the decision themselves ought to go around the country in future acting as cheerleaders for their regions and leaving their regions with the expectation that an important decision which will be made is going to come down on their side? Does that not sow confusion in the country instead of promoting national unity which a Cabinet should be about?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps I will consult the statements my hon. friend has in front of him from some months ago. I would be happy to take a look at them. I did not hear that anyone was trying to provoke disunity in any way. Cabinet officers clearly from time to time are called upon to make comments on impending decisions, which in no way violates their commitment to objective consideration. I think that is probably a fair statement.

I, along with my hon. friend, recognize that from time to time certain issues will challenge national unity. Even with the best faith in the world, from time to time in Canada issues will arise which will be placed in that context. Decisions such as this are made with a sense of fairness and a realization of that historic difficulty in Canada, which is why I ask for the support of my hon. friend in this kind of decision which was clearly made in the national Canadian interest.

REQUEST THAT MINISTERS NOT MAKE CONFLICTING STATEMENTS PRIOR TO AWARDING OF CONTRACTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the President of the Treasury Board in his announcement today said the decision was made in the national interest and I clearly hope that was the case. Will the Prime Minister give us assurances that, before any other major decision of this kind is made, he will give instructions to his Cabinet Ministers not to go around the country saying different things in different regions creating expectations that he knows inevitably will be frustrated in part because all regions, in a decision like this, cannot perceive themselves simultaneously to be winners? Will he give us that assurance?

• (1130)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in an ideal situationI think what my hon. friend is talking about is public men and women acting at all times with a total sense of objectivity and a degree of dispassion in regard to their regions and their electors, of which they are from time to time incapable. I understand that. I hope that there is nothing in what my hon. friend has said which indicates that someone's judgment was flawed or compromised because of that.

I want to tell my hon. friend, as he knows, that a decision such as this is a painful and difficult one for all involved in a country such as Canada. I can only tell the Hon. Member that all members of the Government deliberated in a spirit of fairness and openness and arrived at a decision to complement the national interest. I hope that is the manner in which it will be viewed.

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IMMIGRATION

FAMILY REUNIFICATION—GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Immigration. The Minister will know that under the Conservative Government the numbers of family-class immigrants are a far cry from those under Liberal Governments in the 1970s and 1980s at which time the family-class category was the pillar of the entire immigration program. In freezing, for the second year in a row, the number of family-class immigrants, why is the Minister refusing the opportunity and right of more Canadians successfully to sponsor their relatives while increasing the number of independent and business immigrants who do not have family in Canada? Does the Minister not agree that having family in Canada deserves far greater recognition and priority than the Government is prepared to give?

Hon. Gerry Weiner (Minister of State (Immigration)): In 1982 your Government eliminated the independent skills—

Mr. Speaker: Order, please. I would ask all Hon. Members to make their comments through the Chair.

Mr. Weiner: Mr. Speaker, in 1983 the independent skills provisions were removed which resulted in a drop to 89,000 immigrants. In 1984 the figure was 88,000; and in 1985 it was 84,000. This year is the first time in three years that the number of immigrants admitted to Canada will increase.

REQUEST FOR INCREASE IN FAMILY CATEGORY

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister is being intellectually dishonest—

Some Hon. Members: Oh, oh!

Mr. Marchi: I am talking about family immigrants which, for the benefit of the Chair—

Mr. Speaker: Order, please. Apart completely from the use of the word, the Hon. Member's comment is most argumentative. I know the Hon. Member has a question; will the Hon. Member put it?

Mr. Marchi: Given that in 1975, 64,000 family-class immigrants were allowed into Canada; in 1980, 51,000 were allowed in; and that last year only 35,000 were allowed in, will the Minister not concede that his level for family-class immigrants is too low and ignores the frustrations Canadians experience in being separated from their loved ones? Will he not introduce immediate reforms to increase family immigrant numbers to a realistic and adequate level?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we know full well the value of the family, which is why family reunification has been the cornerstone of our immigration policy. Last year more than one-half the people who were admitted to Canada were members of that class. I want you to know, Mr. Speaker, that it has taken a while to rebuild what was undone in those years. We are now moving ahead, and moving ahead firmly so that we can assist those families who want to be together.

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SUPPLY AND SERVICES

AWARDING OF CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—TECHNOLOGY TRANSFER FACTOR

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the President of the Treasury Board. If technology transfer was the basis for the decision with regard to the CF-18 contract, why was it not a part of the original 75-member panel process? Why were the rules of the game changed at the end of the game in the ninth inning? How does the Minister square his claim that technology transfer was the basis for the decision with the fact that the technology transfer was left out of the original panel process?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first, I have already answered the question. It is a little difficult to enhance my previous answer. Perhaps we should have said that in the original bids. I have instructed my officials to talk with the officials of the Department of Supply and Services to ensure that we might mention that type of thing. However, technology transfer is not something that is within the purview of the bidding firm. It is something that is within its own composition.

When we saw that the final offers were very close to each other, we had a choice. We had a choice to look at how the technology would be transferred. In one case we felt that there was a compelling argument that technology for Canadians would be transferred more effectively than in the other case, and we opted for that choice. We had a choice and we made it. We stand by it.

REQUEST FOR PUBLICATION OF DOCUMENTS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same Minister. I note that the Minister has just admitted that he changed the rules at the end of the game.

Some Hon. Members: Hear, hear!

Mr. Keeper: Mr. Speaker, is the Minister now ready to make public all the documents, including the report of the original panel on this bidding process, particularly in light of the doubt that has been cast on the bidding process and in light of the questions that have been raised about changing the rules of the game? Will the Minister refer the matter to the Auditor General for an objective study so that we can clear up the facts and clear up the process?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first, I would like to tell my hon. colleague that there was no change in the bidding process in any way, shape or form, at any time, in any contract—

Mr. Murphy: Just the evaluation!

Mr. de Cotret: There was no change in any way in the bidding process. It is well known that when we enter into a competitive bidding process and the bids are within 10 per cent of each other there are questions of national interest and so on that can be brought in perhaps to balance the scale in favour of one or another. We did just that. We went through a very legitimate bidding process in this case, as we do in every case.

Second, there is no doubt cast on the decision. It is a decision which was made in the national interest with respect to technology transfer. I wish to assure my hon. colleague that I will make all relevant information available, as long as it does not contravene the normal practices which are in place to maintain the confidential nature of information given to us by competitors. If they are willing to make the information available, then I am more than happy to give the Hon. Member all the information. This is a decision which is good for the country, and I am willing to stand by it. I will be happy to give the Hon. Member the information.

* * *

BANKS AND BANKING

BANK CLOSURES—COMPENSATION FOR UNINSURED DEPOSITORS—REQUEST FOR NAMES OF RECIPIENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. It concerns the uninsured depositors of the Canadian Commercial Bank and Northland Bank who were paid nearly $1 billion out of the public purse. Since the Government refused to identify them and left the matter in the hands of Mr. Justice Estey as of October 4, 1985, and since the Estey Report is silent on the

matter, will the Minister now undertake to release the names of those uninsured depositors so that the taxpayers may know where their money went?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for her question. As she knows, when the Commission was established the question of the names of the depositors was something on which Justice Estey was to decide. He has not seen it appropriate to release the names. It is not now our position to challenge Justice Estey's decision since it was his decision. He received the names and he has decided not to publish them.

SCRUTINY OF PUBLIC EXPENDITURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is for the same Minister. On October 4 of last year the former Deputy Prime Minister said in this House: "Public funds are at all times subject to the scrutiny of Parliament. That is what this place is all about." How can the Minister justify this violation of the taxpayers' right to know the names of those who, having received $60,000 in deposit insurance, then received many thousands of dollars by way of unconditional gifts from the Government?

• (1140)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the categories of groups, associations and individuals that were helped in this regard were published very thoroughly, and that helps to meet in a major way, if not to the specific individual, the kinds of questions raised by the Hon. Member.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF LEGISLATIVE COUNCIL OF THE ISLE OF MAN

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. Jack Nivison, President of the Legislative Council of the Parliament of the Isle of Man.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

ESTEY COMMISSION REPORT—COST OF COMPENSATING UNINSURED DEPOSITORS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I too have a question on the subject of the Estey Commission Report and on the pay-out of close to $1 billion to uninsured depositors upon which the Government decided but which was not dealt with adequately in the Estey Commission Report. Since the Estey Commission made it clear that the failure of the two banks was due to their improvident lending practices in the early part of the 1980s and perhaps earlier, and since the information provided by auditors to depositors for their guidance was wrong but that was a normal commercial risk, can the Minister now explain why the taxpayer has to pay $1 billion when it is clear that those depositors took commercial risks and they should have paid for that themselves?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, clearly that particular judgment was looked at by Mr. Justice Estey. I do not think it serves any purpose for the Government to interpret the report or to point fingers. Out of respect for the report, we ought to use it to build a better future with a stronger supervisory system.

REQUEST FOR COMMITTEE REFERRAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, since the Government seems to be hiding behind Mr. Justice Estey's coat-tails when it comes to letting taxpayers know how the money was spent, will the Minister—

Mr. Speaker: Order. The Hon. Member made a very long preamble and it was received by the Chair because it set out the basis upon which the Hon. Member could ask a question. I would ask that the Hon. Member, when asking a supplementary question, get to the question.

Mr. Cassidy: My last four words, Mr. Speaker, were: "will the Minister agree". I will continue.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Will the Minister agree that the Government will refer this report to a parliamentary committee which may consider a number of areas that were not dealt with adequately in Mr. Justice Estey's Report and which relate to the responsibility of the House?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, all aspects of financial institution reform which the Government has been putting together for the last number of months and will be presenting to the House very shortly will be looked at by the committee.

* * *

IMMIGRATION

REUNIFICATION OF FAMILIES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister of State for Immigration and is a very simple one. Regarding the new immigration levels the Minister announced just yesterday, can he assure us that there are no limitations on the ability of families to reunite in Canada?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the number of family-class immigrants cannot be frozen and depends upon the sponsorships emanating from Canada. There is no quota or limit. Levels were increased substantially last year as well. Today it is much easier for a member of a family to come to Canada than it was under the previous Government.

* * *

[*Translation*]

PUBLIC WORKS

REQUEST FOR CLARIFICATION OF PORT-CARTIER PROJECT CONTRACT ADJUDICATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Public Works. A few days ago, we learned that the architectural firm responsible for the Port-Cartier project had been forced to use the *Desseau, Dupont et Desmeules* engineering firm by the Government, apparently because this firm contributed to the electoral funds of the Progressive Conservative Party.

Can the Minister explain why the *Desseau, Dupont et Desmeules* firm received $137,500 without any calls for tenders being made for the Port-Cartier project if not because they are friends of the Government?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am not able to comment on whether or not this company donated to any particular Party. I am able to say with assurance that the company was recommended by public servants as having the best and most competent proposal of all competing bids.

AWARDING OF CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let me repeat the second part of my question. Can the Minister tell us why, according to documents provided by the Department of Public Works, the same firm was awarded $137,500 worth of contracts without tender? Why was it given those contracts without tender, according to documents from the Minister's own Department?

Mr. Speaker: Order.

Mr. Boudria: When will the Government stop playing trick or treat with taxpayers' dollars?

Mr. Speaker: Order, please.

Mr. Clark (Yellowhead): Bring in your brother-in-law.

Mr. Gauthier: How about yours?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member has put a question and apparently has invoked another.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, it is almost redundant to repeat what has been stated in the House during the past 10 days and that is that, on construction projects, tenders are called if the amount involved is over $30,000. With respect to consultants' awards, there is a procedure of which I have given the details to the House. These procedures were followed and are Treasury Board directed. We followed that process.

* * *

OLYMPIC GAMES

ELIGIBILITY OF PROFESSIONALS TO PLAY ON NATIONAL HOCKEY TEAM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who will know the extent to which the performance of Canada's national hockey team is a source of great pride to Canadians from coast to coast. Now that new regulations allow for players from the National Hockey League to be included on the Olympic hockey team, would the Prime Minister ensure, either himself or through the Minister responsible, that the President of the National Hockey League and the team owners will be contacted to seek the assurance that their players will be permitted to play on Canada's national hockey team?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just want to say that things haven't been the same since I hung up my skates.

Some Hon. Members: Oh, oh!

Mr. Waddell: No, that's two years from now, Brian.

Some Hon. Members: oh, oh!

Mr. Mulroney: I would like to thank my hon. friend for his observation. In the absence of the Minister responsible, I will be in touch and will report back to him.

NATIONAL HOCKEY LEAGUE SCHEDULE FOR 1988

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is also directed to the Prime Minister. When the Minister responsible returns, would he also make an effort to contact the President of the National Hockey League to ensure that when the schedule for 1988 is drafted, a two-week period be set aside to enable all appropriate players to play on the national hockey team so we can beat the Soviets, the Swedes and the Americans?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker—

Mr. Ouellet: Another skater!

Mr. Broadbent: It's a real skater.

Mr. Epp: Mr. Speaker, I am glad members of the Opposition recognize my many talents. Obviously the Minister is not in the House. I will take the Hon. Member's question as notice and will pass it on to the Minister.

* * *

WAR CRIMINALS

ALLEGATIONS CONCERNING AUSTRIAN PRESIDENT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, substantial allegations have been made concerning the complicity in serious war crimes in Yugoslavia of the President of Austria, Mr. Kurt Waldheim. A cloud now hangs over the United Nations itself where Mr. Waldheim once served as Secretary General. Could the Secretary of State for External Affairs advise what special steps he has taken on my previous request that an impartial international tribunal be convened to investigate the serious allegations that have been made against Mr. Waldheim?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for her question and for her very keen and continuing interest in this matter. With regard to the question of Canadians who might have been involved in activities during that time, the Hon. Member should know that, for the first time, this Government has acted by establishing the Deschênes Royal Commission.

With regard to the question of the allegations respecting Mr. Waldheim, we have, as has been requested, checked with all of the available files that exist at the United Nations and elsewhere. We are consulting with other countries to see if there is action that would be appropriate for Canada to take or for others to initiate. Naturally, I have noted the most recent allegations. All I can report at this stage is that we have them under consideration.

• (1150)

RETIREMENT ALLOWANCE PAYABLE TO FORMER UNITED NATIONS SECRETARY GENERAL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary question is directed to the same Minister. Has he acted upon my request that we withhold the retirement allowance of $81,650 to be paid to Mr. Waldheim by the United Nations until the investigation of the international tribunal is held? Surely the interests of justice require that the Minister instruct our United Nations Ambassador at least to move in that direction?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are considering all the implications of that request. I am not yet in a position to respond definitively to the Hon. Member. As soon as I am aware of all the implications—and she would know that we would want to be sure of all of them—I will report to her and to the House.

* * *

NATIONAL RESEARCH COUNCIL

ELECTROMAGNETIC ENGINEERING SECTION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. On Wednesday he promised that any cuts at the National Research Council which affect the health or safety of Canadians would be reviewed. In that context will the Minister review the chopping of the entire electromagnetic engineering section? It is involved in research on cancer, radiation safety, air transport safety, and blood plasma preparation. It has also done work for the Department of National Defence. All these activities involve the health, safety, and protection of Canadians.

Hon. Frank Oberle (Minister of State for Science and Technology): Yes, Mr. Speaker, I have said that there would be such a review if public health and safety were involved. Of course the review would also determine whether this critical work is not already done in some other agency of Government, some university, or even in the private sector.

Mr. Speaker: The Hon. Member has extensively set the basis for his first question. I would ask him to put a short supplementary question.

COUNCIL'S OPERATIONAL CUTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, rather than us raising, one by one, the cases of irresponsible cuts at the National Research Council, would the Minister not agree that it would be preferable to terminate this cutting right now, so that the NRC can continue its work and its valuable portion of Canadian research will not be wrecked, as the Government is doing?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I happen to have the highest regard not only for the management of the NRC but for the Eminent Persons Council which advises management on the operations of the National Research Council. I think the Hon. Member is somewhat irresponsible when he calls that management structure irresponsible.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR REIMBURSEMENT OF CONTRIBUTIONS TO EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. The day before yesterday, the Minister stated that there would be no change in the Unemployment Insurance Plan in 1987. Can the Minister tell us whether he intends to take one year to reimburse retroactively the 50,000 early retirees who were cut off by his Government?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we have repeated many times, and particularly to the Hon. Member for Montreal—Sainte-Marie, that we were waiting for the recommendations of the Forget Report on the issue of pensions and early retirees and that we would be considering the matter then, and my answer is still the same.

REQUEST THAT MINISTER MEET REPRESENTATIVES OF INTERESTED PARTIES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): I have a supplementary, Mr. Speaker. The fact is that the *Coalition québécoise pour les retraités et les préretraités* has requested a meeting with the Minister on November 7. Will the Minister accept to meet these people? Second, to avoid this Committee having to pay to go before the courts, does the Minister not believe that he should tell them at that time that he will reimburse retroactively the amounts due since the Commission has a surplus of $174 million?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I met last Friday with one of the coalitions involved in this matter. I shall be meeting the other group next week. However, if I have not yet had the report of Mr. Forget, I shall certainly not give such an answer.

* * *

[*English*]

FINANCE

NON-PAYMENT OF INCOME TAX BY CORPORATIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, yesterday the Minister of State for Finance indicated, as reported in *Hansard*, how many companies had paid tax last year which had not done so before. Would the Minister tell the House, in view of the 80,000 companies with profits totalling $13 billion which did not pay tax in 1983, how many thousand profitable companies escaped paying tax last year?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, that is a very interesting and very detailed question. I will have to ask for some time to get the answer. However, what I was saying yesterday was that, compared with the year before, 13,000 more companies paid taxes last year than ever before. The Government's closing of tax loopholes and properly administering the tax system have made that possible.

MINISTER'S AWARENESS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary question is directed to the same Minister. How can the Minister be aware of figures which are suitable and complimentary to his Government and be so completely unaware of figures which should be open to Canadians and to all of us?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, we are not unaware. We want to be precise, and I will try to get the precise answer for the Hon. Member.

* * *

CANADA POST CORPORATION

DENIAL OF SECOND-CLASS MAILING PRIVILEGES TO CHURCH PUBLICATIONS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I have an interesting question for the Minister responsible for the Post Office. Recently Canada Post officials have denied second-class mailing privileges traditionally enjoyed by a number of Canadian church publications, thus increasing their costs fivefold. Will the Minister forthwith instruct Canada Post to review and to reverse these regrettable and unwarranted decisions?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I thank the Hon. Member for his question. The Government is aware of the situation. Indeed Canada Post is actually reviewing the matter, and we expect an answer shortly.

* * *

[*Translation*]

INCOME TAX

CAPITAL GAINS TAX EXEMPTION—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance, I will direct my question to the Minister of State (Finance). It deals with two aspects of the last budget, the capital gains exemption and the international banking centres.

A few days ago, the "Business Council on National Issues" tabled its report on tax reform and recommended the repeal of the $500,000 exemption on capital gains. Here is my question to the Minister: Is the Minister aware of that recommendation, and does his Government intend to respond immediately and

remove that form of tax evasion that favours almost exclusively the wealthiest groups in our society?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very much aware of that recommendation. It is part of an interesting report they put together. We are encouraging groups across Canada to consult with us and to give us their views as we go into the tax reform process. This report is a good example of it.

[*Translation*]

ESTABLISHMENT OF INTERNATIONAL BANKING CENTRES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it should be noted that the Minister did not answer my question. I would like to try my luck on the other aspect now. Yesterday or the day before, the President of the Montreal Stock Exchange indicated the Government wanted to backtrack on the establishment of international banking centres in Vancouver and Montreal. Is that view as expressed by the President of the Montreal Stock Exchange accurate, and if not, when does the Government intend to table the legislation that will implement the formal commitments it made in the Throne Speech?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, on the question of international financial centres there has been no change in the policy of the Government. It has been stated time and again and has not changed.

* * *

ENERGY

DOMESTIC PRICE OF NATURAL GAS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Prime Minister. Does he think it is fair that Canadians should pay more for Canadian natural gas than Americans living next door to them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think this was answered yesterday in the statement of the Minister wherein he said that the principle that Canadian gas would not be sold on export markets for less than comparable prices on the domestic market can, I believe, be upheld but implemented with the flexibility appropriate to a less regulated market. As a result of that decision there have been major announcements to the benefit of Alberta and western Canada. We hope that there will be others.

• (1200)

ELECTION CAMPAIGN PROMISE

Mr. Ian Waddell (Vancouver—Kingsway): Given that the Conservative campaign policy handbook states: "We will adopt market-sensitive pricing for exported natural gas, while ensuring that Canadians always pay less than their American neighbours—" it is patently obvious that people in Los Angeles will pay less for Canadian gas than will Canadians living in Toronto. Why did the Prime Minister break another campaign promise?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): That question was asked and answered yesterday. There has been no deviation. The object of the exercise is one of fairness for consumers and hope for western Canada.

Some Hon. Members: Hear, hear!

EFFECT OF DEREGULATION

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Prime Minister in the absence of the Minister of Energy, Mines and Resources. It concerns the agreement announced yesterday on the deregulation of natural gas prices. That agreement will help the western producers and the western economy. Does the Prime Minister believe that all consumers of natural gas in Canada are going to benefit from that agreement in the future?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank the Hon. Member for that interesting question. One of the things that has happened in the energy sector in western Canada is that the sector was crippled by government attitudes, which have now been substantially corrected. We hope that we can count on all Members of the House to support this type of initiative which frees up and generates new economic activity in western Canada, while providing for fair prices for Canadian consumers.

EXPORT PRICE OF NATURAL GAS

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the Prime Minister. It concerns the removal of the border price test. Can the Prime Minister guarantee that under the $4 billion natural gas deal to 19 utilities in the northeastern United States over the next 50 years gas will not be sold at a price cheaper than that which is provided for gas customers in Ontario and Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that goes to the original answer. The Minister responded that he had asked the Chairman of the National Energy Board to advise him of the impact of recent developments in the Canadian natural gas market and to recommend actions which may be taken to ensure that federal regulatory procedures are compatible with a less regulated environment. That is the objective of the Government, which is based on fairness, and we hope to see that followed through.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the Table copies of a Ways and Means motion to amend the Income Tax Act and a related Act together with technical notes pertaining thereto. Pursuant to the provisions of Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

* * *

POINT OF ORDER

ELABORATION ON COMMENT MADE DURING QUESTION PERIOD

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is not a Statement by Ministers. Reference was made during Question Period to my brother-in-law.

Mr. Speaker: Order, please. The Minister rises and I would ask that there be order in the Chamber.

Mr. Clark (Yellowhead): During Question Period reference was made by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) to my brother-in-law. I presume he means his constituent, my brother-in-law Jacques Martin, the coach of the St. Louis Blues. Mr. Martin is indeed a constituent of Glengarry—Prescott—Russell. But he, sir has not a road built.

* * *

PETITIONS

CANADIAN TARIFF ON IMPORTED BOOKS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise again because my office is being flooded by petitions from people who are upset about the 10 per cent book tariff tax. They are looking at Mr. Scrooge when Christmas is coming. They want this book tax removed. This is a tax on reading which is offensive.

Mr. Speaker: Order, please. Would the Hon. Member read the prayer on the petition.

Mrs. Finestone: I would be pleased to so do, Sir.

To the Honourable House of Commons of Canada, in Parliament assembled. The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefor provide a remedy. Humbly sheweth whereas the Government of Canada has imposed a retaliatory tariff on imported books in the English language—note not in the French language—which has limited the access of Canadians to literature and information. And whereas the tariff has little negative effect on the publishing industry of the United States, but we shot ourselves in the foot, yet penalizes Canada's consumers, book publishers, book sellers, distributors—

Mr. Speaker: Order, please. I thank the Hon. Member. All Hon. Members understand the point of the petition. Does the Hon. Member have any other petitions to present?

Mrs. Finestone: I understood that you wished me to read the petition, Your Honouor.

Mr. Speaker: It is the disposition of the House, and I so advise the Hon. Member, that the House has the import of the petition.

Mrs. Finestone: May I now table it?

Mr. Speaker: Yes.

Mrs. Finestone: I do so table. May I tell you that the petitions are from a number of provinces, Your Honour?

Mr. Speaker: As long as you do not name them.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

PRIVILEGE

NOTICE OF QUESTION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise on a question of privilege. It relates to my privileges as a Member of Parliament. It is with respect to the release of press reports yesterday by the Minister of Energy, Mines and Resources (Mr. Masse) in his speech in Calgary. A critic always has a relationship with the Minister's Department, which seems to make the House work. I had this relationship

with the Department of the previous Minister of Energy, Mines and Resources.

Mr. Speaker: Order, please. I would ask the Hon. Member for Vancouver—Kingsway (Mr. Waddell) to advise the Chair if I have received this information correctly that this took place outside the Chamber yesterday. Under those circumstances, it is customary that notice be given. Perhaps the Hon. Member has attempted to give notice, but the Chair has not received any notice.

Mr. Waddell: No, Mr. Speaker. Perhaps I can give notice now for Monday and raise it then. It will be a matter of privilege with respect to releasing documents to the press and not releasing them to Members of Parliament, in spite of repeated attempts.

Mr. Speaker: I wish all Members to know that I am in no way foreclosing on a question of privilege by the Hon. Member for Vancouver—Kingsway. The Hon. Member will know that the notice should be addressed to the Chair in writing. I take it the Chair will receive that notice later on today returnable on Monday.

Mr. Waddell: Yes.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TRANSPORTATION

Hon. André Ouellet (Papineau) moved:

That this House regrets that, at a time when thousands of workers in the transportation sector are looking for jobs; when the national rail transportation system is threatened with extinction; when the St. Lawrence Seaway navigational network is in complete economic disarray; when all major Canadian airlines have reported substantial losses in 1985-1986; when Canadian National is uprooting operations in Moncton and in Montreal that have contributed to those local economies for decades; when deregulation is threatening the future existence of the Canadian trucking industry; when established safety standards protecting travellers are in danger of disappearing in a deregulated environment; and when the uncertainty of privatization proposals hang over the employees of Canadian National, Air Canada and our national airports, the Government is addressing the problems of the national transportation system with insensitive measures based on frivolous ideological decision-making.

• (1210)

He said: Mr. Speaker, I think there is no single area where the Conservative Government's failure to act has been greater and more obvious than in the area of transport.

In less than two years this Government has already had five Ministers at the Department of Transport, but no major legislation has been adopted by this Parliament.

During the first session, the Deputy Prime Minister (Mr. Mazankowski)—and I am glad to see him—the Minister of Transport at the time, tabled four major Bills: the National Transportation Act, which was Bill C-126; the Act to amend the Canada Shipping Act, which was Bill C-75; an Act respecting motor vehicle transport by extraprovincial undertakings, which was Bill C-127 and an Act respecting rail passenger transportation, Bill C-97.

Now, we were expecting this Government, through one of the most important Ministers in the present Cabinet, to try and make some progress in this particular area. It so happens that only one of the Bills was considered in the House, while the other three were put on the Order Paper and were never examined by this House, much less approved by Parliament.

The Minister's colleagues, the Hon. Member for Rosemont (Mrs. Blais-Grenier) and the Hon. Member for Roberval (Mr. Bouchard) made only a fleeting impression on the Department. The Hon. Member for Rosemont seemed to think that transport meant trips abroad, while the Hon. Member for Roberval promised to settle the thorny issue of Montreal International Airport, in other words, whether Dorval or Mirabel would become Montreal's major airport. A commission was appointed, the Hon. Member for Roberval left the Department, the Commission submitted its report and now, two years later, the Government still has made no decision other than to maintain the *status quo*, build a road to link the two airports and provide free bus service for Mirabel and Dorval users.

That is all the Government has managed to do on this major issue, and I say that it should not have taken two years to reach such a conclusion. This is a clear demonstration of this Government's incompetence in the area of transportation. I must say that the only things which have worked well in that Department are the political appointments, because the most massive and scandalous political appointments over the past two years under this Government have been made by the former Minister of Transport and his officials. All Crown Corporations have been affected. All of them, whether Via Rail, Air Canada, Ports Canada, or the CNR, are now overcrowded with PC bagmen, Tory organizers, former PC MPs, and even PC candidates defeated at the last election.

Competence or even knowledge in the area of transport has never been a selection criterion. Patronage has been the fundamental rule followed across the board by the Minister of Transport and his colleagues.

Transportation in Canada has always been and must remain a major instrument of economic development. This country has been established and developed thanks to our railway network and has witnessed a significant economic expansion from coast to coast brought about by the construction and operation of airports and seaports. Instead of using it as a tool for employment and job creation, this Conservative Government has managed in two years to create chaos and confusion among all companies involved in the transportation industry, the air carriers which have recorded losses as well as shipping companies which are experiencing difficulties and the railway and trucking companies which are really enraged by the Government's decisions.

Well, the Government somehow managed to antagonize all these people and create so much uncertainty in the transport industry in Canada.

The Government would have made a deliberate effort to ruin everybody that it could not have done better. But what is even more tragic are the consequences of this Government's incompetence which will result in thousands of jobs being lost for the workers in the transport industry.

This Government—need I say it—had promised to create jobs. What it has done in the transportation area is create more unemployment. Specialized workers, by the hundreds, have been laid off by Transport Canada which has cut its own personnel, by such Crown Corporations as Via Rail, Air Canada, CN Marine and the CNR, at the Government's request.

Thousands of workers involved in the manufacturing of rail rolling stock have been fired by Canadian corporations unable to secure Government contracts, while a simple and intelligent buy Canadian policy in the area of transportation could have saved hundreds of jobs in major companies in the Maritimes, Quebec, Ontario and Western Canada.

And last, but certainly not least, hundreds and hundreds of workers in the various Canadian shipyards have already been or are about to be victimized under a ruthless industry rationalization policy imposed by the Government which is forcing shipyard company officials to unite and form a common front to streamline their operations and shut down a number of existing plants. While the former administration bent over backwards to secure contracts for all shipbuilders throughout Canada, this Government is telling them: If you want a contract you will have to convince one or two of your competitors to lock their doors just so we will not have to deal with so many of the existing shipyards. I cannot think of a more cavalier attitude towards these thousands of workers who thought the Government was on their side. The stupidity of the Government is unequaled, or perhaps it is surpassed only by its stubborn insistence on levying additional charges from maritime companies through its coast guard service cost recovery scheme.

The St. Lawrence Seaway shipping industry is in the midst of an economic crisis, as was so ably explained by the seaway president when he appeared as a witness before the parliamentary transport committee. And he is not the only one who is complaining about the negligence of the Conservative Government. All the witnesses, all those who gave evidence before the House of Commons Transport Committee concerning Bill C-75 attacked Clause 4, on the grounds specifically that the implementation of this Tory policy would result in a major traffic loss from ports on the St. Lawrence to alternative routes, especially to New Orleans and other American ports on the East Coast, and also a significant loss of competitivity for Great Lakes carriers and Québec export companies. What has the Government done? Up till the last minute of the last session, it persisted in maintaining Clause 4 in Bill C-75. And at this very moment, we do not know yet what the Government is going to do.

We suspect the new Minister of Transport, who may want to amend Bill C-75 is struggling against his colleagues from Finance and the Treasury Board who are bent on getting those additional revenues from an industry that is in serious difficulty. Now, a standing sub-committee of the Transport Committee has been set up to look into the serious problems of the St. Lawrence Seaway. It must be said that this Government has refused to agree to any resumption of the work of that sub-committee. Did the Minister fear he would be embarrassed? Is that the reason why he would not allow that sub-committee to carry on, and would not allow it to meet and work during the summer months and to call on American officials during the fall in order to get a better idea of the situation in the port of New Orleans, and especially to find solutions to those problems that confront us, at a time when those American ports are nibbling at our clientele, when rapid solutions must be found to the economic renewal of our ports on the Great Lakes and the St. Lawrence. That sub-committee has not yet been re-established, but I would like to read a letter I received from the President of the Dominion Marine Association.

• (1220)

[*English*]

The President of the Dominion Marine Association wrote to all members of the Standing Committee on Transport. He said:

> We feel strongly that the work of the Standing Committee in this regard, only just begun in June, should be continued so that the House of Commons can, through the Committee, gain an appreciation of the severe implications that current problems pose for the Seaway's future.

[*Translation*]

Clearly, the situation along the St. Lawrence Seaway must be tackled head on by this Government, and I hope this Minister has the courage to accept that the Standing Committee on Transport look into that question without being gagged as it has been a few weeks ago.

The situation is hardly better in the area of passenger rail transportation. As we know, thanks to the efforts of Association Transport 2000, we finally could lay our hands on the famous Horner Report. That report, which has cost the Canadian taxpayers thousands of dollars, as I must say, recommends a 13-point plan of action to save VIA Rail and make it viable. Unfortunately, in a way that is typical with this Government, both the Deputy Prime Minister (Mr. Mazankowski) and the Minister of Transport (Mr. Crosbie) have decided to shelve it, because it did not agree with their narrow-minded and inconsistent vision of what the future of that important Crown corporation should be. The Horner Report asked for an immediate and significant injection of public funds to make VIA Rail viable. Unfortunately, the Government did not have the courage to put its money where its mouth is. It made wonderful promises during the election

campaign, but since the election it has left VIA Rail go down the river, replacing seasoned directors with political friends. No wonder then that the recommendation made by the Task Force on VIA Rail asking for an important administrative review went unheeded. The Government denies that Crown corporation the necessary means not only to become profitable but also to serve Canadian travellers.

As I said earlier, the Bill has not even been considered in this House. It shows how sincere the Conservative Government is concerning railway passenger services. To this day, in the second session of Parliament, the Bill has not yet been reintroduced and we do not know where the Government will be going with that policy. Besides, they want to apply to transportation the old phrase which says: Use it or lose it. The Government is indeed saying to Canadians: "Let the market do what we do not have the political will to do ourselves". It is obvious that in the field of transportation, the trademark of this government is its lack of political will.

Of course, it is idealistic to ask Canadians to finance in a profitable way the operations of a passenger service. There is no country in the world which has railway passenger services that are profitable. One rail line in Japan between Tokyo and Osaka has become profitable while the rest of their railway operations are not. Even in France where passenger services are speedy and most comfortable, managers are unable to bring their operations out of the red.

Now how can a country as diversified as ours with such a small population ask Via-Rail to be profitable? It is absolutely unthinkable and unacceptable.

Since my time is running short, I would like to deal with another area of transportation which I feel is quite important, and I mean deregulation. Now this Conservative Government which likes to imitate, if not to copy stupidly, every decision made by the Americans and President Reagan has decided to go head on into deregulation. The move towards deregulation which has developed south of the border has become a craze in Canada which is epitomized in Bill C-126, an Act concerning the National Transportation Act. If this Bill is ever adopted by the House—and I am wondering about it because right now we do not know where this government is heading and the Bill was not even reintroduced this session—it could have serious consequences on the transportation industry, but also and mostly on regional development.

I think that all who have commented on this Bill recognize unanimously that it could have a negative impact on their industry, in particular on the trucking industry.

In conclusion, I would like to remind the house of the words of the chief executive of the Canadian Trucking Association who said:

• (1230)

[*English*]

I thought you might be interested in our critique of Bill C-126 and Bill C-127 with supporting documentation. While we aren't opposed to substantial regulatory reform, they have taken this thing so far that it almost makes you wonder if they have a clue what they're doing.

[*Translation*]

I see that my time is almost up and I would like to conclude by saying that we, in the Opposition, feel compelled to force the Governement into action in the transport industry. Not only do we blame the Government for its lack of action but we want to make them understand that transportation is an important tool of economic development in this country and that instead of trying to cut costs, the Government should come up with the necessary funds to ensure the well-being of all of those who are in some way involved in transportation all across the country.

[*English*]

Mr. Mazankowski: Madam Speaker, I am rather pleased that the Hon. Member has laid out the new Liberal transportation policy because it is quite a deviation from that of his colleague, the Member for Winnipeg-Fort Garry (Mr. Axworthy) or the position that the Liberals took when they were in government. They now seem to be directly and totally opposed to any form of regulatory reform. I find that rather strange.

Mr. Berger: That is not what he said.

Mr. Mazankowski: That is what I interpreted. You can continue to confuse the science and technology issue and I will stay in the transportation field. I think we can probably separate those two issues quite clearly in our minds. The Hon. Member has said that the Government is moving too fast and too deep in terms of regulatory reform. I suspect that he is suggesting that this move should not continue.

The Hon. Member has quoted some members of the trucking industry in expressing their legitimate concerns. There is no question that they are legitimate concerns, but I think what has been outlined in the new National Transportation Act is a smooth and orderly transition to a less regulated environment. The provinces agree that there is far too much regulation in the trucking industry and there is a proliferation of regulations as they apply from province to province. It is a major impediment to interprovincial trade. I think it only makes good sense to try to resolve that.

The fact is that unless the federal Government attempts to co-ordinate this in a realistic and co-operative fashion, these kinds of impediments will continue. It is rather interesting to note that the for-hire trucking industry's share of the market has been on the decline while the in-house trucking has been growing.

Let me deal with air transportation. Of course, when his colleague, the Member for Winnipeg—Fort Garry, was Minister, he embarked upon a process of regulatory reform in the air sector. I think the results have been very good in terms of providing new and improved services to areas that did not have service before. For example, Air Nova is a carrier that is now providing service to Sydney, Halifax, Yarmouth and Charlottetown. Voyageur is a new entrant, as is City Express,

PropAir, Quebecair and Harland Aviation. These airlines are providing service to areas that were never serviced before.

I simply wanted to ask the Hon. Member if he can clarify once and for all the position of the Liberal Party with respect to deregulation or regulatory reform. We have never used the word "deregulation", but have called it regulatory reform. Are the Liberals backing off from the position they took when they were in government prior to 1984?

[*Translation*]

Mr. Ouellet: Madam Speaker, I am pleased to point out to the former Minister of Transport that the problem lies with the Bill as introduced by the Government, which contains no safety measures at all. That is what concerns us, and we suggest that this shortcoming in the Bill is totally unacceptable.

The Bill was introduced in the wake of one of the worst years in terms of air safety throughout the world. Although 1985 was one of the worst years in the history of civil aviation, the Minister is going ahead with a deregulation Bill in which no provision is made for any form of safety for the travelling public. He knows very well that deregulation will bring about increased competition, that new companies will be competing. This might lead to a lack of integrity in the management and a reduction in the maintenance, inspection and control of aircrafts. That is what happened in the United States, and what happened there is bound to take place in Canada. What we are saying then is: Let there be more inspectors in the Department of Transport so that the job gets done. But the Government answers: No, there is no need to increase the number of inspectors, the companies themselves will self-monitor their operations in these great times of deregulation. That is wishful thinking in my opinion, and we suggest that the Government is not assuming its responsibilities with respect to deregulation when it introduces a bill that has no regard whatsoever for safety concerns.

The Deputy Prime Minister referred to the Canadian Trucking Association and agreed that the Association had a valid point. There is even more to it, and I would like to quote another paragraph of that letter:

[*English*]

One would almost think that the future viability of the common carrier concept is no longer considered important in some respects.

Hopefully they will start over but in their present form, these Bills are a disaster for the private sector common carrier transportation industry and truckers especially.

[*Translation*]

Those are not my words, they are written by the representatives of the Canadian Trucking Association. That is what they think of the two little babies of the former Minister of Transport.

Mr. Berger: Madam Speaker, I was also rising for a question or comment, and as I understand it, it is the practice normally to alternate between the two sides of the House. Is that right?

The Acting Speaker (Mrs. Champagne): It is indeed the practice to alternate. I had understood that the Deputy Prime Minister had a very short supplementary. I was going to recognize him and give you an opportunity to rise afterwards, which I still intend to do. The Deputy Prime Minister.

• (1240)

[*English*]

The Acting Speaker (Mrs. Champagne): A short comment, please.

Mr. Mazankowski: I will be very brief, Madam Speaker. The Hon. Member suggested there was no provision for safety in the new piece of legislation. Safety is spelled out in very succinct and categorical terms. That is one of the first basic criteria upon which we base a sound transportation system. I wanted to make that very clear. Furthermore, Canada's record in the aviation sector is excellent. We brought in a new aeronautics Bill which tightened it up. We have brought on new inspectors and tightened up the security very, very much, certainly a lot more than was done in the days when the Hon. Member's Government was in office.

Mr. Ouellet: I do not want to start an argument, Madam Speaker, on whether the previous Government took more to heart the security and safety of the traveller, but the fact is that since the Government took office there have been a lot of incidents at airports. Indeed, we have asked the Department of Transport to do more and it is still continuing to drag its feet. That is the reality.

[*Translation*]

Mr. Berger: Madam Speaker, I would like to ask the Minister to explain or comment—

An Hon. Member: Not the Minister; the Hon. Member.

Mr. Berger: I am sorry, it was a slip of the tongue. I would like to ask the Hon. Member for Papineau (Mr. Ouellet), the former Minister of Transport, to comment further the issue of transport in relation with VIA Rail. I recall that, when we were in power, we made some cut-backs in service to enable VIA Rail to purchase more equipment. We wanted to increase the equipment budget because we thought it crucial that VIA Rail have modern equipment to be able to make its railway passenger service profitable one day. The Conservatives objected—

[*English*]

The Acting Speaker (Mrs. Champagne): I think the Hon. Member has put a question. Time is short and we want to allow the Hon. Member for Papineau (Mr. Ouellet) to answer the question.

[*Translation*]

Mr. Berger: If I may, I would like to finish my question.

[*English*]

The Acting Speaker (Mrs. Champagne): There will be less time for the Hon. Member for Papineau to answer, but go ahead.

[*Translation*]

Mr. Berger: The Hon. Member has referred to the recent report published by Transport 2000, which states that the Government is killing the passenger service, and I was wondering whether the Minister, or rather the Hon. Member could make a few additional comments on this important matter.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Papineau (Mr. Ouellet) has the floor, but for one minute only!

Mr. Ouellet: It is obvious that the previous Government had a three-pronged program aimed at restoring VIA Rail's efficiency. This program consisted of the following three elements. First, the purchase of new rolling stock, engines and passenger cars.

Second, the establishment of maintenance centers in the four regions of the country, namely the Maritimes, Quebec, Ontario and Western Canada, in order to afford this transportation company substantial savings in the repair and maintenance of its rolling stock.

And third, the rationalization of passenger service, increased marketing efforts on certain profitable and important routes and abandonment of other routes which had been deemed useless and were not used by the travelling public.

Upon taking power however, the new government has completely bungled these priorities. It has restored unprofitable routes. It has refused to allow VIA Rail to purchase new rolling stock. As of now, VIA Rail still has no new rolling stock—

The Acting Speaker (Mrs. Champagne): The time alloted for questions and comments has now expired. Debate. The Hon. Minister of State for Transport.

Hon. André Bissonnette (Minister of State (Transport)): Madam Speaker, I am pleased with this opportunity to speak for a few minutes, but before giving Canadians the information I have prepared, I would like to suggest to the Hon. Member for Papineau (Mr. Ouellet) who was talking about patronage just now, that perhaps he should talk to the Leader of the Opposition, who was a patronage expert at the time, and as for the political courage to which the Hon. Member referred to earlier, which, in fact, under the previous Government was pure arrogance, I think there is a big difference between a Government that consults before making decisions and a Government that was as arrogant as the previous one was.

Madam Speaker, I intend to address the Government's priorities in the transport field. The Government's highest priority is surely to guarantee the safety of our transportation network. We cannot and will not tolerate any compromise for the sake of achieving other Government objectives in this sector. In pursuing this objective, the Government has taken some important initiatives with respect to our various transportation modes, and it continues to do so. Last year, Parliament approved a number of amendments to the Aeronautics Act, which gave Canada its best legislation on aviation security in 60 years. The regulations on the transportation of hazardous goods were adopted last year, and they are now being implemented with the full co-operation of all provinces. After consultation with the provinces, we also reached agreement on a uniform national safety code for the trucking industry.

Amendments to the Canada Shipping Act, designed to improve marine safety, were tabled in the House last spring and will be reintroduced for debate. As for the railways, we have had consultations with all parties concerned, prior to drafting amendments to the Railway Act that will promote the use of advanced technology.

The Government's commitment to economic reform remains firm. Very shortly, we shall be tabling the new National Transportation Act and the accompanying Motor Vehicle Transportation Act. Except for a few minor technical changes, these Bills will be identical to those tabled last June. We trust they will be considered without delay and given the attention they deserve.

The last major review of our national transportation legislation took place nearly 25 years ago. The Hon. Member for Papineau said earlier that his Government had done a great deal for transportation in this country, but it has been 25 years since they or any government even touched this legislation. In 1961, Madam Speaker, the MacPherson Royal Commission of Inquiry published a report on transport that was to form the basis for the National Transportation Act passed in 1967. Since then, the sector has developed and matured considerably. The trucking industry is buoyant, and the railways have concentrated their operations in bulk commodity transport.

• (1250)

Air transport has trebled and never before have such comprehensive services been available in this sector.

Intermodal transport services have expanded and the needs of shippers have diversified. The number of Canadians who prefer train or bus travel has declined, and the automobile remains the favourite way to travel in Canada.

The 1967 National Transportation Act and other related statutes stem from a regulatory approach which is no longer acceptable. Such legislation were adopted when transport markets were considered as being underdeveloped and when carriers were deemed to need protection.

In short, Madam Speaker, over the past 20 years the previous Government took a paternalistic view of people involved in transportation, and we intend to steer a different

course altogether. Similarly, users are subject to undue control by regulatory agencies which decide for them how they should deal with carriers. Such regulations have stifled the competitive spirit and more often than not have led to higher rates and fewer services.

As the transportation sector expands, regulations ought to become more flexible and simpler to enable the industry to meet the ever changing needs of shippers and users alike. We should eliminate restrictions which thwart competitiveness and keep prices high, and then promote diversity and initiative. The regulations and the agency which implements them should be more flexible, more readily accessible to Canadians, less procedure-oriented.

Madam Speaker, when I was responsible for small business—in the Department of Industry, if you will—my provincial counterparts and I signed memorandums of agreement to reduce red tape and simplify procedures. We will take similar action in the transportation sector. We should encourage mediation and less formal dispute settlements. As stated in the November 8, 1984 document entitled "A New Direction for Canada: An Agenda for Economic Renewal", the current economic situation calls for the removal of barriers which stand in the way of growth and competitiveness in Canada's transport industry.

A fresh policy and a new legislative framework have become imperative if we are to face the realities of the 1980s, the 1990s and beyond, and if we aim at building a sound foundation which will enable us to meet the challenges and benefit from the opportunities of the next century.

The new legislation reflects the commitment of the Conservative Government to five principles. First, transportation safety is our number one priority and we cannot over emphasize it. As you will recall, Madam Speaker, whenever there is an announcement or a press conference regarding new transportation legislation or policies, security always is and still remains the priority. The Canadian transportation network must meet the needs of shippers and travellers. Trimmed down regulations which would reduce the intervention of the state would stimulate innovation and entrepreneurship. Greater reliance on competition and market forces will result in a decrease of unit costs, more competitive prices and a greater range of services for shippers and the Canadian public.

Canadians want a regulatory framework which is both open and accessible without being excessively slow and costly as is now the case.

Madam Speaker, the reforms contained in the new legislation represent a made-in-Canada policy. The existing legislation provides only one way of dealing with complaints by shippers, carriers or the public: an investigation by the Canadian Transport Commission, which can include a public hearing to determine whether the public interest is involved.

This procedure has been criticized by everyone as too costly, too slow and inappropriate for settling differences about prices or services between a shipper and a carrier, for instance.

New provisions taking into account the particular situation of transport in Canada are proposed so that private differences between shippers and carriers can be settled quickly and economically:

A mediation service provided by the National Transportation Agency at the request of the parties involved.

An arbitration procedure will be established to settle differences when mediation fails. The independent arbitrator appointed by the National Transportation Agency will be able to choose only between the final offer of the carrier and that of the shipper.

The new legislation will also include an amended and more effective investigation mechanism for the cases where the public interest is involved.

Upon a complaint being filed, the national transportation board will be empowered to investigate any actions, omissions or rates of a carrier that could harm the public interest.

The various needs of different areas of Canada have been taken into account by the previous Minister of Transport, the Hon. Deputy Prime Minister (Mr. Mazankowski), following many consultations held across the country, and also by the Standing Committee on Transport.

To give but two examples, the results speak for themselves. The national transport policy statement, on which the new national transportation board based its decisions, does recognize that transportation is the key to regional development, as this Government has indicated on a number of occasions. Regional development is one of our commitments, and transportation is the key to that development.

The regulations concerning air services in Northern Canada, which the Deputy Prime Minister referred to earlier, will include other criteria that will safeguard the public interest, namely the maintenance of essential air services at reasonable costs in difficult and precarious conditions.

In Southern Canada, where most Canadians live, this increased competition between air carriers will lead to better fares and to services that are better suited to passenger needs. We have already witnessed the arrival of new regional air carriers such as Air Nova, as indicated earlier by the Deputy Prime Minister. In many cases those companies, as is the case with Air Nova, are using Canadian-designed aircraft, Dash 8's and Dash 7's—like City Express or others for instance—and this is good for our Canadian manufacturers and employees.

And when the Hon. Member for Papineau (Mr. Ouellet) said earlier—

The Acting Speaker (Mrs. Champagne): Order, please. I am sorry to interrupt the Minister. However, he should be aware that when the House resumes, he will have 5 minutes more if he wants to use them, after which there will be 10 minutes for questions and comments.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mrs. Champagne): When the House took recess at 1 p.m., the hon. Minister of State (Transport) (Mr. Bissonette) had the floor.

Mr. Bissonnette: When we stopped for the lunch break, Madam Speaker, I was dealing with the interests of our producers and shippers.

You can rest assure that the interests of our producers and shippers will better coincide with those of our rail carriers and truckers in the very near future.

Our shippers will get better services at more competitive prices, and that is the purpose of this whole updating of the transport legislation. It is absolutely essential to make our producers and shippers more competitive, both in Canada and abroad, in a world where competition is increasingly strong.

Madam Speaker, let me tell you what is going on now and what had gone on for some years. Canadian shippers were taking advantage of the situation by shipping goods by other means of transport available in the United States, because American carriers were not required to publish their transport rates, while we had to, in Canada. The changes which we are making are therefore going to be beneficial both to the carriers and shippers.

It goes without saying, therefore, that carriers will have to become more efficient to meet the challenge of an increased competition. There is no doubt about that. However, we trust that our carriers will be able to meet the challenge and be up to the task. I should be misleading you, Madam Speaker, if I said that all the benefits would accrue without the people involved having to make a number of concessions. In many respects, however, the legislative reforms simply reflect the reality of a transportation network which has changed considerably.

We have sought the advice of all interested parties on the need of a reform and the proposed changes. They have all agreed that a major reform is essential; that they do not all agree on the details of the proposed legislation is quite normal. There are governments which do not consult, preferring to impose, as did the one to which the Hon. Member for Papineau (M. Ouellet) belonged and of which I emphasized the arrogance a while ago—well, we have consulted, and it is normal for people to express their views and sometimes disagree. One thing is sure: the measures which will be implemented will provide for a transition period during which each organization and province will be able to adapt.

To conclude, Madam Speaker, I should like to touch briefly on a point which the Hon. Member for Papineau raised a while ago, that is, the Saint-Jean Airport. I want the Hon. Member for Papineau to remember that 20 years ago, there were 600 people working at the Saint-Jean Airport, and that there were not 50 left when we came to office in September, 1984. The Liberal MP who had represented the Saint-Jean riding for 20 years had never bothered to try and create jobs for Saint-Jean workers at this airport.

As elected representative for the Saint-Jean riding and as Minister of State (Transport), I can assure you, Madam Speaker, and the people in Saint-Jean that the airport will be enlarged to create jobs, and that this will happen soon.

Mr. Garneau: Madam Speaker, I would like to make a few comments and ask some questions to the Minister who just spoke on behalf of the Government.

Madam Speaker, the motion introduce today by the Hon. Member for Papineau (Mr. Ouellet) has considerable importance. In an area like the one I represent in the House, the Montreal area, transportation has always been, and will be for years to come, the main industry. Whether it is rail, air, or maritime transport, Montreal, due to its location, has always been a transportation hub, not only for the rest of Canada, but also for the United States.

The motion of the Hon. Member for Papineau reminds us of several aspects—companies and jobs—connected with the transportation policies of Canada. These policies were developed over time to build a country, because the Canadian geography was not as favourable as in other parts of North America, we had to bridge the distance between East and West, so that transportation was always the connecting link, the means to build the country we now have. However, in the last few years, several aspects being discussed today thanks to the motion of my colleague, the Hon. Member from Papineau, concern rail transportation.

I want to ask the Minister how he and his Government intend to deal with these problems, not just in terms of jobs but in terms of the importance of the Montreal region for the transportation industry and transport—related industries. In the past 18 months, the only Canadian company manufacturing locomotives, Bombardier-MLW Ltd., has practically closed down, and now, the only locomotive manufacturer in Canada as far as I know is a Canadian branch of a US company which, now it no longer has to compete, will probably be tempted to have its manufacturing done in the United States. And Canadians will no longer be able to build their own locomotives, either for VIA Rail or for CP or CN.

Bombardier-MLW Ltd. has been shut down, and another related industry as well, and I am referring to Hawker Siddeley Canada Ltd., with its welding shops and foundry. And what about the railway maintenance workshop in Montreal which apparently will be closed, with some jobs remaining to repair American trains if any come in for repairs.

I want to ask the Minister about this policy the Government is considering. Does it have an answer, not just for the people

who work there, does it have a plan to ensure that the Montreal region will continue to be what it has been in the last 100 years, a major railway transportation centre?

Mr. Bissonnette: Madam Speaker, I shall be happy to clarify a few points regarding the transportation industry in Montreal, and in addition to railway transportation, I will also address what we intend to do about the industry in general, not just in Montreal but across Canada. But to get back to CN in Montreal and the points mentioned by the Hon. Member for Laval-des-Rapides (Mr. Garneau), when I looked at the CN dossier, I started to wonder what the previous Government had done in the last 20 years and what kind of guidelines it had given CN. When in 1978, CN was told to become self-sufficient, it had to acquire the means to do so and this meant rationalizing certain parts of its network and some of its repair shops. And today, the Hon. Member for Laval-des-Rapides has the nerve to insinuate that this Government is taking jobs away from the people of Montreal! When the Government gave CN those instructions, it did not tell them: if you decide to close certain repair shops, you will have to find something else to replace those jobs. They never did anything of the kind, and that includes the Hon. Member for Papineau (Mr. Ouellet) who was very much involved and was part of that Government.

We asked the CN people to try and find contracts elsewhere. The previous Governement did not even have enough imagination to believe in private enterprise and to believe that a Crown corporation could go hunting for repair contracts in other countries, as we will be doing with CN in Montreal. I do hope the CN management has well understood the clear message that CN employees are important to us, that jobs in Montreal are important to us, and we proved it in the last two years. As I am sure you know, and it is worth repeating, 600,000 new jobs have been created in Canada, of which a little over 100,000 in Quebec, and they have been created by the private sector, contrary to what the Hon. Member for Papineau indicated in his statement today when he said that the state had to be a protective state, looking after everything.

No, this is not the Conservative Government's philosophy; ours is to create an environment in which private enterprise can develop and in which private sector enterprises will develop as much as possible and create jobs. And this environment we have created because we control Government expenses, interest rates and inflation rates. This is a good climate for investment, this is the kind of climate that creates jobs.

• (1410)

Mr. Garneau: Madam Speaker, if the Minister of State for Transport (Mr. Bissonnette) wants to take it that way, to be partisan—I thought I asked a forward-looking question, but he was looking backwards so, if you do not mind, we will both look backwards.

When the Liberals were in office, if that is the way you want to look at it, Bombardier-MLW employed over 1,000 people and was building engines for Canadian companies. The same thing happened at the Hawker Siddeley foundries. When did those operations close? After September 4! Imagine, Madam Speaker, now they come and tell me that 600,000 jobs have been created! The Minister of State should consider what has happened since the impact of their last few budgets was first felt on the economy. There has been a loss of 17,000 jobs in Canada. Up to and including last August, 17,000 jobs had been lost in Canada. Last month, 35,000 were created. That leaves a surplus of about 15,000 jobs. You then have the gall to brag about the creation of 15,000 jobs in a year and to refuse to answer questions. What will you do about the transportation policy to allow Canadians to build—

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member for Laval-des-Rapides (Mr. Garneau) knows that he should address the member through the Chair.

Mr. Garneau: Right, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Minister of State for Transport (Mr. Bissonnette).

Mr. Bisonnette: Madam Speaker, this Conservative Government believes in private entreprise. This is what we are going to do in the area of transportation and we are going to simplify these regulations. We will eliminate all red tape to give people a chance to develop in a country where shippers and carriers enjoy free entreprise.

Such is the policy of the federal Governement and the Conservative Party and I will never apologize to the Liberals for what they have done.

Mr. Ouellet: Madam Speaker, I think the Minister of State (Transport) (Mr. Bisonnette) should answer the questions put to him. This question is quite simple and I will repeat it for the third time because my colleague for Laval-des-Rapides (Mr. Garneau) has already asked it twice. Twice we have heard platitudes but no answer was provided. Some 2,500 workers in the Montreal area have lost their jobs since the Tory Government has come to power.

They were manufacturing locomotives in the East end of Montreal in the Bombardier-MLW plant, in the Vickers shipyards, in ironworks and foundries. Those people lost their job because the Tory Government failed to provide contracts to those companies as was done in the past. Moreover, Madam Speaker, I would like the Minister of State to answer the following question: What is he doing for those unemployed people as a result of the Governments inaction?

Mr. Bissonnette: Madam Speaker, I can inform the Hon. Member for Papineau (Mr. Ouellet) that we are not going to dig ditches for the sake of building bridges. We are not going to have trains built if we don't need them. But we have created a climate that has made it possible to create over 100,000 jobs in Montreal. That is what counts, Hon. Member for Papineau! Thanks to deregulation, the transportation industry will continue to expand instead of being shackled by regulations that have remained unchanged for 25 years. You were never

able to adjust to change. We are going to adjust the industry to the realities of the 21st century.

• (1420)

[*English*]

Mr. John Parry (Kenora—Rainy River): Madam Speaker, it gives me great pleasure to rise on behalf of my Party to debate a motion that addresses a serious problem, to use its own words, in "frivolous ideological" terms.

The import of this motion is essentially to put all those federally-regulated means of transport in Canada out for debate. That is a worthy intent. The fashion in which it has been done does not reflect any credit on the movers of the motion. It is a fashion that suggests that we will have *un dialogue de sourds*, an interchange between two sides in terms of the failures of one and the achievements of the other. Into that debate I will attempt to inject, if I may make so bold, some measure of discussion of what the real problems in transport in Canada are, how they derive, and where the solutions may lie.

The motion that the Opposition has put forward covers almost every aspect of freight and passenger traffic in Canada. Reading the text of the motion, one could almost imagine that the Liberals had not been in power for a decade or held power for 17 of the last 20 years. Reality is different. Virtually everything that this motion complains about is the result of decisions taken, actions left undone or indeed done by the previous Liberal Governments. It is worthwhile to mention that while I have no cause or inclination to defend the Government, the fact is that many of the things that have happened in the area of transport over the past few years have their roots in the inaction or the budgetary shortcomings of the previous Liberal Government.

Airline deregulation began in the Ministry of Transport when the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) was Minister. He was pulling in people from right and left, overspending his budget by a factor of twice and breaking some of the rules which then constrained the salaries of his officials in order to gear up the public relations effort that went along with this. Presumably the Liberals are taking the position that their brand of regulation would not have gone as far as the present Government. Since the Government has passed no legislation of substance in this area up until now, it is clear where these trends and initiatives started. We must acknowledge that the idea of complete deregulation at the same time of all phases of federally-regulated transport in Canada is a folly which originates with this Government. I would dare to say that it is a folly which is encountering increasing resistance as the adverse consequences become evident. It is obvious that in the area of freight transportation, no matter how the freight is travelling, in a time when industry is suffering from low commodity prices, low returns on transport, and poor sales during this transition period, deregulation is being introduced at a time and in a fashion that can only aggravate some of the problems which now exist. We have had contradictory statements from the Government and have not had it plain and clear as to the future role, if any, of the Canadian Transport Commission. Is it going to disappear from the scene, as has been suggested? Will it stay, as the present Minister of Transport (Mr. Crosbie) in one of his parliamentary answers has replied?

The issue of safety is essential to an understanding of this debate and it is an essential part of the concern that all Members of Parliament should be demonstrating for Canadians. Here I would warn the Government and caution the Opposition. The caution is that the dramatization of safety concerns will obscure the very real concern that should be manifested. If we simply go around the country and say that safety is out of the window and there will not be a regulation that can be enforced—

[*Translation*]

This means there will be a free-for-all in the transportation sector.

[*English*]

If we do such a thing, we will be rendering a disservice to our fellow Canadians. Equally from the Government's side, if we were to go around and say that safety will not and cannot be compromised, then we might miss the reality of some serious changes in the safety regime which may have unfortunate consequences for Canadians.

I am referring particularly to the matter of air travel safety and rail transportation safety. We have at last the Canadian Aviation Safety Board. My belief is that the preliminary implications of the CASB are very good. I would also point out that recent studies indicate that the regulations on fatigue in flying, principally pilot fatigue, are among the least effective in the world. They are not widely and strictly enforced in the manner that they should be. In many cases they do not provide for adequate recuperation for pilots before undertaking their next flight. Like most Members of the House, I read the aviation safety reports and the accident reports. I also read the reports of minor accidents. The number of cases in which pilot error is indicated should be a clear warning to the Government that there is something lacking in the present system. Also the lack of ability to enforce the existing safety regulations is something that should concern every Member of the House.

The operating rules for railways which have been enforced for many years by the Railway Transport Committee of the CTC were not regulations introduced on a whim or a caprice. They were introduced over a period of years or decades in response to perceived needs. To say—

[*Translation*]

As the Minister of State (Transport) (Mr. Bissonnette) said, we are going to get rid of all that red tape and even tear up the rule book—I'm not quite sure about the context—but I think we should not forget that this so-called red tape consists of regulations that are there for a very good reason, namely to ensure our safety.

[*English*]

We should look at those safety regulations. The Government must take the utmost care in discarding any one of those regulations.

Turning to the situation of rail freight under this Government, we have seen over the last couple of years a continuation of the trend toward job cuts. I am very glad to see the Minister of State for Immigration (Mr. Weiner) sitting in the House. This is a matter that relates to the substance of this motion that I feel he should be taking up with his Department and on which he should be conducting a detailed scrutiny. When I read the press release on immigration levels I see that three categories of railway workers and the category of airline pilots, are designated as categories in which Canada has a shortage by virtue of being awarded 10 points in the immigration regulations. I cannot believe that that is so. In my riding many railway workers have been laid off or have been bumped to other parts of the system. Many pilots in Canada are unable to obtain employment, even though in some cases they possess the highest qualifications that our licencing system allows. The idea that we are effectively telling people in other countries that Canada has a shortage of people to fill those jobs is, to my mind, not only a slap in the face for those Canadians in those occupations who are unemployed, but is also cruelly deceiving those people who might come to this country under the assumption that such jobs are available.

We have already gone into the matter of privatization and the problems that this is causing particularly in terms of the CNR. I would be surprised to hear anyone on the government side deny the loss of employment that has occurred in the maintenance, the engineering, and the repair functions of the CNR. I am surprised that CN is not looking at those proposed job cuts with more appreciation for its potential liability should there be an accident which can be directly traced to deficient standards or defective maintenance. I believe the savings in eliminating these maintenance and overhaul jobs would look small compared to the possible liability involved in the companies being sued by someone who suffered an accident because of a failure of equipment resulting from lack of maintenance. Cabooseless trains is an example of the same problem. What will be the legal position of CN or CP in an accident where the injured party could claim that the lack of a caboose was a contributing cause to an accident? We have also heard in the last two months complaints from railway pensioners. In any debate on our transport system it is entirely legitimate that we raise those concerns. In many cases these people have given their whole working life to the railway system and now, because of a lack of indexation or inflation adjustment, they find their retirement incomes are totally inadequate. In examining the rail sector I think we have to harken back to reports issued some years ago which show the degree to which the railways' infrastructure costs and those of other modes of transportation are subsidized. If ever those costs were factored in to the cost of the transportation network as a whole, we know the rail mode would look a lot better than it does today.

• (1430)

Turning to air transport, the airport management strategy of this Government seems to have nothing to it but cut, cut, cut. The Government wants to slough off the responsibility for airports to municipal authorities. It seeks to cut back drastically the subsidies to municipal airports by something like 30 per cent next year. Where is it going to end? Are we going to have a national transportation system or are we going to have airports run individually by the municipalities, with a resulting lack of co-ordination? Perhaps the Government feels there is a better way to do things but it must realize that some airports will not be able to continue without these subsidies. It would also be unreasonable for anyone in this debate to talk about airports without mentioning the expenditures, some of them useful but much of them needless, on airports in the Prime Minister's (Mr. Mulroney) riding. All Members of the House should be interested in this comparison. In Kenora—Rainy River there are presently 32 active airports, only four of which receive assistance from Transport Canada. The number of passengers passing through those airports far exceeds those of airports which are much less active but which have received capital works such as runway extensions for which there was no operational argument to justify them other than the need for paying someone to put down paving which probably has not had a wheel on it yet.

[*Translation*]

Madam Speaker, I would also like to comment briefly on the situation in Canada's shipyards, and especially in the Province of Quebec. It seems that today, about 70 per cent of skilled workers in Canada shipyards are unemployed, and this Government—need we bring this up again—met with the president of one of the shipyards to look at the future of the industry in Quebec, which is clearly a conflict of interest situation. On March 26, it was announced that a $130—million contract would be awarded to Versatile Davie for the construction of a super ferry for CN Marine, now Marine Atlantic Inc. It has now been six months and nothing has materialized yet. Why? The Government should explain, Madam Speaker.

[*English*]

I would like to turn now to the situation of VIA Rail. That corporation was established by the previous Liberal Government with great fanfare and shortly thereafter left in orphan status. The present state of affairs is that the companies dedicated personnel, particularly the operating personnel, are doing their best with ancient equipment. The Government announced several times that there would be new engines and new rail cars to replace the creeking 30 year old and 40 year old equipment on VIA Rail. Again—

[*Translation*]

As in the case of the super ferry, except that this has been going on for a much longer period, nothing has been done. There have been no announcements whatsoever.

[*English*]

The CN and CP charges, which never seem to have been submitted to a proper examination by an outside authority, are of course dragging VIA Rail down into a deeper deficit position. What the people of this country are looking for in the matter of VIA Rail is simple honesty. The Government should either say it will cure VIA Rail, or stand up with some dignity and belief in its principles and say it will kill VIA Rail. It makes no sense, from either a management or political point of view, to keep VIA Rail in this state of limbo. The Government has to be clear on where it stands on the future of VIA Rail. The uncertainty is far worse than any precise move the Government could make, be it positive or negative.

Finally, I would like to talk about some of the consequences within my own riding which flow from the Government's drift and lack of initiative. We have had lay-offs in the divisional points of Sioux Lookout, Rainy River and Kenora. We have seen lay-offs of CN personnel in Fort Frances, not just in the running trades or the equipment department, but also in the maintenance-of-way and other ancilliary areas. We have seen contracting out of bunkhouse operations and of course our railway workers have faced the threat of job elimination, which is surely at the end of the agenda in the cabooseless train hearings.

We know, in spite of the transitional provisions, which I think were indeed wise, concerning deregulation of air traffic, that airlines in northern Ontario are basically on a hit list of the majors. In the last couple of days we have seen Air Canada moving to take over Air Ontario and Austin Air. We know that in the past this has led to predatory practices directed at the smaller airlines and their elimination. My constituents fear that this will happen again.

The Government has continually stalled on the matter of extending the Loran C network to cover the whole of Canada. I have risen on more than one occasion and pointed out to the Government the very useful improvements in navigation and therefore in air safety available through installation of this system. Indeed, within the last couple of days it has come to my attention that the American Government may be interested in the construction of a Loran C station in Canada which would also improve coverage in the U.S. because of unique locational factors. The Government should be grasping at that sort of possibility instead of ignoring it. For the Government to say that the global satellite positioning system is an effective substitute is to ignore the realities of the difficulties in the United States space program and to ignore the responsibility for creating jobs and improving air safety in Canada in this decade rather than waiting for the next. In conclusion, the Government must give the entire area of transport much more attention.

• (1440)

Mr. Henderson: Madam Speaker, I listened with great interest to the Hon. Member's speech on this motion. He mentioned what a good system the Loran C is for navigation, for aircraft as well as ships. The Canadian Owners & Pilots Association publishes a monthly newsletter. They qualified what the Hon. Member said about the Loran C coverage. The newsletter says that by 1990 the United States will have coverage for the entire continental U.S. Saskatchewan is a preferred site for such a station.

In the same newsletter there is a little note with regard to the Prime Minister's (Mr. Mulroney) riding of Manicouagan. It says:

> According to press reports, the Right Honourable Brian Mulroney has announced that ILS installations, costing $7 1/2 million, are to be made at airports within the boundaries of his constituency of Manicouagan. It was pointed out to us that his particular riding is bathed in marine Loran C signals which may be used by aircraft having functioning Loran C receivers to conduct non-precision approaches at no additional cost for ground transmitters.

Is the Hon. Member aware of this? When Hon. Members have asked for a few dollars to create part-time employment in their ridings, members of the Government have indicated that we are extremely short of funds. Is the Member aware that this is occurring in the Prime Minister's riding? Does he think that those dollars may be better spent elsewhere? This is what the Canadian Owners & Pilots Association are pointing out to us.

Mr. Parry: Madam Speaker, I must thank my hon. colleague for his question, which I could not have phrased better myself. Members on the government side may not appreciate the utility of the availability of the Loran C signals in the riding of Manicouagan or in most coastal districts of Canada. As reported in the newsletter from which my hon. colleague quoted, the use of such a system enables a pilot to split the numbers. In other words, he may land accurately at the end of a runway through the use of that navigational system only. I understand that a company in the United States uses that system to keep track of its delivery vehicles within a city. This is a system of great accuracy. That is of obvious benefit to non-marine areas of Canada. Pilots in central Canada could derive great use from it.

The Hon. Member's question illustrates very well the double standard which the Government applies with regard to the funding of projects. Money is available to gild the lilies in the Prime Minister's riding. A good system is already in place there, yet there is $7.5 million available to enhance the instrument landing system when neither accuracy nor safety is available in many other parts of Canada.

This is not a criticism which I make lightly, Madam Speaker, but I thought it was the most disgraceful manipulation that I have ever seen when the Prime Minister produced a widow from his riding to say that she would not be a widow if this system had existed previously. That is disgraceful because many people from remote ridings in Canada would be able to make the same claim and twist the public's collective heartstrings in that very way. For the Prime Minister to suggest by implication—

Mr. Forrestall: He can't say that with impunity.

The Acting Speaker (Mrs. Champagne): I think the Hon. Member has made his point.

Mr. Belsher: Madam Speaker, I am rather surprised to hear the Member for Kenora—Rainy River (Mr. Parry), who seems to be in cahoots with the Member for Papineau (Mr. Ouellet), saying that the Government seems to be forgetting about the safety standards which protect travellers. He made very little reference to the Aeronautics Act which was amended last June. I would like to put a couple of points on the record.

The Aeronautics Act provided for an independent civil aviation tribunal system to be created to hear and determine appeals from penalties assessed by Transport Canada quickly, fairly and informally. Challenges could be made to suspension or cancellation of a licence, an assessment of fines or refusal to renew a licence. Doctors and optometrists will be required to report conditions of patients holding licences who may have medical problems which could affect flight safety. Licence holders will be required to identify themselves to any attending physician or optometrist and are deemed to consent to the disclosure of medical information.

Coupled with that are the safety measures in our airports in which each of us take part every week. There are X-ray machines in place. Since last October baggage has not been allowed to precede a passenger on international flights. By next year this safety measure will be in place on domestic flights. There is now more RCMP presence in the airports in addition to the regular security personnel.

In light of all the things which the Hon. Member himself has seen taking place in the past year and the various regulations which have been put into effect, would he not agree that the setting of standards and their diligent enforcement is a logical means of protecting the public interest? Instead of telling people that the Government is doing nothing, why does he not report that which has actually happened and been put in place through law?

Mr. Parry: Madam Speaker, I must thank the Hon. Member for the opportunity to address those concerns. He is talking about security. I did not have the opportunity to discuss airport security in my speech. Although the methods that are being used are cumbersome and irritating to many travellers, I agree that they make a great deal of sense in view of the world-wide increase in terrorism against aviation. In Canada we have mercifully experienced only one instance, although that was indeed a terrible instance.

I was talking about regulations and the ability to enforce them. While the improvement of an appeal system for people accused of offences against the Aeronautics Act is desirable, I cannot see how that, in itself, will enhance safety.

• (1450)

The Hon. Member does make some legitimate points about security and a good point about the appeal system. However, these do not address the safety concerns. He will know that the number of near miss incidents reported by air traffic controllers in Canada has risen by an uncomfortable amount in spite of the measures he is talking about.

Mr. Taylor: Madam Speaker, I want to make two points. The opposition Parties appear to be denouncing deregulation, yet every one of these incidents that have been mentioned have happened under a regulated society. How can they blame these incidents on something that has not yet come into force? It is beyond me and simply does not make sense because these happened under a regulated society.

My second point concerns truckers. For many years regulation has been the downfall of our trucking industry. In fact, I am surprised that we have a national trucking industry in Canada at all. If a trucker from Alberta wants to haul goods into or through Saskatchewan, he first must get a permit in Alberta which costs approximately $1,000 and then get another permit in Saskatchewan for another $1,500 or $2,000. If he wants to go through Manitoba, Ontario, and Quebec, he must pay another $2,000 or $3,000 in each province. In other words, these regulations have created ten separate states in Canada, and in order for a trucker to haul beef from Alberta to Montreal, he had to go through the United States. We had to make arrangements with the Americans for our truckers to go through the United States. I wish I had more time because these regulations are destroying the trucking industry.

The Acting Speaker (Mrs. Champagne): I am sorry, I must interrupt the Hon. Member for Bow River (Mr. Taylor). I will allow a few seconds for the Hon. Member for Kenora-Rainy River (Mr. Parry) to answer, then we will resume debate.

Mr. Parry: Madam Speaker, I would simply say in reply to the Hon. Member for Bow River (Mr. Taylor) that his observations reflect indeed today his apparent stance against any form of regulation with the industry. Our stance is that what is needed is not deregulation on the basis of simply following an ideological perspective from our south, but reregulation. Regulations are as much in need of rewriting as they are in need of abolition.

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

Mr. Kilgour: Madam Speaker, I believe there was an understanding that one of the Liberals would speak next. However, if I am in error and they do not wish to speak, I will proceed.

[*Translation*]

Mr. Ouellet: A point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member for Papineau (Mr. Ouellet) on a point of order.

Mr. Ouellet: Madam Speaker, I simply wanted to draw your attention to the fact that my colleague from Newfoundland was about to enter the House and take the floor, at the suggestion of our friend.

[*English*]

Mr. Tobin: Madam Speaker, I rise on a point of order. I was responding to a page's summons, and when I heard the Member finish his speech I immediately rushed back into the House.

Mr. Forrestall: Madam Speaker, I rise on the same point of order. The Hon. Member can feel very fortunate that we were not debating Bill C-75.

The Acting Speaker (Mrs. Champagne): Order, please. I was prepared to give the floor to the Hon. Member for Humber-Port au Port—St. Barbe (Mr. Tobin) but he was not in the House. If I have the permission of the Parliamentary Secretary to the Minister of Transport (Mr. Kilgour), and there is unanimous consent, I will give the floor to the Hon. Member.

Mr. Kilgour: Madam Speaker, we on this side play by the Marquis of Queensbury rules. Yes, indeed he has our permission.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Humber—Port au Port—St. Barbe.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Madam Speaker, I apologize to the Speaker and my colleagues for not being in my chair. However, I had been summoned by a page.

What is most disconcerting about having to be recalled in such a way is that not only have I upset Madam Speaker and my colleagues in the House, who I know were waiting with bated breath for my comments, but I find myself rising to speak having just been the beneficiary of a kind gesture from Members opposite. You do not know how it pains my heart, therefore, to have to proceed with the comments I must, in good conscience, make.

Today we have set aside a period of time in the House to debate what is really an urgent and pressing matter in this country. It is the insidious, slow and almost invisible manner in which the Government of Canada has completely changed the way in which Canadians and, more importantly, the Government views the role of transportation in our nation.

I believe it is important to look at the history of transportation in Canada. From the days of John A. Macdonald, that great Conservative Prime Minister who I am sure Members opposite will applaud—

Some Hon. Members: Hear, hear!

Mr. Tobin: They are so predictable, Madam Speaker. From the days of John A. Macdonald, transportation has always been a vehicle for building this country. John A. Macdonald did not propose and support the notion of building railways from sea to shining sea because it was a good free enterprise idea. He did not want to have a railway that ran from one end of this country to the other because an enormous profit could be realized. He wanted a railway from sea to shining sea because he understood that in order to reconcile the differences between the various regions and people in this country he needed a way to unite them. The railroad was built from sea to sea, primarily from his initiative.

That is but one illustration of the role that transportation has always played in this country. Time does not permit me to give many other examples of the role of transportation in Canada.

Let us examine what has happened in the last couple of years. The Government has decided through its deregulation initiative that transportation is no longer an essential element of nation building. Furthermore, it has decided that transportation is no longer an essential ingredient in ensuring regional opportunities and regional equality. It has adopted a user fee policy in this country by which it implies that transportation facilities are no different from a McDonald's or a grocery store. Such stores are placed where there is enough demand and enough volume of sales. If you live in the tiniest town on the eastern shores of this great nation overlooking the Atlantic Ocean, there will be no McDonald's. According to the Government's user-pay policy, it is saying for the first time in our history that where there is a huge population and a demand, there will be transportation services.

• (1500)

Where there is not a huge population and where there is no market-place demand, where the free market sector will not give it, Government will no longer provide transportation services. That is a radical departure from Government policy in a country of 25 million people, a country which has within its boundaries the largest land mass, notwithstanding the Soviet Union, on the planet earth.

For the first time we are denying transportation services to the people who live in the province of my good friend, the Hon. Member for Egmont (Mr. Henderson), the Province of P.E.I., an island province. For those people the ferry system is not a scenic route by the sea. They do not wake up in the morning and say: "I think I will go out today and ride the ferry so I can enjoy the fresh air and the sunshine". They ride the damn ferry because there is no other way of moving themselves or freight onto or off that island. Yet the Government is now saying to P.E.I. that the ferry service shall be provided on a user-pay basis. There was a 15 per cent increase last year, and there were more increases announced last week, which means that ultimately we will essentially cut the umbilical cord, transportation, which keeps the island of P.E.I. viable and it will shrivel and die because the free market did not say that P.E.I. should live.

In my own Province of Newfoundland, which is separated from the rest of the country by 90 miles of water, that same kind of philosophy is applied with exactly the same kind of contemptible results. The Government wants to spend $600 million to build an ice-breaker to patrol our northern waters. Because the Government has such a friendly relationship with

the American administration, it now needs a $600 million monolith to keep the Americans from ploughing through our territorial waters. What is the best way of establishing one's ownership of something? What is the best way of proving one owns something? It is to be there, to have possession, and the way to demonstrate possession is not with a $600 million ice-breaker. It is by supporting the people who live in the North, by giving them a transportation policy which allows them to live in the North and have a quality of life while they live there.

Rather than putting money into northern transportation systems, into getting rid of the high air fares for people who live in the North and allowing people to get goods, food and all the necessities of life at a reasonable cost so they will live in the North and hold up Canada's flag, we are going to put $600 million into an ice-breaker. That is the kind of irrational, knee-jerk, non-people oriented, free market balderdash being promoted by the Government.

There are a number of examples of the shortsighted doctrinaire and philosophical wizardry which this administration wants to impose upon the people of Canada. In Moncton, New Brunswick, a thousand jobs are now at stake because Canadian National—sea to shining sea—is no longer going to be a presence in New Brunswick. It is being moved out because the Minister of Transport (Mr. Crosbie) says he wants to get Candian National lean and mean and thinned out so he can privatize Canadian National.

A thousand jobs are going to disappear, but the answer of the Minster for Transport is that those people are no longer viable. I wrote down what he said. He said: "We are not going to dig rivers so we can build bridges". That begs the question. Is the Government going to manufacture prisoners to fill prisons? It cannot have it both ways.

The hypocrisy of the Government is appalling. It is not the hypocrisy that bothers me. It is not the fact that the Government talks out of both sides of its mouth that bothers me. It is not the fact that this kind of deception is being perpetrated that bothers me. It is the glibness with which the Government attempts this deception that bothers me. I do not mind having tall yarns spun but I mind very much when the person who is spinning those yarns has a grin on his face and actually believes that myself or the Canadian public is foolish enough to believe them. I can tell you, Madam Speaker, the people of Canada are not swallowing the double standards or, I should say, lack of standards of this administration.

The Canada Shipping Act was an Act which was in great need of overhaul. It desperately needed to be reviewed, modernized and updated. All of us in Parliament who are interested in transportation matters participated in that upgrading with Bill C-75. Members of all three Parties did a good job. But at the eleventh hour, the Minister of Transport of the day, the man who is currently Deputy Prime Minister (Mr. Mazankowski), slipped in an innocuous sounding clause, Clause 4. I am sure Madam Speaker is beside herself wondering what is Clause 4. Why would it raise the ire of the Hon. Member for Humber—Port au Port—St. Barbe? Sit patiently, Madam Speaker, and I will tell you.

Clause 4 is a clause which allows the Minister of Transport to impose user-fees. "What for?", Madam Speaker asks, "What user-fees?" User-fees for Coast Guard services, navigational aids and ice-breaking services. Madam Speaker asks: "How can that be? We are a marine nation. We have the largest coastline of any nation on earth". Surely the Government of Canada would not contemplate telling people who are in need of search and rescue services that they have to think before they push the panic button because they may have to pay regardless of whether they can afford it. That is precisely what the Government is now attempting through Bill C-75.

That Bill died on the vine because we in the Liberal Party opposed it. We are now waiting to see how the new Minister of Transport, who comes from Newfoundland, feels. I would like to say of the Minister of Transport that he is an assembly line politician, body by Fisher and tongue by Gillette. I hope his brains are as sharp as his tongue and he will see the light of day and drop Clause 4. We are waiting for the answer with bated breath.

I issue a warning now that if Bill C-75 comes back to the House containing Clause 4, it will meet the most severe resistance this Party can mount to ensure that the little people of this country are not sacrificed.

An Hon. Member: Oh, oh!

Mr. Tobin: You would not know about those kinds of people, the people who live in our towns and villages—

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member should know he should not speak directly to other Hon. Members but through the Chair, please.

Mr. Tobin: Of course, Madam Speaker, you make a good point. I should not speak directly to other Hon. Members. I speak through you. I should never respond to unintelligent comment but, of course, other Hon. Members should not comment while I am giving a speech. I would never do that when in my chair.

Bill C-75 is another example of the kind of nonsense in which the Government is involved. There is another Bill pending called the National Transportation Act.

Mr. Forrestall: A great one, too.

Mr. Tobin: The Hon. Member opposite says it is a great Bill but I never heard him. I just anticipated what he might say. There is nothing wrong with any Government attempting to modernize, refine and respond to technological change by presenting a piece of legislation which keeps this country current in a competitive world. There is nothing wrong with that. We do not object to it.

• (1510)

However, there is something desperately wrong when accompanying this idea of deregulation is the concept, as espoused by the Government and contained in the Bill, that transportation is no longer something born out of public necessity and convenience, as we have always defined it in Canada, but is instead something that is market-driven. There is something wrong when the Government says, for example in the case of airline transportation, that as of the date the new Bill is passed airlines will be able to enter and exit markets at will with only 60 days' notice to a regulatory agency and with no basis of appeal.

Let us try to understand what that means. Currently, airlines in the country are licensed on a route system. They are allowed to fly some of the money-paying routes, some of the gravy runs, but they must also by law take some of the lesser-paying routes in the rural and northern parts of Canada, both on the East Coast and in the western parts of Canada. By law they must, in financial terms, take some of the bad with the good. That is the way that we ensure that Canadians are given some minimal level of service no matter where they live.

Under the new legislation, airline companies will no longer be licensed on a route system. They will be licensed to fly to each and every individual stop in the land. If they want to abandon a northern community, they are required to give 60 days' notice and then they are out. There is no appeal possible or available to members of the local communities involved. There is no regulatory agency to pass judgment on what is a public necessity and convenience. If that is not treating the public's airways in the same fashion in which McDonald's treats it franchises, then I do not know what it is. The impact will be that in the far-flung regions of the country many of our citizens will be left with a third, fourth and fifth-rate service, or no service at all. That is the nature of deregulation.

With respect to the air side, we know that in the United States deregulation has led to huge losses and bankruptcies. Finally, it has led to mergers. Instead of a competitive environment, we are ending up with an industry which is more monopolistic than ever before and which is deeply in debt. That is the model that Canada is following. We know that in the first six months of this year CP Air has already lost $26.5 million. We know that in the first quarter of 1986 Air Canada has already lost $46.2 million. We know that Pacific Western has already lost $4.6 million in its first quarter. We know that every major company is losing money.

In that environment this administration wants to impose a U.S. model. I can only say this. If the user-pay philosophy continues, then the people of Canada will not have it. They can stand, in the interest of deficit-cutting, having a bit of fat cut. In the interest of deficit-cutting they can stand having a bit of muscle cut. But what they cannot stand is when the Government cuts through the fat, the muscle and down into the bone and begins to bleed away the marrow which is the life-blood of Canada.

It is time for the Government to wake up, conduct a complete review of its transportation policy in order to understand what it is doing to people who live in areas where the primary resources are produced. The Government must get back on an intelligent, compassionate and Canadian track, the kind of track proposed by John A. Macdonald, someone whom members of this Government claim to revere.

[*Translation*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): First, Madam Speaker, I should like to comment briefly on the debates heard in the House earlier this morning and this afternoon. Considering all the speeches we got from the Opposition benches, NDP or Liberal, and everything we have experienced in this country in the last 25 years, I think we simply have to say that if this country has transportation problems in 1986, as we do back home in the Gaspé area and the Magdalen Islands, we owe them to others, and particularly to the Liberal Party.

Ever since September 4, 1984, Madam Speaker, we have tried with the former Minister and the new Minister of Transport to solve the problems about which Members of the Opposition failed to do anything at all during at least two decades. This is why we were enthusiastic about the National Transportation Act, Bill C-75 or any other. Transportation is the kind of issue which this Opposition did not want to tackle when they were on the Government side because they did not have enough courage. Indeed, Madam Speaker, prior to 1984 the previous Government had one principle, which was to stay in office. Do nothing, but hang on to power. We have no such principle, Madam Speaker. We are quite prepared to tackle these problems so that our fellow Canadians back home will be able to travel out of the Gaspé area just as easily as the people of Edmonton in Alberta, Newfoudland or anywhere else can travel from their place of residence. That is the problem we had to face in 1984. Regardless of the oratorical circumlocutions of our colleague from Newfoundland, our former Minister of Transport did not have the nerve to come to grips with transportation issues. As Canadian men and women, transportation to us means that all people should be able to travel throughout our country, visit other lands, exchange ideas, and communicate. That is what we want.

Madam Speaker, I want to refer to a few points which I think were raised this morning by my colleague from Papineau (Mr. Ouellet), especially patronage. However one may feel about patronage, I was first elected in 1984, I have been in the House for two years, so I cannot pretend to be aware of everything that is going on, except that—

The Acting Speaker (Mrs. Champagne): The Hon. Member ought to relate his remarks or his question to the speech we have just heard. I will again give him the floor if he has a question to ask, otherwise I will recognize the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) so he might comment on the remarks of the Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray)

[*English*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, in terms of the debate this morning concerning patronage and transportation, the point I was trying to make is that after 25 years of making appointments the Liberals said that Conservatives were not eligible because we were not competent. When we talk about our national transportation legislation, and I notice that the Hon. Member—

The Acting Speaker (Mrs. Champagne): Order, please. I am sorry to interrupt the Hon. Member, but he is getting into debate now. He is not rising on a question or comment.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, I rise on a point of order. I thought I was entitled to 10 minutes in which to make comments and then ask questions.

The Acting Speaker (Mrs. Champagne): I remind the Hon. Member that the 10 minutes following debate is for Members from all Parties to comment or to ask questions of the Hon. Member who has just spoken. I now give the floor to the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Tobin: Thank you, Madam Speaker. I would have been happy to hear a speech by the Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray). I served with him on the Transport Committee and know that he is capable of arousing himself to his full height for 20 minutes on occasion. However, let me address what the Hon. Member has said. What the Hon. Member essentially said when he got up is: "We have the courage to make the hard decisions". As a Member who comes from Îles-de-la-Madeleine, I was surprised. I was expecting the Hon. Member to stand up and say that, yes, as one who comes from one of those parts of the country which is isolated and which is not a suburb of Toronto that he—

• (1520)

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, I rise on a point of order. I would ask you, Madam Speaker, if the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) would give me two minutes so that I may ask him two questions. Then I will let him address those questions.

Mr. Tobin: No.

The Acting Speaker (Mrs. Champagne): That is not a point of order but it is a reasonable request. If the House is—

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The House agrees.

Mr. Tobin: Madam Speaker, I would like to speak to the point of order. First, it is not a point of order.

The Acting Speaker (Mrs. Champagne): I did say that.

Mr. Tobin: Second, if I can give a short answer, the Hon. Member may exercise his right to use up the remaining 10 minutes. I would like to answer his first question.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member will rise to speak if the Chair says so and so will he give an answer. I will allow the Hon. Member to complete his short comment, and then, with the consent of the House, give the floor to the Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Gray).

[*Translation*]

Order! The Hon. Member for Papineau (Mr. Ouellet), on a point of order.

Hon. André Ouellet (Papineau): Madam Speaker, I believe that according to our Standing Orders, after a Member's speech we have questions and comments for a period of ten minutes to be shared as fairly as possible among Members of the parties on both sides of the House.

If the Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray) takes the whole ten minutes, this means there will be no time left for other Members to comment on what was said by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

The Acting Speaker (Mrs. Champagne): I think the Hon. Member for Papineau (Mr. Ouellet) must realize that no one from the New Democratic Party asked to be recognized, and the Hon. Member himself did not rise, because I certainly would have noticed.

I will add a few minutes to the period for questions and comments so that everyone will have a chance.

The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

[*English*]

Mr. Tobin: Madam Speaker, as I was saying before I was interrupted, the only thing the Hon. Member had to say in response to the statement I made is that we had courage. I was wondering if he had the courage to rise and represent the people who sent him to Parliament. No doubt he will tell us in a minute.

The Hon. Member makes the argument that there are problems in 1986 and that is the fault of the previous administration. There are problems in 1986. There were problems in 1976. There were problems in 1966 and in 1956. There will be problems in 1996. No one is suggesting that the world is stagnant. No Government is perfect, whether it be a Liberal, a Conservative or a New Demoratic Government. We are suggesting that the measure of a Government is how it responds to problems.

Any Government that takes the position that if it had been in power for 20 years, the world would now be perfect and everyone would be looking at each other through rose-coloured glasses is foolish. It does not work that way. That is the Utopia

preached by members of the NDP and look where they are. It is not the Hon. Member's fault that there are problems and it is not the fault of past or future Governments. What the Hon. Member will be judged on is how he responds to those problems.

The Hon. Member speaks of courage. He should find the courage to reflect the views of the people who sent him here. He should not sit silently as prisons are built in a pork-barrel fashion across the land at a time when his people cannot be served because they live on the Magdalen Islands in the Gulf of St. Lawrence. That is the kind of courage he ought to find within himself when he rises in this Chamber, not the courage required to play to the applause of the majority. If the Government continues to mistake the applause of the majority for the approval of the people of Canada, the Government will be short-lived.

[*Translation*]

Mr. Ouellet: Madam Speaker, I have a question for my hon. friend from Newfoundland, who spoke with great eloquence about the concerns of the people of the Maritimes, which concerns the tabling of a Bill by the Minister of Transport to amend the National Transportation Act.

Is the Hon. Member aware that the Atlantic Provinces Transportation Commission made the following statement: "There is a large body of opinion in the Atlantic region that considers that the confidential contracts suggested by the Government in its Bill will harm the interests of businesses in the region, especially of the small- and medium-sized businesses that are the mainstay of long-term employment". Would the Hon. Member care to comment?

[*English*]

Mr. Tobin: Madam Speaker, the Hon. Member for Papineau (Mr. Ouellet) has raised an excellent point and that is to the extent that public hearings were held on this Bill which is forthcoming—

[*Translation*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray) on a point of order.

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, if I understood correctly, once the Hon. Member has concluded, I will be allowed to ask him a question.

The Acting Speaker (Mrs. Champagne): The Hon. Member will ask his question when he has the floor.

The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) with a brief answer, please.

[*English*]

Mr. Tobin: Madam Speaker, I would like to answer the question. I would be glad to stay for as long as Madam Speaker would have me stay to answer all the questions. I simply want—

The Acting Speaker (Mrs. Champagne): I am sorry. I will say it in English. I am giving the Hon. Member the floor to answer the question, but I would like that answer to be short.

Mr. Tobin: I understood it in French, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Your comment to me did not indicate that.

Mr. Tobin: Madam Speaker, the Hon. Member wishes to advise you that he finds it difficult in the face of constant interruptions—

Mrs. Mailly: Poor baby.

Mr. Tobin: The problem is that the House is not able to remain silent for 30 seconds so that I may give intelligent answers. I will wait for a further question. Obviously Madam Speaker is in a difficult position. Other Hon. Members wish to ask questions and I will wait.

The Acting Speaker (Mrs. Champagne): This is totally out of line. I know that from now on, the Hon. Member will want to refrain from making such comments on whatever decisions are made by the Chair. The Chair will keep the House in order.

Some Hon. Members: Hear, hear!

Mr. Tobin: Madam Speaker, I rise on a point of order. The Hon. Member for Humber—Port au Port—St. Barbe wants to make it perfectly clear that he is in no way commenting on or making any remark whatsoever with respect to the competency, the judgments or the rulings of the Chair. The Hon. Member is merely pointing out that, under the Standing Orders, the Hon. Member has the right to answer or not answer questions.

The Acting Speaker (Mrs. Champagne): That is not a point of order.

Mr. Tobin: It certainly is. It is in the Standing Orders.

The Acting Speaker (Mrs. Champagne): The comment was not a point of order. The Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray) has said that he has two quick questions to ask. I will allow the Hon. Member to ask them very quickly and I will allow the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) to answer them very quickly.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, very briefly, the question I would pose to my hon. colleague from Newfoundland is about transportation. Is it not true that in the past two years, safety under our new deregulation—and it is not deregulation but economic regulatory reform—has not been compromised by what has been done in the past two years?

Second, with all the changes that have had to be made to the three modes of our transportation system and with the airport security required to combat acts of terrorism, would the Hon. Member—

The Acting Speaker (Mrs. Champagne): The Chair was wondering if there was a question. Could the Hon. Member come to it right away? The question and comment period has been going on for too long. That is enough. Resuming debate with the Hon. Member for London—Middlesex (Mr. Clifford).

• (1530)

Mr. Ouellet: On a point of order, Madam Speaker—

The Acting Speaker (Mrs. Champagne): The Hon. Member for Papineau (Mr. Ouellet) on a point of order.

[*Translation*]

Mr. Ouellet: Madam Speaker, in all fairness, I believe we have agreed that the Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray) could ask a short question. And I think that in the same spirit of fairness, you should allow the Hon. Member who had the floor to answer. The time allowed must be shared fairly between the Hon. Member making a comment and the Hon. Member who answers it. And I submit that the Hon. Member's time has not expired, and that he is entitled to answer before we resume the debate.

[*English*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Papineau will realize that the time for questions and comments had long expired. The Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray) kept making comments and questions were not forthcoming. I had said that I would allow two quick questions, and those questions did not come. As there were no questions, I decided to resume debate, and the Hon. Member for London—Middlesex now has the floor.

Mr. Terry Clifford (London—Middlesex): Madam Speaker, it is a pleasure to participate in this debate. I should like to set the record straight—

Mr. Tobin: Madam Speaker, I rise on a point of order. I simply want to say that I understood the Hon. Member to ask me about safety. He was about to ask a second question about security and terrorism when he was cut off. However, he asked one clear question, which I understood and which I think all Hon. Members of the House understood.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Humber—Port au Port-St. Barbe (Mr. Tobin) is now debating with the Chair. The decision has been made, and the Hon. Member for London—Middlesex has the floor.

Mr. Clifford: Madam Speaker, the motion indicates that the Government has not been very active when it comes to airports. I should like to set straight our actions with regard to airports. However, I should like to establish some background; to talk about the importance of airports; and to talk about Government actions in this regard, recommendations which have been made, and what the future might hold.

I will proceed by giving a little background for Hon. Members opposite. By way of profile, Transport Canada is involved with 213 airports across the country through direct ownership, operation, or financial support. Some 77 of the largest and busiest airports are operated and managed by the Department. Approximately $51 million has been invested, with 51 million deplaning and emplaning every year and with 4 million landings. It is a huge area of activity.

The capital value of investment in our airport facilities excluding land was $8 billion, and the revenues generated were around $600 million. Capital expenditures amounted to $214 million, and maintenance costs amounted to $398 million. We even found time to spend $36 million on non-federal airports. One can see that there has been a tremendous scope of activity with regard to airports in Canada. Indeed it is very important.

In addition to the approximate 4,500 employees, there are 500 Corps of Commissionaires and 400 RCMP officers. The retention of the RCMP was a major commitment of the Government to airport security. The Canadian airport system is recognized throughout the world as a leader in safety, security, and technology. Transport Canada is second only to the Soviet Union as the world's largest manager and operator of airports.

The contribution of airport activity to the national economy is significant. Airports are the focal point for regional and local economic activity resulting from direct expenditures by the airport aviation industry and associated commercial services, tourism, related transportation industries, and from many other direct and indirect expenditures.

In May, 1985 our Government initiated for consideration a new management structure for the federal airport system, one which would provide for a self-sustaining system and allow for the independent operation of local airports. That position was enhanced in June, 1985 with a position paper entitled *Freedom to Move*. The paper indicated that the Department of Transport would make every effort consistent with safety and security requirements to reduce the administrative burden of its operations, to ensure that existing facilities were being efficiently used before new capital expenditures were made, and to conduct operations and activities in a more commercial manner.

Hon. Members opposite indicated that we had no concern for the safety of Canadians, that we were sloughing off. I hope that I have made two points in what I have outlined thus far—first, that the Government has a tremendous commitment to the entire scope of airports in Canada and, second, that even though we want to look at new ways to manage the enterprise—and we are embarking upon those new ways—at no time has the safety of Canadians and indeed citizens of the world ever been given anything but the highest consideration.

In October, 1985 a task force on airports was established. Its goals were to examine alternatives to the present management structure of Canada's airports and to take the first step in a consultative process designed to gather informed opinion on the subject. The task force was comprised of individuals from industry, the community, and Government. The task force report entitled *The Future of Canadian Airport Management* was released by the Minister of Transport as a basis for discussion with key groups and interested individuals as we continue to explore options for an improved airport management structure.

I refer Hon. Members to some of the basic principles which the task force concluded were essential to ensure the well-being of Canada and Canadians under any new system and therefore, were necessary elements of any future management scheme for Canada's airports. The safety and security of the flying public and the airport property will remain paramount. I think it is important to reinforce that. The provision and operation of air navigation services, such as air traffic control, and of regulatory services, such as certification and enforcement, will continue to be the responsibility of the federal Government. As our task force travelled across Canada, we listened to Canadians from coast to coast who were concerned about those two items. We indicated—and certainly the task force report reveals it—that the Government was committed to the safety of the travelling public.

Transport Canada will maintain a national airport system plan. Any transfers should be subject to negotiations on a commercial basis. Any new owners shall have the freedom to design, construct, and operate site facilities provided that they adhere to the safety and security regulations. Finally, in the case of an imposed public duty not directly related to a commercial operation of an airport, new owners or operators shall be reimbursed for the related costs.

With those principles clearly before it, the task force went about its study and concluded by making the following recommendations to the Minister of Transport:

1. retain the responsibility for safety and security within Transport Canada and ensure that the present high standards are not jeopardized.

2. retain the responsibility for air navigation, air regulation and certification of airports within Transport Canada as a separate entity from airport management.

3. be receptive to the establishment of local authorities by responding favourably to requests from local groups that have the support of their respective provincial and municipal levels of government.

4. ensure that, where no immediate local interest exists to establish authorities, airports are transferred to Crown corporations.

5. facilitate the changes already under way in Transport Canada to streamline the operation of airports and increase their commercial orientation.

• (1540)

The Minister of Transport (Mr. Crosbie) intends to use the task force report as a basis of further consultation. He has urged that this consultation procedure be a very active one. In my area of London—Middlesex some action is already under way. The municipal governments and the Chambers of Commerce have committees in place and they are proposing recommendations to the Minister. I am sure that this is happening all over Canada. When given the opportunity to react to the recommendations of this task force, there are many Canadians interested in this new venture to revitalize the airports of Canada, and their recommendations will be coming forward to the Minister.

Safety and security continue as the highest priority within Transport Canada. The October 1 national security enhancement procedures for passengers and baggage have already been implemented. At the local level at the airport in London—Middlesex, over $200,000 has been spent on new security systems to make sure that passengers can travel without fear. New fencing systems have been put into that airport, as they have across Canada. Our record is impeccable.

Expo 86, the most successful world exposition in history, proceeded free of incident at the Vancouver International Airport. The same priority is being given to the preparation for the 1988 Olympics in Calgary.

The management of airports has been separated from the regulatory and navigational services within Transport Canada since October, 1985. One of the mandates given to the airport authority group in Transport Canada is to increase the commercial viability of airports and to close the gap between airport costs and airport revenues. A number of major thrusts are under way to stimulate revenue generation and encourage cost reduction with the overriding objective of having airports operated on a more business-like basis. Many local groups supported by the provincial and municipal governments have expressed interest in becoming more involved in the operation and promotion of their airports. This type of activity is alive and well in my part of Canada.

It was the Progressive Conservative Government that established the Montreal Airports Advisory Board and asked for local input to the resolution of the Mirabel-Dorval airports issue.

Representatives from all interested groups in the industry, business community, and provincial and municipal governments were brought together to make recommedations to the Minister of Transport.

Recent statements by the Government of British Columbia attest to their appreciation of the importance of airports to local and regional economies.

Local participation in the management of airports would promote not only the operations of the airports, but also the needs of local public and businesses, and permit greater potential for realization of private sector opportunities. That is one of the exciting new venues in airport development that will take place. The Minister of Transport recently announced the Department's intention to seek private sector investment in a third terminal at the country's busiest airport in Toronto.

The objective is to achieve a solution to the overcrowding of passenger processing facilities by getting the maximum

involvement of the private sector's innovation, entrepreneurial initiative, and commercial experience. The Department expects that this challenge will be accepted and that a new era of co-operation and partnership between the public and private sectors in the airport activity will be launched.

All the foregoing initiatives represent a reasoned, sensitive approach to seeking improvements in the management of the Canadian airport system. All these initiatives are being taken with full recognition of some basic principles. This is worth being repeated so that Members opposite and all Canadians will realize that safety and security are paramount. They are paramount in all of our planning on this side of the House and with our Minister of Transport. Our actions in the past two years have indicated our deepest concerns for this. In an era of world-wide terrorism and fear for the flying public, Canada has moved forward with new innovations in safety and new procedures for passengers and their baggage. We are internationally recognized for our achievements.

Better ways of operating the system are being sought while ensuring that equity of access is guaranteed and that a national system is maintained. There has been much talk that this Government will allow a fragmentation of the airport system of Canada. The point may certainly be made here today that we are going to maintain that national system of airports that we are so proud of. Indeed, we are recognized around the world as being a leader in the airport system.

Airports are an integral part of the Canadian economic fabric. Airports are essential for social transportation needs such as medical evacuation, resupply depots, and relief from isolation. When the standing committee travelled to the far north of Canada, we learned first-hand how important transportation is to the people who live north of 60½. We listened to them, and I hope we listened to them well. The Government is going to ensure access for those people to the south, and for them to visit their friends, relatives, business associates in the North. The Government is proceeding with the utmost regard for the economic and social well-being of all Canadians in its review of the airports system.

I think it is important that we say that airports have been vital to the development of Canada. Airports are today what railways were in an earlier time. Our Government recognizes that. We are committed to the development of new innovations in airports. I have cited one or two of them here today, our move to the private sector of terminal 3 in Toronto. There are other initiatives underway which will be reported to the Minister as a result of his task force on airports. The future bodes well for airport development and Canadians should know that this Government is committed to improving that service for all of us.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Vancouver East (Ms. Mitchell) on debate.

Ms. Margaret Mitchell (Vancouver East): It is a pleasure to see you in the chair, Madam Speaker. As the Member for Vancouver East, I am very pleased to be able to speak on the whole question of transportation problems. There have been problems and concerns from my constituents and also from Canadians as a whole.

I agree with the presenter of this motion, the Hon. Member for Papineau (Mr. Ouellet), who said that thousands of workers in the transportation sector are looking for jobs. That certainly is the case in Vancouver East, on the West Coast, and across Canada. I agree with some of the points raised by the Member, but I must say that there is a noticeable lack of concern about the transportation problems of western Canada, particularly of the shipping industry in British Columbia.

• (1550)

I want to concentrate a number of remarks in this area. First, there is the question of the policy of both the Liberals and the Conservatives on deregulation. We have always opposed this policy for a number of reasons, not the least of which is that it undermines services to less populated regions of Canada. It also undermines jobs, particularly women's jobs. It should be thoroughly evident to Members shouting across the aisle that the whole process of deregulation throws the airlines, particularly Canadian-owned airlines such as Air Canada, into cut-throat competition. As we know, larger airlines like Air Canada or CP Air tend to use regional carriers for other routes.

I think we will find that the airlines, in order to be competitive under this new regime, will cut back on expenses. The main expense they will cut back on is staff. I would like to point out that it is particularly women's jobs which are at great risk. As usual, women in the service type of position, such as flight attendants, ticket takers and maintenance staff are the ones most likely to be affected. I recall last year hearing from some women connected with airlines in the interior of B.C., for example, who were being forced to either lose their jobs or move as massive changes were occurring in their industry.

A couple of Members on the Government side mentioned that there was no concern about safety at Canadian airports under deregulation. The Canadian Aviation Safety Board apparently disagrees with this position. A recent clipping from *The Globe and Mail* said that more rest for flight crews is urged. Canada needs to radically strengthen regulations proposed for January to control flight crew fatigue in the country's sky. No other nation is as lenient in its regulations, the CASB said in a report to the Minister of Transport. There we have the view of flight crews who surely are in a position to know.

As to security at airports, I would like to remind Government Members, and the last speaker in particular, that the Government was committed to removing RCMP from airports. It was our Party which questioned this very strongly. As a result, the Minister reconsidered, after the Air India disaster, and we finally got a decision to keep the RCMP in supervisory positions at airports. Since that time the Government has refused to take over total responsibility for airport security.

Security at airports is tendered by the airlines and we think Transport Canada, not the airlines, should tender, supervise and train security personnel.

Having said that, I would like to use my time primarily to concentrate on transportation issues and policies which have come to my attention over the last year or two as a result of my contacts as the Member of Parliament for Vancouver East. Our concern primarily was shipping and shipping-related industries, and the Port of Vancouver. What happens to the Port of Vancouver, of course, reflects what is happening to the West Coast generally.

First of all, we were concerned and continue to be concerned that Bill C-25 provided for increased charges for Coast Guard services or use of Government wharves and other services. We continue to be concerned that such charges will increase the cost of shipping. It is already difficult to compete in the shipping business and this will make us less competitive. This is of great concern and could be a considerable burden on smaller boat owners, and operators of fishing vessels.

I want to raise another point which has come to our attention. I believe it was the Liberals who terminated the weather ships off the West Coast. I know people who worked on those ships and it was very important that we had them off the coast to warn small boat owners of coming storms, as well as providing marine research services. Now we have the threat that lighthouse keepers off the B.C. coast will be replaced by computers. I would just like to point out, if Members do not already know, that lighthouse keepers do much more than turn on lights.

I have a very strong letter from the United Fishermen and Allied Workers on this issue. They are very concerned that the Department of Transport plans to do away with the manning of seven lighthouses and cut staff by half or more in five others. These lighthouse keepers play a vital role in helping to make the waters off the B.C. coast safer for mariners, both commercial and pleasure. There have been numerous cases where lighthouse keepers have saved the lives of fishermen when their boats floundered. Many other cases go unreported where, by way of a timely bit of information about the weather, a boat and the lives of the crew are saved.

The waters off the B.C. coast are among the most dangerous in the world. Seven fishermen have died since the first of the year. Lighthouse keepers are an integral part of the already too-thinly stretched safety web on this coast, so we appeal to the Government to reconsider and make sure that the lighthouse keeping service is preserved.

My concerns, as I said, are particularly related to other matters affecting the Port of Vancouver and other West Coast ports. First of all, I would like to point out that we heard earlier this year about the rather insidious trend developing, and there was no Government intervention at all to prevent this, whereby shipping from Central Canada to the West Coast and from there to ships to go across the Pacific Rim is deliberately being cultivated along U.S. routes rather than Canadian routes. I refer particularly to CN which I understand has increasingly been using routes which connect from Central Canada down to Chicago, from there across American railways, and from there through the Port of Seattle or other West Coast American ports rather than Canadian ports.

These are Canadian goods leaving Canada or coming to Canada. I think that is a disgraceful situation. There are a number of reasons for this. I understand that the U.S. has favourable tariffs to encourage this. They also have double decker carriers for containers. These are problems that we should be looking into in Canada and, if necessary, we should improve our technology. However, we should have some kind of intervention by the Government which prevents a Crown corporation from shipping Canadian goods through the United States and out through American ports rather than on Canadian railways through Canadian ports.

I would also like to talk about other issues such as a current concern which I raised this week with the Minister of Labour (Mr. Cadieux) about the Port of Vancouver and the fact that longshoremen were locked out by the Maritime Employers Council and the tremendous danger this is to the shipment of grain and other cargo out of the Port of Vancouver.

• (1600)

I was very pleased when New Democratic Members raised this in the House. Several weeks ago the Minister intervened and the employers' council agreed to a 30-day cooling off period. The lock-out provision was withdrawn, the people went back to work and the grain was allowed to flow through the Port of Vancouver. It was very upsetting to learn this week that, although there were nine days left in the 30-day cooling off period, the employers had stopped negotiating. On Monday the Minister said that he would intervene once again. We certainly hope that he will and that these disputes can be resolved in order to allow shipping to continue through the Port of Vancouver. The union has assured us that grain and bulk cargo will continue to be handled if there should be a lock-out. However, we want to prevent a lock-out.

Another issue of great concern to Canadians, and particularly British Columbians, is the death of our shipbuilding industry. I am sad to say that that word is not too strong. The West Coast was an outstanding centre for the building of ships throughout and following the war. It is regrettable that we lost our merchant marine after that period. I blame the Liberal rather than the present Government for that. I was glad that the Member for Papineau recognized the particularly bad situation in British Columbia.

Three major British Columbia shipyards have closed since the present Government has been in power. This is a very tragic situation. We have among the most skilled shipbuilders in the world. These tradesmen, who are getting older, were laid off and, since there has been such a decrease in this industry, young people have not been trained. The doors are closing. The only thing which could help us in the interim is for the federal

Government to approve the building of the Polar 8 ice-breaker in B.C. shipyards.

Mr. Forrestall: Why don't you tender for it?

Ms. Mitchell: Versatile Marine and other industries in Victoria have the capacity to build the Polar 8 as they have documented. I implore the Government to get on with this contract.

One of the Liberal Members implied that this ice-breaker was a frill and not needed. I checked this out because I wondered about it myself. However, I was assured that this ice-breaker is a means of keeping the North and the Port of Vancouver open for many more months of the year and would benefit that area.

Mr. Forrestall: The Port of Vancouver really freezes over, doesn't it?

Ms. Mitchell: I wish the Member across the way would listen for a little while. I know he is interested in transportation issues.

Mr. Forrestall: When you talk to me about an ice-breaker to keep the port of Vancouver functioning, I have to wonder.

The Acting Speaker (Mrs. Champagne): Order, please. I wish the Parliamentary Secretary would allow the Member for Vancouver East (Ms. Mitchell) to finish her remarks.

Mr. Forrestall: She doesn't have to listen to me. She doesn't as a rule. I'm surprised I'm getting to her.

Ms. Mitchell: Thank you very much, Madam Speaker. I think this is a new era of civility. I would like to take this opportunity to praise the Conservatives. I thought the Member would like that. He will recall that just before the 1979 election the Conservative Government had a very sound shipping policy. It was interested in re-establishing Canadian shipping and a Canadian merchant marine. The policies were good and a number of people commended them. Unfortunately, none of these policies have been implemented. The Conservatives have not introduced incentives to help the shipbuilding industry. Our shipbuilding industry is dying.

I am also concerned about dangerous goods. I cannot help but condemn the former Minister of Transport who allowed the transfer point for dangerous goods to be moved from Vancouver Centre into Vancouver East instead of moving it entirely out of a densely populated area. This is of great concern to my constituents. We have had a number of meetings. I request very strongly that the new Minister of Transport (Mr. Crosbie) review this situation and take steps immediately toward the relocation of the transfer point so that the very dense population of my riding is not threatened. I have received many petitions on this issue. A waterfront coalition is working on it. We ask that something be done about this now. It is unfortunate that money was invested in that transfer arrangement.

In the time I have remaining, I would like to refer to a very nonsensical proposal made by the Premier of British Columbia and the Minister responsible for economic development to take over the Vancouver International Airport. This was a fantastic idea of the Premier's, spouted on impulse during the election. It was not based on any research or rational planning. Of course the Premier wants control of the only money-making airport in B.C. However, I noticed that he was not interested in taking over any of the money losers. He seems to think that the taking over of the Vancouver International Airport will be a great job creator and a solution to the economic problems of B.C. It is a mystery how this will happen. I trust that the federal Government will have more sense than to consider releasing control of this federal airport. We do not need another fantasy land in British Columbia.

In conclusion, the issues which I have raised are tremendously important to all Canadians and particularly to British Columbians and my constituents in Vancouver East. I urge the Government to take action.

Mr. Belsher: Madam Speaker, I would like to comment on some of the remarks made by the Member for Vancouver East (Ms. Mitchell) this afternoon. I applaud the concern she has shown for the port of Vancouver. However, I believe the talks broke down this past week because the unions left the table rather than the employers. I am very pleased to note that the Minister of Labour (Mr. Cadieux) is closely watching the developments in the port of Vancouver.

The Member spoke about the transfer point for dangerous goods. I suspect she believes that Fraser Valley East may be the most logical place for dangerous goods to be in the shipping mode. I hope she was not implying that in her remarks.

With regard to pollution and dangerous goods, the Member did not allude to the fact that in the Bill which was proposed in the last session to amend the Shipping Act, there was authority to provide for and prescribe interim standards for the carriers of dangerous goods in bulk and in the case of new substances. It also provided that it be within the power of pollution officers to board ships which are being modified to conform to the inspection provisions of the pollution convention. It also provided for authorization to delineate emergency zones and regulate traffic within such zones and, on occasions when there is the likelihood of a spill, order any ship to moor or proceed as directed and also to obtain, for prosecution purposes, samples of pollution from ships without search warrants.

These are some of the things which were in the Bill. The Member's Party should have been more helpful in ensuring that that Bill was passed and proclaimed.

In her opening remarks the Member spoke of the deregulation of the airline industry and about how it is cutting back on services. It has been my experience that there have been more flights per day from smaller points to Vancouver than ever before in the history of aviation in British Columbia. Perhaps

she could indicate the various communities that she knows have less service now than they had three or four years ago.

• (1610)

Ms. Mitchell: Madam Speaker, first I want to return to the point raised by the Hon. Member concerning the Port of Vancouver and the controversy that led to a lock-out. I do not think the Hon. Member is correct in his assessment. I will not argue the point here but it was my understanding that he was not presenting the situation correctly. The fact is that the talks did break down and it is important that they resume. That is why I was asking the Minister to intervene in my question and statement on Monday in the House.

As far as deregulation is concerned, I know that the Hon. Member is very knowledgeable about airlines. We recently visited almost every airport in Canada during our tour with the Special Committee on Child Care. I might say that we have some very fine airports and we were quite impressed with them. However, he knows more about airlines than I do because he travels on the smaller airlines.

My point was that we do not want any jobs lost through deregulation. I feel very strongly that this is a likelihood and I would appreciate if the Hon. Member would check into it and help me obtain more data about whether or not this is the case.

The Acting Speaker (Mrs. Champagne): Questions or comments? Resuming debate.

Mr. Maurice Foster (Algoma): Madam Speaker, I am pleased to speak to the motion standing in the name of the Hon. Member for Papineau (Mr. Ouellet). This motion not only concerns transportation and the difficulties in that sector, it relates to the general policies of the Government with regard to regional development.

When the Government came to office two years ago, it seemed to adopt a trickle-down approach by which it would make the successful areas of our country grow rapidly so that eventually some benefits would trickle down to the outlying regions of our country. The Government pursued this policy for almost two years, until the uproar in its caucus was so incredible that it abandoned that policy last July 7.

In fact, in the Speech from the Throne the Government for the first time talked about an economic opportunities council in Atlantic Canada and diversifying the economy in western Canada. It is interesting for Liberal, Conservative and New Democrat Members from northern Ontario to note that the Throne Speech did not say anything about setting up an economic diversification council or anything else for nothern Ontario.

Perhaps if the Government's other policies were successful, it may have had an opportunity to let the trickle-down theory work. It has been said that if one feeds the horse enough oats, the sparrows will have some. Obviously the screams from the sparrows in the Tory caucus from Atlantic Canada, western Canada, and northern Ontario became unbearable for the Cabinet because when it met in Saskatoon in the first week of July, the Prime Minister (Mr. Mulroney) suddenly discovered regional development. In the meantime, however, he had drastically reduced the budget of the Department of Regional Industrial Expansion and reduced subsidies for transportation and other programs in eastern Canada.

The Prime Minister launched a privatization program which may be quite successful in Toronto and the Golden Horseshoe, but does not do much for the regions of the country. That background and the introduction of the privatization legislation during the last gasp of the last session in June has led to this debate on transportation policy today.

This debate is very appropriate because it allows Members on all sides to describe how the transportation policies and general approach of the Government with regard to privatization is working. In terms of general economic growth in the regions of the country, I am suggesting that the Government's general economic policies have not been successful. Clearly, between 1983 and 1986, under both Governments, we have seen a dramatic 3.5 per cent to 4.5 per cent growth in the southern Ontario area, but I contend that the growth in the regions of our country, whether we are talking about forestry, or mining in northern Ontario, has not been spectacular.

This is particularly true in the energy field. The former Minister of Energy, Mines and Resources, the Minister for International Trade (Miss Carney), said that she would create hundreds of thousands of jobs in the energy sector. We can see that at least 55,000 jobs have been lost in the energy sector alone.

Mr. Forrestall: What does this have to do with transportation?

Mr. Foster: That is why the deregulation of railroads and airlines is such a disaster. The Government's economic policies are having a disastrous effect on the regions of the country. Obviously the Government is not feeding the horse enough oats because there is not enough left for the sparrows in the regions of this country.

There is no area of our country where this is more apparent than in Sault Ste Marie. The Minister for International Trade, who is going to create hundreds of thousands of jobs as a result of a comprehensive free trade agreement with the United States, must face the prospect of the tube mill at Algoma Steel being shut down, thereby laying off some 800 people. A $375 million new tube mill is not even running.

Mr. Forrestall: Madam Speaker, I rise on a point of order. May I be so presumptuous as to inquire whether relevancy with respect to the matter in front of us is of importance? I have listened to this great debate and in the last 12 minutes I have heard transportation mentioned once.

Mr. Foster: Madam Speaker, I note that the Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mr. Forrestall) is very concerned about transportation and

the disastrous effects of the Government's policies on the entire country. I am simply pointing out what privatization is doing to the transportation sector.

Mr. Forrestall: A steel mill?

Mr. Foster: Right now, Algoma Steel faces a prospect of the Algoma Central Railway shutting down because of the policies of the Government.

• (1620)

The Acting Speaker (Mrs. Champagne): I will answer the Parliamentary Secretary by saying that the motion has been presented in a very broad manner, therefore, I believe the Hon. Member for Algoma (Mr. Foster) is still within the relevancy of the motion. However, I will caution the Hon. Member to reread the motion and to stay as close to it as possible.

Mr. Foster: Thank you, Madam Speaker. I want to congratulate you both on your appointment as Deputy Chairman of Committees and on the wisdom of your rulings because you really are making very wise decisions. I know the Hon. Member for Dartmouth—Halifax East is very sensitive about the Government's economic and transportation policies. Those transportation policies really permeate the entire country.

I will eventually get to the problems the Government is creating in air and surface transport, but I would like to now deal briefly with the whole question of rail transport in the Algoma district. For 80 or 90 years the Algoma Central Railway has been operating in the Algoma district. This fall, because of the Government's energy and industrial policies, we face the danger of that railway shutting down. Because of the volume of sinter which has to be moved from Wawa to Sault Ste Marie, it is not economically viable any more. There is a shortfall of $5 or $6 a tonne in the moving of that sinter.

I hope the Parliamentary Secretary and the Minister of Transport (Mr. Crosbie) will be able to reassure the House and the people of Algoma district and Sault Ste Marie that they have a transportation policy, that there is a proposal in the Bill which will provide financial guarantees and assistance to ensure that railways serving the regions of our country like the Algoma Central will be able to continue to operate. In fact, if there is not an arrangement made in that regard, we face the prospect of the shutting down of the iron ore mines in Wawa which employ some 300 or 400 people. It provides something like 60 per cent of the revenues of that rail line. Therefore the viability of the rail line itself is being called into question, not only the rolling stock, the crews, and so on, but the shops in Sault Ste Marie.

If the mining operations in Wawa are shut down, the rail lines for the transportation of ore and goods and so on are called into question, and the viability of the Algoma tour train, the Agawa Canyon tour train, which is the most important tourist attraction in our area is affected. Some 100,000 passengers a year are carried on the Algoma Central Railway line. Therefore it is essential that we find out from the Government whether its policies on energy are going to be supplemented with deregulation policies on the railways. We do not know where that stands because Bill C-126, which was introduced in June, has not been reintroduced.

If the whole thing is a case of hand-wringing and no action, as we see in the reduction of the transportation subsidies and assistance in Atlantic Canada, then we could face not only the destruction of our mining community, but the operation of the Algoma Central Railway and the tour train, with the resultant impact on the City of Sault Ste Marie. We could be facing the prospect of the loss of some 2,000 jobs.

I do not believe this will happen. I do not think even this Government is callous enough to wash its hands of the whole thing and say: "We are for deregulation. If the regions of the country have a tough time, that is their problem". I do not think this Government will do that. However, we have no commitment yet. It is important we find out exactly what the Government's policy is in that regard. We already face the prospect of the loss of 1,500 jobs in the steel operations at Sault Ste Marie. If we had to face the prospect of the loss of 2,000 jobs in the operation of the Algoma Central Railway because of the Government's policy, it would have a devastating impact on the community. It is incalculable. It would be totally devastating.

I certainly hope the Parliamentary Secretary, who is very good at heckling, is equally good at listening and carrying the message to the Minister and to the Government. This is of the utmost concern to our district. The Government has provided subvention of some $3.2 million for the Algoma Central Railway for the maintenance of the passenger service. I believe that is justified and a good subvention. However, equally important will be the maintenance of that railway with regard to the transport of sinter, ore and raw materials to the mining operations, and to the operation of the Algoma central tour train as well. If that whole operation were to shut down with the loss of 2,000 jobs in transportation, mining, tourism and in related hospitality industries, it would be one of the most severe blows to ever strike that section of the Algoma. Clearly, it would be a most severe blow, coming only two and a half years after the Conservative Government came to power.

I want to speak as well about the impact of the privatization which is going forward with the proposed Bill C-126, which was introduced last spring, and the deregulation relating to that Bill, as well as the general policies of the Government with regard to deregulation. Just a couple of weeks ago Air Canada pulled out of Sault Ste Marie. The Government's explanation was that it had to pull out because of the Government's policy of deregulation. I think it was more contrived than that. In fact, what it did is reduce the number of Air Canada flights into Sault Ste Marie to only one. It was positioned so that it was a very inconvenient time to fly in.

Air Ontario provides air transport in at a very convenient time. We ended up with the pull-out of Air Canada, and the national air carrier no longer serves a city of 82,000 people and a general population of about 120,000. The unions protested as

well as the city, but in the end the airline pulled out and we no longer have the national air carrier providing service to that community. We will be moving down to 20-year old aircraft. Hopefully, Air Ontario will provide something better. However, it is a general vote of non-confidence by Air Canada and by the Progressive Conservative Government in the City of Sault Ste Marie at a time when it has lost literally hundreds and hundreds of jobs. We needed that type of moral boost, that vote of confidence that maintaining Air Canada, the national air carrier, would have provided.

• (1630)

It can be argued that there were only 21 Air Canada jobs; but when a community has already lost several thousand jobs, every job becomes precious. The people who lost their jobs had the choice of either taking early retirement or being shipped off to Toronto which is the central air transportation centre of the province. The people who chose to stay in Sault Ste Marie had their wages chopped from $13.60 per hour to about $6.50 per hour. So, when the Minister of Transport stands up in the House and says that he will look after the Air Canada employees, he certainly will have to look after them. They just took a 50 per cent cut in wages or else they moved to Toronto and took on mortgages of $75,000 or $100,000. What we have is a Government which speaks in a very general way about looking after the employees.

We are very unimpressed with the Government's move toward deregulation. We are very unimpressed with its economic policy. We are not very certain how its general commitment to the regions of the country will work out. We see that in the first two years of its mandate it is not working out very well.

Mr. Lesick: Madam Speaker, I listened with keen interest to the remarks of the Hon. Member for Algoma (Mr. Foster). He talked about transportation, but spent most of his time on the subject of the general economy. It seems that the transportation business is in good condition. The Government will propose a new Bill dealing with transportation which is not yet before the House. Our plans will be progressive. Our plans for the general thrust in transportation are open. No longer will we be constrained by Government regulation. No longer will we be constrained by regulations that do not allow freedom of movement and that do not allow one company to compete with another. It is competition that will give us the best value and the best service for our money. The general economy has been allowed to free-up. This has allowed it to be more efficient than it was under the constraints of the previous Government.

I would like to ask the Hon. Member this. Does he want change for the better or does he want to stay with the old and be suffocated by regulations and by antiquated methods of movement? Does he not wish us to be progressive? We are a caring Government. We watch over what is best for the people. How can the Hon. Member talk of the old and not give in to the new which is better?

Mr. Foster: Madam Speaker, I am delighted to have an opportunity to respond to the Hon. Member for Edmonton East (Mr. Lesick) in terms of transportation. Clearly, the Government of the Hon. Member when it came to power talked about allowing free market forces to decide everything. Under the present Government we were supposed to really see the economy grow. There was supposed to be a natural development in all regions of the country without any direction or assistance from the Government. Clearly, if one travels around Canada today and looks at the policies of Government in Atlantic Canada, in particular, one will see that there are user fees. Where there has been a reduction of assistance for transportation, one will see very concerned regions of the country. I doubt that most regions of the country, apart from the Golden Horseshoe of Toronto and its environs, are really seeing much growth at all, probably not even 1 per cent or 2 per cent. Clearly in the mining areas of the country there does not seem to be any policy for development.

The Hon. Member talked about plans for progress. Well, if he were to talk to the Air Canada workers who were in Sault Ste Marie earning $13.50 per hour three weeks ago and who are now trying to feed their families on the $6.50 per hour they earn at Shell, then he would clearly see that the Government's policies concerning deregulation and pulling out of Air Canada are not very convincing. If the Hon. Member were living in the community of Wawa and working for Algoma Ore Properties and if he were to hear the Government saying that, well, its policy is survival of the fittest, then he would wonder whether there would be any existing jobs.

I think the fact that the Government tried its policies for two years, saw that it was disastrous in the energy sector, saw that its whole thrust in free trade has been fraught with difficulties and is likely to collapse over the next year, then he would understand that when the Prime Minister came out of the cabinet meeting in Saskatoon last summer he was not talking so much about free market sources but about regional development as if he had just discovered it. In the Speech from the Throne the Prime Minister talked about an Atlantic Canada Opportunity Agency and then he talked about regional diversification in western Canada. This did not happen because he had a divine inspiration. It happened because back-benchers were screaming loud and clear every Wednesday morning.

Suddenly, the cabinet Ministers were screaming loud and clear in Saskatoon. Suddenly, regional policies concerning transporation and other issues were giving a new aspect to the Government's policy. The Hon. Member talks about there being no constraints on transportation and the general economy being freed-up. In many areas the general economy has not only been freed-up, it is not growing at all.

• (1640)

I hope the Government will get concerned about how transportation relates to those regions because transportation

is a vital instrument and part of the regional development policy in Canada.

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Madam Speaker, in view of the transportation policies implemented by the Liberals, I consider this motion to be a bad Halloween trick. For instance, just before the 1984 elections, when the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) was Minister of Transport, he had a staff of 127 officials, and believe it or not, the now Deputy Prime Minister reduced this number to 30. As a second example, there were the cutbacks made to VIA Rail services under the Liberals in 1981, I believe, and the fact that we re-established those services. In other words, we have no lesson to learn from the Liberals in the area of transport.

[*English*]

Time is limited and I have much to say. I will have to go quite quickly.

In reply to the motion before the House, I would like to speak on *Freedom to Move*, the Government's plan for economic regulatory reform in transportation. Please note that I did not say deregulation. We have only made plans for regulatory reform. In some cases, there will be much less regulation; in some cases, more; in all cases, better regulation. We are not simply following models in other countries by deregulating everthing.

As I said earlier, we plan to have more regulation in some cases, particularly regarding safety. I would point out 13,000 person-years are involved in safety programs on which $1.2 billion is being spent. Many of these programs will expand because safety was, is and always will be the prime issue of importance to the Government.

Some Hon. Members: Hear, hear!

Mr. Kilgour: We do believe that the existing regulatory regime needs to be improved. The transportation system must be run for the long-term good of all Canadians. The regulatory regime must be open and responsive to the needs of Canadians from St. John's to Nanaimo. We will have a made-in-Canada policy, recognizing Canada's unique characteristics and transportation requirements.

The policy has been refined through extensive consultations with business, transportation companies, users, labour, the travelling public and provincial and territorial Governments. The main thrust of it will be to bring economic reform to transportation in Canada, to encourage competition, to improve the price and range of transportation services and to support the growth of key economic sectors in society. For once, the tilt will be in favour of consumers, not the shippers and transportation companies.

If I may, I would like to give the House a summary of how *Freedom to Move* came about. For at least five years and in some cases 10 or more years, various groups and inquiries have suggested that Canada's regulatory policy and process should be modified and updated to fit in with the late 20th century. For example, the Economic Council of Canada, university transportation centres, shippers' and consumer groups, government studies and various consultants have frequently documented the case for less regulation in air; different, more uniform and less regulation in trucking; improved, speedier and fairer regulations for rail shippers and especially for captive shippers; and a leaner regulatory agency with a capacity for faster and fairer regulation. These and other pressures including ones from south of the border have led many to the conclusion that we should undertake not a piecemeal but a comprehensive reform package.

The then Minister of Transport, the Hon. Deputy Prime Minister (Mr. Mazankowski), officially introduced the idea of comprehensive regulatory reform in a speech he made to the Canadian Industrial Traffic League in February, 1985. He suggested that all regulatory legislation ought to be updated and modified at about the same time and within the same framework. There was a country-wide process of meetings, discussions and consultations and the inquiry got under way immediately.

The rationale and the basic elements for regulatory reform were introduced in a document entitled *Freedom to Move* in July, 1985. Once again, there was extensive consultation with all on many occasions. Where the feedback was persuasive, several modifications to the proposals have been made. Such modifications have been made in northern air travel, trucking regulation and the recognition of a legislative link between transportation and regional economic development.

[*Translation*]

The Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray) spoke about this basic question this afternoon and we recognized this point of which many have already spoken.

[*English*]

The proposed Transportation Act and Motor Vehicle Transport Act were introduced in Parliament on June 26 as Bills C-126 and C-127. With the proroguing of the House of Commons, those two Bills died on the Order Paper. The legislation has been accorded the highest priority by Cabinet and I am happy to announce that the two Bills will be re-introduced to the House of Commons on a priority basis next week.

The four main components of the legislation on which I will touch today if there is time are air, rail, trucking and marine. I will deal with aviation first.

Those of us in southern Canada have been receiving the benefits of a reformed and less extensive regulatory environment in the air industry for a number of years. This has come about by various Ministerial policies and by Canadian Transport Commission regulatory changes on entry and exit rulings, tariffs and licensing conditions. *Freedom to Move* actually brings the legislation more into conformity with the way the southern Canada air transportation environment

currently operates and at the same time eliminates much of the existing obsolete and unnecessary regulatory authority. The obvious general support given to the adoption of the principles of *Freedom to Move* relative to all air services in southern Canada proves the point.

The actual reform proposals for the airline sector in 1985 were the following: first, entry to any class of domestic commercial air service would be based on a "fit, willing and able" requirement as opposed to the current public convenience and necessity test. Again, it is the consumer we are trying to help, not the carriers. Compliance with the Ministry of Transport's safety regulations—and the Minister has constantly said that this is our first concern—for operating certification and proof of adequate insurance coverage with be required to meet the new entry requirement. Second, withdrawal would not be impeded except by a requirement for advance notice. Third, there would be no ongoing regulation of domestic tariffs but there would be provisions for the agency to review unreasonable fare increases. Carriers would be required to make their schedules of tariffs and tolls available at their business offices for public information purposes and to retain a record of such tariffs and tolls for a minimum of three years but would not be required to file them with the new regulatory agency which would replace the CTC.

These regulations were originally intended to cover all of Canada but that most invaluable tool, the consultation process, came into play. We received many submissions on regulatory reform as it applied to northern air transport including submissions from the Governments of Yukon and NWT. Travellers, shippers, communities and individual carriers all made their views known.

• (1650)

Three major reports indicated that air services to northern and remote areas were essential. We accept that. The areas are sparsely populated with small communities, meaning small markets. Carriers depend upon a mix of passenger and freight to remain viable. Charter operations make up a significant proportion of revenues. Freight flow is unidirectional, meaning that freight revenue must also cover return trip costs. It is more expensive to operate in the North, as we know, and traffic is very seasonal with less prosperous times during large parts of the year.

All these factors had an influence upon government thinking. They told us that for now, and for a considerable time to come, some degree of economic regulation was needed to ensure the stability and adequacy of air services in the North. They also made us realize that the immediate application of the fit, willing and able entry standard may not provide enough regulation to ensure the goals of adequacy and stability.

At the same time, maintaining the status quo is simply not a tenable proposition. It is unduly bureaucratic. The regulatory burden is too heavy. It limits the ability to serve markets efficiently. It is not always responsive to needs, and it means higher prices for the often neglected consumer.

A new modified regulatory reform initiative is proposed for air services to, from, and within northern Canada. It is designed to assist the transition of carriers into a more competitive environment, to be sufficiently flexible, and to gradually bring the benefits of increased competition to northern travellers and shippers.

The key aspects of this modified regulatory regime are as follows. First, applicants who wish to start a new air service will be required to meet the safety and insurance requirements. There will be a new reverse onus public interest entry test whereby entry would be granted unless those opposing the application can establish, to the satisfaction of the new regulatory agency, that allowing such entry would lead to a serious decrease in the level of air services provided at regulated communities, or would create significant instability in the provision of essential air services at protected communities. There would be a more pro-competitive entry test than the current public convenience and necessity test.

Licence conditions will continue in the North to limit aspects of the activities of carriers such as the type of service—scheduled versus charter—routes, points to be served, and schedules. Anyone wishing to leave a market would only have to give 60 days notice to the agency. There would be no requirement to maintain service beyond the notice period.

As for southern Canada, tariffs in the North will no longer have to be filed with the agency but simply maintained at their business offices for public inspection and kept for a period of three years to comply with potential agency needs. Unreasonable fare levels and increases will be reviewable upon complaint, and confidential contracts will be allowed. No subsidy program is intended, but the Minister will have the authority to grant a subsidy in cases of urgent necessity.

I should now like to turn briefly to the subject of rail transportation where we will again have a mixture of regulatory reform. In some cases it will be less; in several cases it will be more. The new legislation will allow shippers to negotiate confidential contracts with Canadian railways for the first time. Shippers and railways will have the flexibility to negotiate the services and other conditions appropriate to a shipper's circumstance and to tailor rates more closely to the competitive situation of the shipper. To protect against abuse, confidential contracts will be filed with the agency, and summaries of the non-confidential components will be published.

The existing provisions on agreed charges, which are essentially open public contracts, are continued in the new National Transportation Act primarily as a transition measure since a number of shippers currently benefit from them.

In the interest of fair competition between railways and between truckers and railways, the new legislation retains the essential requirement that all rates be compensatory. Modifications will focus on the prohibition of rates which are

predatory—and we in western Canada know about those—or designed to drive a competitor from the market.

These changes affecting rail freight tariffs will allow shippers and railways more freedom to adopt a commercially innovative approach to rate and service negotiations. Shippers will benefit from specially negotiated rates and conditions which reflect their own particular situations. Railways will be in a position to compete effectively with U.S. railways for transborder traffic. That is a very important factor today. The role of the new agency will be that of a watch-dog, acting only on complaints.

The new legislation also zeroes in on what has been described as Canada's No. 1 transportation problem—the captive shipper. Captive shippers fall into two general categories. To some extent they can be found in major metropolitan centres on the lines of a single railway carrier but beyond the four-mile interswitching limit, such as major oil refineries in the Montreal and Toronto areas.

Captive shippers may also be those resource shippers located in the more northern or remote areas of the Atlantic provinces, Quebec, Ontario, Manitoba, and certainly in various parts of Alberta, Saskatchewan, and British Columbia. They are essentially captive to one railway without the possibility of enjoying a real, practical, and cost effective choice of either intermodal or intramodal transportation to move their lumber, coal, potash, or other mineral or petrochemical products.

Our *Freedom to Move* legislation will get at the heart of these problems by introducing competitive line rates, terminal running rights, and increased interswitching. They are all designed to give the captive shipper a competitive option and to provide competition through regulation.

I should like to make three main points. Competitive line rates is a fairly simple concept. Captive shippers who are local to just one carrier will be able to have access to another carrier at the closest interchange. This means that captive shippers will have competitive options, services, routes, and very likely competitive rates. This is something which they do not enjoy under current legislation. It is something about which we in western Canada have been shrieking politely for many years.

Competitive line rates will only be available to those shippers who cannot benefit from the new interswitching limits or from terminal running rights. Also, the common carrier responsibility will be on the connecting carrier, not the originating one.

I should point out that this will not necessarily result in short hauling or a diversion away from the local carrier. It will result in that situation only where the local carrier cannot or refuses to respond to or match the competitive rate being offered by the other carrier. As in any other industry, it is only lack of competitiveness which may result in traffic loss over a part of the route to destination. For domestic movements, including import and export traffic at Canadian ports, shippers will have to designate a continuous Canadian route if more than one continuous, cost effective Canadian route exists. This is designed to protect domestic traffic for Canadian railway carriers.

Shippers have embraced this concept as an answer to their problems. It is supported by the CMA, CITL, Coal Association of Canada, Canadian Fertilizer Institute, Council of Forest Industries, Canadian Pulp and Paper Association, Retail Council of Canada, Grocery Products Manufacturers of Canada, Mining Association of Canada, Propane Gas Association of Canada, Canadian Chemical Producers Association, and several others. These groups represent billions of dollars in railway freight rate revenue annually.

Despite objections from CN, CP, and several labour unions, we think that with the conditions attached to competitive line rates, this proposal will not seriously affect their returns. We also recognize that we must allow the railways to reduce their costs, that is, more freedom to manage their affairs with fewer legislative and regulatory hurdles.?

The second measure designed to increase competitive access for captive shippers is the issue of terminal running rights. Originally proposed by CP Rail, it will allow one railway to run over the lines of another railway within a 50-kilometre radius of a railway interchange.

The third measure will substantially increase the present four-mile limit for railway car interswitching in urban areas to 30 kilometres. Canadian cities have grown rapidly, and the limit should reflect today's realities. However, the new interswitching charges will have to be compensatory.

The Acting Speaker (Mrs. Champagne): It being five o'clock, it is my duty to inform the House that pursuant to Standing Order 82(12) the proceedings on the motion have expired.

Accordingly the House stands adjourned until eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, November 3, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Thursday, October 30, consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Miss Aideen Nicholson (Trinity): Mr. Speaker, Bill C-14 before us today is a Bill which came out of the February, 1986, Budget. It is a rather slim Bill; it does not have very many pages. However, the contents of it add up to a very heavy burden for the average taxpayer. The Bill legislates approval for a number of tax increases with which Canadians have been coping for some months now.

We must remember that the tax increases in the last Budget were on top of the tax increases in the first Budget of the Conservative Government in May, 1985. As I said, it adds up to a heavy burden for the average taxpayer.

For example, the federal manufacturers sales tax has been raised three times in 18 months. The tax rate is now 3 per cent higher and, as well, the tax base was considerably broadened to cover more items. As a result Canadians are paying about $3.5 billion more per year.

The Government says that it needs this tax revenue to fight the deficit. We all care that the deficit should be reduced, but surely the Government must also be sensitive to how the deficit will be reduced.

I do not think enough attention has been paid to the role which unemployment has played in the deficit we are now facing. During recession years when we were averaging between $11 billion and $12 billion per year in unemployment insurance, it was certainly a major factor in our deficit. Also, unemployed people do not pay income tax. They do not make purchases on which they would pay sales tax. Surely if we are seriously attempting to tackle the deficit, especially now in the fourth year of recovery, we should be addressing ourselves much more to the question of unemployment.

These sales taxes run quite a risk of slowing down economic recovery and of adding to unemployment. In order for our employment record to stand still we need economic growth of 3 per cent a year. We are not getting that at this time. In their budget speeches government Members spoke about economic recovery. However, more independent observers have pointed out that we have problems which, I believe, are in no small way due to the Government's policy of "tax, tax, tax".

• (1110)

The Government's first economic statement was presented in November, 1984, very shortly after it came into power. In that statement the Minister of Finance (Mr. Wilson) set out his basic principles for economic recovery. He said: "Deficit reduction is the key to rebuilding confidence and confidence is the key to growth and job creation". Quite a lot of time has passed since November, 1984, and it is interesting to hear what economic analysts are saying. In the October issue of the *Business Conditions Bulletin* published by Woods Gordon one reads:

> It is becoming increasingly apparent that economic progress in 1986 has been very limited. Overall, the economy has been at a virtual standstill since the beginning of the year.

Data Resources of Canada says:

> The choppy and only tepid path of real economic growth has had a predictable impact on the labour market: employment growth has stagnated since late last year.

I have no wish to attack the Government again about broken promises or to be unduly negative. However, no one will easily forget the constant refrain of "jobs, jobs, jobs" in the 1984 election campaign. Therefore the Government must expect to be held accountable for policies which work against an increase in employment.

We have seen increasing attempts by this Government to tax its way out of the deficit by way of sale taxes rather than income taxes. Sales taxes have, for very good reason, been traditionally regarded as regressive. While income tax is related to one's ability to pay, sales tax is charged on every

product regardless of ability to pay. It hits the poor harder because they have less discretionary income and are obliged to spend more of their income for the necessities of life. Even so, the Government's recent announcement of its guidelines for tax reform included a mention that the Government intends to rely more on sales tax revenue in the future.

There is some evidence that all these sales taxes are having a dampening effect on consumer confidence and that consumer spending is down, with the resultant effect on the labour market. The Minister of Finance recently announced that all the tax increases which consumers have been asked to shoulder have not worked and that the deficit will be higher than forecast.

Let us consider some of the specifics of Bill C-14 in this context. The numbers in this Bill and those given in the February 26 Budget Papers add up to very large tax increases. Between now and 1990 Canadians will have to pay an additional $6 billion. In 1986 alone there will be an additional burden of $820 million. The 1 per cent increase in the sales tax will cost Canadian taxpayers $700 million. The increase in tax on alcohol will probably amount to another $125 million. In 1987 Canadians will pay an additional $1.2 billion in taxes. They will pay an additional $1.355 billion in 1988 and $1.455 billion in 1990, for a total of $6.1 billion.

Measures previously announced and adopted resulted in a 2 per cent increase in sales tax. That, combined with a 1 per cent increase in Bill C-14, amounts to a 3 per cent increase. This is a very heavy burden which seriously affects jobs and poor families. We are now in the fourth year of recovery and the Government's taxing policies have slowed down economic growth. There is great risk that this will continue with very serious effects on our already too high unemployment rate.

I have an article dated October 31 headed "Is Michael Wilson a Reverse Robin Hood?" The article makes the point that this continued emphasis on sales tax will hit the poor hardest and that the likely beneficiaries will be the rich. If the future policy is to put more and more emphasis on sales tax rather than on income tax this will be compounded because the poor, who now pay little or no income tax, will not benefit from the proposed reduction in personal income tax but will pay greatly for the business transfer tax which is essentially a sales tax.

The Minister has spoken of increasing corporation taxes, which I understand the New Democratic Party is in favour of. One must remember that in the long run it is people who pay corporation taxes. If corporate taxes are increased, those taxes will be passed on to the consumer who will end up paying for them.

• (1120)

The Government claims to be sensitive to the relationship of social and economic goals. Yet there is disturbingly little in the Speech from the Throne about an economic strategy for Canada, and this kind of Bill does not inspire confidence. With over one million Canadians still out of work, unemployment is a very real problem that has proven resistant to the Government's efforts to date. Clearly the Government will be more successful in meeting social policy objectives if it has the means at its disposal. The means will not be there if the economy is not performing well.

This Bill runs a very serious risk of damaging the economy. The Government has talked a great deal about enhancing investor confidence and indeed, if there is investor confidence, businesses can start up, businesses can expand and thereby create jobs so that the unemployed can go back to work and young people can again begin believing in the future.

However, will we get increased confidence from a Bill that piles on tax after tax, reduces consumer spending, and leaves people with less to save?

There is no more urgent problem facing the country at this time than unemployment. It is a problem for individuals, families, and for our whole economy. It has been said that work may not be a blessing, but the absence of it certainly is a curse. Unemployment is a demoralizing and soul-destroying experience. It shatters ideals and ambitions and puts a blight on family life. It lies at the root of any number of social ills. On the other hand, an employed person is paying taxes, spending money on consumer goods and probably saving, since Canadians are great savers. He or she is contributing to government revenues which are the means for providing all social programs for all Canadians.

It is very disturbing to see that the Government is not putting more effort into creating the climate that will assure Canadians of the jobs, jobs, jobs, they have been promised. Instead, all we are seeing are taxes, taxes, taxes.

Mr. Gray (Windsor West): Mr. Speaker, when concerns are raised about the burden of an increased sales tax or other taxes that deal with consumption rather than income, an answer given particularly by the Conservatives is that it can be dealt with by some type of credit or refund from the Government. In fact I am sure that the Conservative Members in this debate will point out that the Budget provides for a tax credit for low-income people to help offset the higher cost of the Conserative increases in sales tax. Is this really the answer, or is there some type of sleight of hand here? The proposal is that the cut-off point for sales tax credit be only $15,000. Would the Hon. Member comment particularly on what this $15,000 cut-off point means in terms of a definition of poverty, or low income?

Miss Nicholson: Mr. Speaker, that $15,000 figure is so low as to be meaningless because people with an income that low find it very difficult to buy taxable goods. For example, they are not likely to be in the housing market, and we saw a big increase in sales taxes on all construction materials.

A family consisting of two adults and two children, earning an annual income of $30,000, will be paying about $600 more in taxes this year. That is a sizable cut in the income of a family which is certainly not rich or affluent. Of course, that

family does not qualify for the sales tax rebate. Indeed, I agree with my hon. friend that the $15,000 level to qualify for a sales tax rebate is so low as to be meaningless.

Mr. Gray (Windsor West): Mr. Speaker, I have another question for the Hon. Member for Trinity (Miss Nicholson). Is it not true that putting the cut-off point at $15,000 is an attempt by the Conservative Government to have a new definition of poverty, one that is not the definition established by Statistics Canada or any recognized experts on the subject? My recollection is that the latest Statistics Canada figures with respect to a definition of poverty speak of a family income in the area of $20,000. Are the Conservatives flying in the face of the Government's own impartial statistical agency, not to mention experts across the country, in having the cut-off point for the sales tax credit or refund at only $15,000?

Miss Nicholson: Mr. Speaker, I do not know how the Government arrived at this cut-off point of an annual income of $15,000, but certainly that is below the poverty level as established by Statistics Canada, the Canada Council on Social Development, the Social Planning Council of Toronto, the Senate Committee on Poverty, and indeed all the authorities of which I know.

The Acting Speaker (Mr. Paproski): The Hon. Member for Lethbridge-Foothills (Mr. Thacker) on a question or comment. Then the Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Thacker: Mr. Speaker, I would like the Hon. Member for Trinity (Miss Nicholson) to expand on her comments with respect to corporation taxes. In the seven years that I have been here, I have been amazed at how essentially dishonest Parliament has become with the population. There seems to be a feeling that taxes, or revenues, will come from someone else. I know that the members of the New Democratic Party particularly argue for dramatic increases in corporation tax. I agree with my friend opposite that it just means they will increase the price of their products to ordinary Canadians and it simply masks the fact that it is people who pay taxes rather than some mythical third party.

Is it the official position of the Liberal Party that corporation tax should be kept down for that reason? If not, what percentage of tax does she believe the corporations should pay?

Miss Nicholson: Mr. Speaker, that is a very loaded question but let me attempt to answer it. First, I can understand very well the outrage that we hear from people such as those in my constituency who work extremely hard to buy homes and support children on salaries that are well under $30,000 a year. People like that may hear of corporations being able to write off the costs of their corporate jets and so on. They often feel a certain outrage that they are carrying a very high burden. I think we have to respond to that outrage and be very sure we have the clear facts.

• (1130)

The Auditor General, I think, has done quite a good job in pointing out the results of taxes forgone, or the so-called tax expenditures. Indeed, a former member of the Conservative Party, when he chaired the Public Accounts Committee, made a very useful contribution to the debate on tax expenditures. So I believe we have to be sensitive and understand people's outrage and their need for explanations.

That being said, we also have to be very sure that we are dealing with practicalities rather than with ideology. Some phrases like "corporate welfare bums" are great in a campaign, but when one looks at the facts it really comes down to the point that, if a corporation is paying more taxes, in most cases that gets passed on one way or another to the consumer. The real answer is not that corporations should pay less and individuals should pay more. The real answer is for us all to know the facts and to have a very clear handle on what tax expenditures are coming in. Over the years, indeed, our taxation law has grown more and more complex. Tax expenditures have increased in complexity. I think our first responsibility, our first task, is to simplify matters so we all know what we are dealing with. Then we must be very clear about what the burden is and on whom.

Mr. Hovdebo: Mr. Speaker, I think we have a certain amount of fuzzy thinking on the part of the Hon. Member for Trinity (Miss Nicholson) and on the part of the Hon. Member for Lethbridge-Foothills (Mr. Thacker) who asked the question regarding the passing on of corporation taxes to the consumer. I think the Hon. Member for Trinity expressed it very well. The labourer, the person who goes out and by the sweat of his brow makes his living and pays taxes not only through income tax, but in excise taxes which are being increased by this particular measure, has to be separated to some extent from the person who takes the profits of the corporation for which he has done nothing specifically. He has used his investment capital in some way to receive these profits and it is the profits which are being taxed in corporations, or what are not being taxed in corporations. There are large numbers of corporations which are not being taxed at all. That tax break, theoretically, will be passed on by dividends to the shareholders, not to the consumers. So what we are doing is reducing the amount of return from investment. That is what is intended here. Does the Hon. Member not recognize that reducing the profits of corporations is a more equitable way of taxation than the present consumer tax or income tax directly on an individual?

Miss Nicholson: Mr. Speaker, I think the Hon. Member is being naive if he assumes that when corporate taxes go up the corporations will not so arrange their affairs as to pass on some of the costs to the consumers. However, if the Hon. Member is asking me to say that I think at the present time the legislation put forward by the Conservatives since they have been in power has increased the burden on the individual taxpayer, particularly in the area of sales taxes, in an inappropriate and

unfair way, then I would certainly say that is so. The effect of the Bill before us is really to increase the burden and more so on those who are least able to pay. I think it is a very unfair Bill. I also think it is bad economics.

Mr. Hovdebo: Mr. Speaker, I would like to refer to another point the Hon. Member made in answering a previous question. The Auditor General indicated in his report that $28 billion in tax incentives and loopholes was forgone by the Government by this process. I would like the Hon. Member to comment. I would also like to ask her whether the Liberals, if they were in power, would do somthing about this, and what they would do?

Miss Nicholson: Mr. Speaker, I am not in a position to speak for my Party. Our major policy convention will be held in another four weeks and, in our Party, policy is set by the grassroots. In the upcoming months I will be able to speak with more firmness about our Party's policy. However, I think the Hon. Member's question is a loaded question. To say at this stage exactly how we would divide the tax burden, when we are just going into a series of public consultations, would surely be a very unwise thing to do. The Hon. Member certainly remembers the Carter Commission and what happened to that. He will also remember the proposals in the MacEachen Budget. There is a very clear lesson there. Changing our tax system is always difficult and complex and must be done with maximum consultation and public input.

The Hon. Member's Party, I understand, has been holding hearings on tax policy. The Standing Committee on Finance is just starting to study the question. I am sure my Party will have some panels on the subject, and certainly in the next year or so we would hope to have some very specific proposals.

Mr. Winegard: Mr. Speaker, I must say I was a little disappointed to hear the Hon. Member for Trinity (Miss Nicholson), who is greatly respected in this House, avoid the questions put to her this morning. I am reminded a little of last Monday's debate on trade. I think the position of her Party came out good and firm, "free trade if necessary, but not necessarily free trade". We have heard that kind of phrase before. I am surprised that after 20 odd years in government, the Liberal Party is not yet prepared to say what its position would be on the tax Bills before us with respect to corporate tax.

Miss Nicholson: Mr. Speaker, I hope the Hon. Member will read the Bill. The Bill does not deal with corporate tax. It deals with sales tax. I addressed the Bill and explained why I thought the sales tax was regressive, unfair, hard on the poor, bad economics, and that it is likely to dampen consumer demand and increase unemployment, which is one of our main concerns. Corporate tax is not before us today.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. Debate.

• (1140)

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I rise with respect to Bill C-14. I followed with great interest the debate of my colleague, the Hon. Member for Trinty (Miss Nicholson), who was not able to outline the position of the Liberal Party since it is in the process of being developed. That probably explains why the Liberal Party is doing so well in the polls.

When a Party is in opposition it is wise to be on the side of every issue. Members of the Liberal Party have tried very carefully to walk that line, but as we come closer to the general election the Liberal Party will have to declare its position on some of these major policy issues. The minute the Party does that, 10 per cent or 15 per cent of the population will say that they do not like the position at all and that the Liberal Party is no better than the New Democratic Party or the Conservative Party. Members of the Liberal Party will find that their standing at the polls will be hurt as they come to take decisions, and that the Government will then look a lot better.

We must appreciate where we are as a nation and where we were when the Conservative Party came to power. At that time the Liberals had been the governing authority for 20 years. They stayed in power during the period 1972 to 1974 with the direct and open support of the New Democratic Party. During that time they put in place a series of economic and fiscal policies which led the country into a national debt situation which, per capita, is almost three or four times greater than that of our immediate neighbour to the south, the United States of America.

It is in the context of the largest per capita debt that we have to consider the sales tax and excise tax increases. We have to consider the reductions, and they will be dramatic ones, in corporate exemptions and in the tax expenditure account, as well as an increase in income taxes, particularly on the rich as a result of the minimum tax. When we assumed power we decided as an over-all policy that there would have to be increases in corporate taxes and in income taxes, especially those on the rich, and also increases in income taxes on upper-income earners, not necessarily the very rich. At the same time we recognized that there would have to be dramatic cuts in government expenditures.

We are now moving on all fronts, even in terms of indexing. What the Liberals and members of the NDP did was index the expenditure side of the federal Government and deductions against revenue sources to Government. So when we went through the period of high inflation we saw that the expenditures increased proportionately, just as the revenues dropped proportionately. This was so because both sides of the equation had been indexed, which is why we now have a national debt of well over $200 billion at the federal level alone.

I often hear people say that federal debt is not significant because we owe it to ourselves. The argument has some validity with respect to federal debt. But what is not told to our citizens is that, because we at the federal level absorb all the

domestic savings, primarily through Treasury Bills, Canada Savings Bonds and those types of instruments, we have left the provinces, all Crown corporations, federal and provincial, and private corporations exposed. Private corporations are exposed in that they now have to go offshore in search of funds. The provinces, Crown corporations and private corporations owe over $90 billion outside Canada. This debt poses a great threat to our senior citizens and our lower-income earners.

If international interest rates rise, as they may well rise, that means more dollars have to flow out of the country to service the over $90 billion foreign debt. That move will drive interest rates higher, and it could cause our dollar to drop. This in turn will have a massive impact on our senior citizens. As a country we are faced with the dilemma of having a huge national debt. While our per capita debt is much higher than that of the U.S., we are higher even than Mexico, Brazil, and Third World countries, which is causing concern to our international banking system.

We are also faced with the fact that at March 31 next year we will have finished another fiscal year. Canadians need to appreciate this fact. Even with all of the changes which we have implemented we will have to add another $32 billion to the national debt, which will bring it up to $250 billion as opposed to $220 billion. To service this extra debt of $32 billion next year's Budget will have to be increased by $3 billion just to cover the interest on the increase. Some 93 per cent of today's deficit is the result of paying interest on money borrowed to finance yesterday's deficit. That is the dilemma which we are in now.

I can remember that as recently as 1968 we did not have a deficit in this country. We had a small national debt even after having developed our huge nation, bought the West, opened it up, and fought two world wars. For the first 100 years of Confederation the national debt amounted to $18 billion and the nation's budget had no deficit at all. In fact there were surpluses. After the Conservatives came to power following 18 years of a Liberal-NDP coalition, the national debt had risen to over $200 billion and our national yearly deficit was over $30 billion.

Mr. Keeper: It's your debt now; you're maintaining it.

Mr. Thacker: It is true that it is now our debt. We have had to take hard decisions to counter it. We want Canadians to understand that we are in a dilemma that was not of their making. It was a position gotten into as a result of conscious and deliberate political decisions taken by the Liberal Party. The NDP cannot get around the fact that it aided and abetted the Liberals, particularly during the 1972 to 1974 period.

My friend opposite spoke about unemployment. There is no doubt that it is serious. I think we must also appreciate that the deficit is so large that even if we took one million unemployed and gave them jobs paying $30,000 a year, if the economy were such that we could do that, a person making $30,000 per year would pay about $6,000 in federal income taxes. So one million people at $6,000 would give us an extra revenue of $6 billion. However, the deficit would still be $32 billion; and if we deducted $6 billion from that we would still have a deficit of $26 billion. Of course the unemployment account would go down by perhaps another $6 billion. However, we would still have a deficit of around $20 billion. This sets out the magnitude of the cursed deficit which we face. We spend about $25 billion to service this debt. If we did not have the debt then we would have a balanced budget today. The country would be strong and we would be able to get into making deficits to create jobs for our young people. However, when one starts with a huge deficit it makes it very difficult.

I also wish to clarify another point because I think too many Members try to pass it off as if there is someone in our society who makes a huge amount of money and there is someone else who can pay.

We need to start with the following facts. If one earns $30,000 a year that person is already at the 85.54 percentile point. This means that if one earns $30,000 from all sources there are only 14.46 per cent of people who pay more in taxes than that person.

Mr. Riis: If you believe that you believe in fairies. That does not happen to anyone in the country.

The Acting Speaker (Mr. Paproski): Order, please. There will be an opportunity for Hon. Members to ask questions or make comments after the Hon. Member has finished his speech. If the Hon. Member for Kamloops—Shuswap (Mr. Riis) has a comment to make or a question to ask after the Hon. Member has finished his speech, then I will be happy to recognize him at that time.

Mr. Thacker: Mr. Speaker, I tell my hon. friend that the figures I have quoted were taken out of income tax statistics this morning. They show that if one has an income of $30,000 per annum one is already at the 85 percentile point. If a person makes $50,000 per year, less than what we as Members of Parliament make, he is at the 98.1 percentile level. Less than 2 per cent of the people in our society make more than $50,000 per year. In fact that is not 2 per cent of the people in our society but 2 per cent of the people who pay income tax and file income tax returns. That indicates to me that there is no other large group in society that could pay. If we took every cent from people who made over $100,000, that would barely touch the deficit.

• (1150)

We should be honest with our fellow citizens. We should say: "Look gang, there is no one out there except you and me and ultimately the deficit has to be picked up by you and me". As Members of Parliament who make $55,000 per year, we are probably at the 99th percentile point. We should be thinking of what extras we can pay.

On an entirely personal note, it seems to me to be wrong for members of the New Democratic Party to argue for the

continuance of universality with respect to family allowances—they want to continue to receive it themselves—while people are standing in food lines. Somehow, that strikes me as being wrong. I think we as Members of Parliament should face that and should realize that we have to pay more. In a sense, we will be paying more because of the minimum tax.

I was glad to hear the comments of the Hon. Member for Trinity *vis-à-vis* the corporate tax. I have argued here that corporate tax is very much like a sales tax. It is passed right through to the citizens. It is the citizen who is buying shoes and clothes who pays the corporate tax.

If I had my druthers, I would have the following tax system: every time we as elected Members of Parliament went to our constituents to tell them of a beautiful program that we wanted to give to them, we should have to say in the same breath: "Here is where the money will come from and this is how much you are going to have to pay, Mr. Farmer, and this is how much you are going to have to pay, Mr. Shoemaker". If we did that, we would hear the people saying: "We do not need that program. Thank you very much, Mr. Member of Parliament. It might be a great idea, but we would rather keep the money in our pockets and decide how to spend it".

I have often argued in the House that I would rather leave the money with the people and let them decide how to spend it. I fundamentally believe that millions and millions of individual decisions taken by citizens in their communities and homes for their own best interests would lead to a spending policy that is wiser than the Liberal-NDP policy which has been to tax the money into Ottawa so that the politicans and the Cabinet may decide who will win and who will lose.

Mr. Keeper: You're the one who's taxing it with this Bill.

Mr. Thacker: Yes, we have to say to the people that, as a result of the policies the Liberals and NDPs put in, the people will have to pay. For so many years we had all of these wonderful policies. We all liked the programs, but we paid low taxes. There was a cash flow difference which gave us the appearance of wealth. As a result of having good programs and low taxes, we paid too much for land and for our businesses. It has to come to an end because the trick is that we were borrowing the money and the deficit started to rise.

In 1968 only about 5 per cent of tax revenues went to pay interest on the debt. That figure went to 10 per cent, then to 15 per cent, and then to 20 per cent. We in opposition were saying that it was not right to pay a higher and higher percentage of our revenue, right off the top, to service the debt. Suddenly over 33 per cent of the revenue started going right off the top to pay interest on the debt. That money is not available to be used to create new programs. The people who are rich and have so much money that they can lend some to the Government with no risk, sit back and lend that money to the Government while the Government pays 33 per cent of all its revenues to maintain that loan. This means that we are losing the middle class. The rich are becoming fabulously rich while those in the middle class lose the benefits of government programs. We have to face up to that. We have to make a very difficult adjustment and I think the people are beginning to see that we must do so.

There is no doubt that there has been an increase in the direct taxes payable by the people. I do not think members of the NDP or the Liberal Party will be able to argue against that because of the European experience. Several European countries are run by socialist Governments. These Governments have moved almost unanimously to value-added taxes, an indirect tax. This is another way in which Governments are dishonest with their people. They take the money from them indirectly rather than directly through an income tax.

Mr. Riis: And you're going to do the same thing.

Mr. Keeper: That's what you're doing.

Mr. Thacker: Yes, exactly. That is what is happening in Canada. People need to understand that.

Mr. Keeper: Are you saying that you are being dishonest today?

Mr. Thacker: My friend from Winnipeg always gets very exercised when people try to tell the citizens what truly is happening. Socialist Governments in Europe use a value-added tax of about 12 per cent to 15 per cent. If we in Canada switched to a business transfer tax or a value-added tax, it would only have to be in the 2.5 per cent to 3 per cent range to raise the same amount of money as we raise through our tax system.

That the value-added tax in Europe is about 15 per cent tells us how much money those socialist Governments take from their people in order to redistribute it in the way the politicians want. They do this rather than leaving the money with the citizens and letting them decide how they want to spend their own money. Canadians should look forward to that if they want the Government to continue taking money away from them and deciding who will be the winner. Decisions about who will be the winner are never based on economic factors. They are based on being friends of the Government or on being in an industry that the politicians, for the time being, feel is a good industry. However, that is never the same as what the market-place would decide.

Canadians need to appreciate the fact that taxes will go up, up, and up. It does not matter which Party governs the country. However, Canadians are better off with us because we are trying to get them to appreciate the role of government and how obtrusive it has become. I hope Canadians will react by saying that they want less government control and that they want the money left with them so that they may decide how to spend it themselves.

Mr. Riis: Mr. Speaker, I listened with interest to the words of my colleague, the Hon. Member for Lethbridge—Foothills (Mr. Thacker). I applaud him for his concerns about the deficit and the need to be honest with people. If he is being

honest with taxpayers, presumably he is justifying the taxes on all sorts of items that had never been taxed before, like soft drinks, as well as the additional taxes on gasoline, cigarettes, and alcohol.

In this same spirit I would like to ask the Hon. Member two questions. Day after day we read in the media about the fact that it will cost the taxpayers of Canada, by the Auditor General's estimates, an additional $41 million because the Prime Minister (Mr. Mulroney) decided to locate a prison in his constituency. If the prison were to be built where it should be built for all sorts of sound sociological and business reasons, it would not cost Canadians an extra $41 million.

As well, we read in the media about the contract that was recently awarded for F-18s. The experts had given Bristol 926 out of 1,000 points and Canadair only 843 out of 1,000 points. If we are supposed to make decisions on sound business, logical, technological, and financial grounds, why was the decision made to give the contract to Canadair? I believe that the Hon. Member is a straight shooter. Will he indicate to us what he really believes about various issues? What does he think about the decision to relocate the Port-Cartier prison? Second, what does he think about the decision to award the contract to Canadair against all logical, financial, and business reasons? What are his personal views on those two topics?

• (1200)

Mr. Thacker: I could give a full 20-minute speech on both of those topics setting forth my views. It is not strictly relevant to the Bill today, so I will only make a comment or two.

Since this country has been founded, Governments have been making open decisions as to the placing of prisons, for example, and other factors. It is not necessarily based on the cheapest cost. If prisons were going to be put in the cheapest location, they would all be stacked up around Kingston. Kingston got going in the first place because the Government made a conscious decision to put a prison there, probably for political reasons.

In my riding of Lethbridge—Foothills we have a wonderful research station. It was put there originally because there was a Liberal Member of Parliament from that region. It would have been much cheaper to do that research in Ottawa because of the already established experimental farm. Those decisions are made. We are saying to the Canadian people that we made an open, honest decision. The role of the Opposition and the Auditor General is to point out how much more that is going to cost. We are saying to Canadians that because of regional development purposes, we think that is a wise expenditure of money. If the Opposition disagrees, they will do what they will do in the next election.

The members of the Opposition have exaggerated the figures. It will be $41 million over the 20 year life of the contract. Think of the benefits to the region of Port-Cartier and the people there who, rather than being on social assistance with no sense of a future, will be able to become guards, stay in their community and have schools, hockey teams, and still be on the north shore. To my mind that is a valid expenditure of money. We poured billions of dollars into the maritime provinces and parts of the West when they were developing and getting on their feet. I do not apologize for that. I do not think all of our prisons should be around Kingston because of an earlier political decision.

Mr. Keeper: Because of an earlier Tory Prime Minister.

The Acting Speaker (Mr. Paproski): Does the Hon. Member have a question?

Mr. Keeper: Mr. Speaker, it is amusing to listen to the Hon. Member who is so honest and frank with Canadians and indicates to them that he and his Government are in the process of increasing their taxes and intend to keep on doing it. Then, when he talks about waste in Government, he is not willing to hit the nail on the head. The Auditor General has pointed out that there was no up-to-date study which indicated that prison was needed now. At the same time, by moving it to the Prime Minister's (Mr. Mulroney) riding, it is going to cost an extra $41 million. Why do you not deal with that frankly?

Mr. Thacker: We have dealt with that honestly. With respect to the CF-18 contract, Winnipeg would not have been in the offing if it had not been for a conscious government decision when the former Liberals were in power to transfer the Air Canada maintentance contract to Winnipeg, which they subsequently lost. It was a patronage decision to put it into Winnipeg in the first place. It seems to be a touch hypocritical for Mr. Pawley, the Premier of Manitoba, to be yelling and screaming because that business was sent to the West as a political decision in the first place. It would have been cheaper to do it in Montreal and Toronto, because during the Second World War they had built the buildings, the infrastructure, and the expertise.

An Hon. Member: What about the bidding process?

Mr. Thacker: It was put in the West in the first place as a result of a political decision. Second, Mr. Pawley, within his own province makes those types of political choices daily as to whether he is going to put a project in Winnipeg, or whether he is going to move it to Brandon or the North.

We have been trying for months to get Mr. Pawley and the NDP Government in Manitoba to come into a tripartite sugar-beet production agreement. The Province of Alberta has agreed. That whole sugar-beet industry is on a string because the NDP Government in Manitoba does not want to get into a tripartite agreement. The reason is that the sugar-beet growers are in two Conservative ridings in southern Manitoba. He does not want to get into it for that reason. He should not be quite so hypocritical when he is yelling about us.

Mr. Althouse: With regard to the last statement that the Hon. Member made regarding sugar-beets, is he trying to tell the House that Manitoba did not plant sugar-beets last year

and Alberta did? The fact is that Manitoba did have a program that kept sugar-beets being grown last year. Alberta did not even plant sugar-beets, because that Government could not come up with a program either. At least Manitoba can go into these talks having maintained growers last year. Their experience might be of some use in this particular set of negotiations. We still have several months to go before the final decision on planting takes place.

The reason that I attracted your attention, Mr. Speaker, had to do with some comments made during the Hon. Member's speech. He talked about the terrible effects of high interest rates and how that had contributed to the rapid acceleration of the deficit. I would like to ask him this. Knowing what the effect would be on the deficit and on Canadians, why did he and his Party support the changes to the Bank Act which unleashed those very high interest rates, along with the cancellation of the old usury laws? With the exception of the Hon. Member for Bow River (Mr. Taylor), most of his Party had supported those changes. Can he now explain why?

Mr. Thacker: If my friend opposite is saying that the high interest rates that we have endured as a nation were the result of the amendments to the Bank Act, I will simply disagree with him on that point. Those changes to the Bank Act which permitted foreign banks to come in and compete with the five banks that had a monopoly position in this country for decades was not the decision that increased the interest rates. The reason that the interest rates went up to 18, 19, and 21 per cent, was as a result of accumulated deficits. Countries all over the world have lived through this before. We seem to be not capable of learning from it. Any time there is a Government, whether it is a king chipping or clipping the coins, or turning on the printing presses, which is what happened here, that leads to deficits that in time automatically leads to an interest rate increase, inflation, higher interest rates, and then the collapse.

What we are enduring right now is the collapse at the end of this 15 year period of madness. That collapse is very difficult. We have whole towns going out of business. We have farmers by the tens of thousands having to give up on farming. Every year there are tens of thousands of small businesses that go out of business. We are now into the adjustment phase. There is no doubt that when we get through it the people who survive are going to be well positioned and the country is going to continue on. However, it would not have been necessary to go through all of that if parliamentarians had stood up, as members of our Party did for years, and argued against those deficits. It is a fundamental deceit when governments say to people that we will give you this wonderful program and you can keep your low tax. It is true that in the short run you can, but ultimately people have to pay.

It is people who pay the taxes and create the wealth. If you do not give people a chance to get a job, which is what happens after inflation and the adjustment phase, they cannot create the wealth. I say sincerely that I think that all of those programs, offered without having a corresponding tax, has hurt the poor more than if the scenario of the late sixties had been carried on where the Government, if it had a program, had increased the taxes so there were no deficits.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to participate in this debate. Bill C-14, an Act to amend the Excise Tax Act and the Excise Act is a very crucial debate. This Bill comes out of the previous Budget. It is important for Canadians to understand the essential message of the Bill before the House. In a nutshell it indicates that the Conservative approach to taxation is unfair. The Conservative Government is increasing the tax burden of ordinary Canadian families in an inequitable fashion.

[*Translation*]

Mr. Speaker, I think it is very important to everyone, that all Canadians understand the message the Conservative Government is sending them with this legislation. The Government's approach to the tax system is unfair. It is proposing to increase the tax burden for the average family, and they way it has chosen to do this is unfair.

• (1210)

[*English*]

I should like to take a look at the history of our taxation system. First I will make a few comments about the last 20 years and the direction of that system. Also, I will look closer at what the Conservative Government is doing today and has been doing for the last couple of years. Then I will make some comments about the future and about what is likely to happen in the taxation area.

Two important trends have stood out in the taxation system over the last 20 years. These trends are important to ordinary Canadians in that they affect the burden of taxation, where it falls, and the extent of it. The first trend which has been evident for the last 20 years concerns the responsibility of paying for the expense of Government, whether the money is used wisely or wasted, as was the case in the transfer of a prison to the riding of the Prime Minister (Mr. Mulroney). It was a clear waste of some $41 million according to the Auditor General's report. The burden of taxation has been placed more and more upon the shoulders of ordinary people, and profitable corporations have been carrying less and less of the responsibility of paying for government services. While corporations exist to make a profit, they are also citizens in a sense. Most corporations have a public relations arm or team to ensure that their image is a good one, that they are seen as good corporate citizens. It is incumbent upon them to carry their fair share of the burden.

However, over the last 20 years, under both Conservative and Liberal Governments, the burden of taxation has fallen more heavily upon the backs of individual Canadians, while

corporations have tended to walk away with a lighter and lighter load.

It is not surprising in that context to have heard the comments of the Hon. Member in the Liberal Party who questioned New Democrats raising the matter about the share of the taxation burden carried by corporations. She claimed that if the taxes on corporations were increased, they would just pass them on to consumers and, therefore, there was no use in taxing them. That analysis ignores the fact that profitable corporations can absorb a portion of the taxation burden. Corporations should not always be free to raise their prices whenever they want. Market forces can force corporations to absorb some of the costs rather than the burden always being passed on to consumers.

Another major trend in taxation has been that the income tax system has become less and less progressive. A generally accepted notion of the income tax system is that it is a way in which people can pay their fair share. Those who earn more pay more because they are capable of paying more; those who earn less pay less because it is more difficult for them to pay taxes. This principle has been eroding in a very significant way over the last 20 years. I wanted to make those two fundamental points about the taxation system over the last couple of decades under both Liberal and Conservative Governments.

Another point needs to be mentioned. The Auditor General indicated in his report that the taxation system was very complicated, that the system of giving tax write-offs to corporations was very complicated, and that it was very difficult to trace just exactly where public money was going. Every time someone is forgiven taxes, in effect it is an expenditure of public money. Obviously when the Government starts a program, it is an expenditure of public money. However, when it fails to collect taxes, it is also an expenditure of public money. The whole system of write-offs riddling the taxation system and giving breaks to corporations for various reasons has become so complicated that it is difficult, if not impossible, to trace the impact of any particular write-off. The use of the taxation system as an economic instrument is being undermined, and the capacity of using the taxation system to steer the economy is being weakened. Since the system cannot be understood, it is not only unmanageable but is less equitable.

[*Translation*]

Mr. Speaker, during the last 20 years, there have been two important developments in our tax system. First, the tax burden for corporations and individuals has changed, in that the burden has been shifted to the average Canadian and away from the corporations.

Second, Mr. Speaker, personal income tax has traditionally been progressive, in that those who earned more, paid more and people who earned less, paid less. However, this concept is weakening and today, personal income tax has become less progressive than it was before.

[*English*]

I should like to comment about what is going on today with Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, and what has been going on for the last couple of years under the present Conservative Government.

• (1220)

It is important to note that since that Government has been in office it has managed to increase taxes on an ordinary Canadian family by $1,305. That is an enormous increase for an ordinary family, by which I mean one with two dependent children, earning $35,000 a year. Of that $1,305 Conservative tax increase, some $845 is in sales and excise taxes. That is the significance of this legislation.

Why do I raise questions about the increase in sales and excise taxes? Not only because people are strapped for money and this is not the time to be increasing taxes, but also because the way these taxes are being increased is unfair. Sales taxes are hidden taxes. They are not, as my friend across the way suggested earlier, an honest representation of government policy direction. They are a way of raising taxes without people really noticing. Louis XIV of France, a master at raising taxes, had a finance Minister who helped him raise the money for the grand palaces which he built and lived in. That Minister described taxation as a matter of being able to pluck as many feathers from the goose as possible with the least amount of hissing. That describes what the Conservative Government is doing today in relying so heavily upon sales and excise taxes.

Five minutes, is it? Thank you, Mr. Speaker. I appreciate your letting me know how much time I have left in my speech because time passes faster than I realize.

Mr. McKinnon: Not for us.

Mr. Keeper: Did I hear some applause?

We criticize the heavy reliance of this Government on sales taxes because they are hidden taxes. They are also inequitable. Whether you are a single parent on welfare or a millionaire, you pay the same amount. That is an inequitable approach to taxation. It is also a brake on the economy. It tends to take money out of the pockets of consumers and therefore slows economic growth. If we should be doing anything to the economy right now, it would be to keep it moving rather than slowing it down.

I have talked about the past and present so I want to take a couple of minutes to say something about the future. The Conservatives appear to be promising tax reform. At the same time they say they are going to lower the income tax rate. What is this all about? It seems to me that the promised income tax rate cut is kind of like a carrot to get the donkey moving. At the end of the road there is going to be a big stick, the continued increase in sales taxes by way of a business transfer tax or whatever name is given to it.

I encourage Canadians to take a very close look at the specific proposals the Government comes down with under the name of tax reform. To what extent will it increase the tax burden on ordinary Canadians and to what extent will it rely upon regressive rather than progressive taxes? They should not be fooled by the Government saying it is going to lower income taxes while at the same time it forgets to mention sales tax increases.

To conclude, Bill C-14 sends a clear message to Canadians that the Conservative approach to taxation is unfair. It increases the burden on ordinary Canadian families. This is the continuation of a trend which has developed over the last couple of decades under both Liberal and Conservative Governments. It needs to be challenged and we in this party seek to challenge it. I call upon Members opposite to be critical of their leadership and make sure that the tax reform package is designed for ordinary Canadians and is not just another tax increase.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Oostrom: Mr. Speaker, I listened with interest to my friend. He made a valiant attempt to understand how this country and its economy operate. However, sometimes he does not come through very clearly. I am sure he would like to have the unemployed in his riding find jobs. If the Government offered tax incentives for business in his riding or some of the ridings north of his, there would be greater transportation costs, it would cost more to train people, and more for many other things in those areas. If the Government decides to offer tax incentives, as he was talking about, does he not think it is important that people in his province and in his riding, or even north of it, also share in the benefits other Canadians in the southern part of Canada enjoy?

So far we have created jobs for about 600,000 more Canadians. We would like to continue with tax reform so we can employ more Canadians, and I think the Hon. Member will agree with that.

Mr. Keeper: Mr. Speaker, I thank my friend for the question because it gives me an opportunity to elaborate on some comments I have made. The point that I was making concerning tax incentives is a point which the Auditor General made in his report this year and last year. That is, we are spending roughly $30 billion on tax incentives for corporations in the name of various economic objectives.

• (1230)

The Auditor General makes the point that this system of tax write-offs is so complex that it is almost impossible to measure its impact. In previous reports he has questioned the effectiveness of such tax write-offs. We are spending billions of dollars for economic objectives and I want to be ensured that the tax write-offs will be effective before I support them. We must make a comprehensive examination of the tax incentives in order to ensure that our financial capacity is used effectively.

The Government delights in mentioning the 600,000 new jobs from time to time. This increased employment is the continuation of a previously existing trend. There is no great new boom in the Canadian economy. Most Canadian families have at least one member who is unemployed and they can verify this through personal experience. There has been an increase in jobs, but that happened under the previous Government as well, and most of the growth is in part-time jobs. I would not brag too loudly about the employment record of the Government.

[*Translation*]

Mr. Hamelin: Mr. Speaker, after listening to the comments made by the Hon. Member for Winnipeg North Centre (Mr. Keeper), I want to take this opportunity, as the Member for the North Shore and of course for Charlevoix, and I say this because the riding covers half of the North Shore—as I was saying, I want to take this opportunity to explain to the Hon. Member that he, his party and the Opposition should stop criticizing our investment at Port-Cartier.

Criticizing the Hon. Member for Manicouagan and Prime Minister (Mr. Mulroney) for investing in our remote areas and for redistributing some of this country's wealth is hardly the right attitude, and I think it is an insult to the people of the North Shore and especially to those who live in these remote areas. If the Government were to limit its spending to our large urban centres, which so often benefit in any case, and I am thinking of Vancouver, Calgary, Quebec City, Montreal, Halifax, Toronto especially, and even Winnipeg, this would no longer be Canada.

To hear the Hon. Member, maybe we should close down the North Shore. Why not? We were the geese that laid the golden eggs for this country for fifteen or 20 years, when it was a case of simple arithmetic to prove that North Shore workers were paying more income tax and providing more services to Canada than any other community, and now that we have a Member and a Government promoting these remote areas, people scream bloody murder. I know it pays politically to hammer the Prime Minister. All the Opposition parties are doing it, but I think they should stop try to make political hay out of this situation.

It costs more on the North Shore, I agree. Food costs more. Products generally cost more. You know what the Saguenay syndrome is? Every time you cross the Saguenay, freight costs go up, Mr. Speaker. We don't benefit from the Maritime Freight Act, we don't have a railway, and so forth.

I think these comments, which have become increasingly frequent in the last few weeks, are an insult to the people in our area and to those working in remote regions.

I also wonder whether the Hon. Member—and this will be my final comment, I will give him time to answer—I wonder whether the North of Winnipeg, and I am referring to remote communities, I wonder whether they appreciate your comments? Do you represent Winnipeg or the interests of the

entire community, including people who live 300, 400 and 500 miles away?

If I may, Mr. Speaker, enough is enough, I am sick and tired of hearing that. I think it is utterly ridiculous. Of course I agree with the Hon. Member, let those who earn more pay more. This is quite normal, this is what the Government is doing. A tax will soon be imposed on all citizens and all corporations so that no-one will be tax-exempt, particularly the rich.

On the other hand, like all its predecessors this Government has a responsibility towards Canada, and Canada includes these regions and especially those who reside in remote areas.

Mr. Keeper: Mr. Speaker, the Hon. Member has raised a few important points and I should like to comment on them.

Mr. Speaker, when I refer to the Port-Cartier issue, I have in mind the effectiveness of such expenditures. I am not saying that the money should not be spent in remote regions, but I think it is important that the money be spent effectively. Let us not kid ourselves, Mr. Speaker, Port-Cartier has been chosen as the site of the proposed prison because it happens to be in the riding of the Right Hon. the Prime Minister. Other ridings in Quebec and elsewhere in Canada report a higher unemployment rate than does the Prime Minister's riding. So why should this prison not be built in the region where the unemployment rate is the highest? Obviously this riding was chosen for political reasons. Since the prison is to be relocated from Drummondville to Port-Cartier, what happens to the people of Drummondville? Do they not need jobs too?

Mr. Hamelin: A prison is already located there.

Mr. Keeper: As well, Mr. Speaker, the Auditor General made a number of references to this prison, including the fact that there was no study to confirm the need for this type of institution. Yet the Government has decided to proceed with this project and build the prison. In addition, by relocating the prison the Government will be making extra expenditures of $40 million, which is a lot of money for this one prison. There are other ways of wasting money, and the Government's bank bail-out was one of them. I think the funds must be spent wisely if we want to create jobs for Canadians. The money used to bail out the banks could have been set aside to create quite a few jobs, on the north shore for instance.

Why not use the money earmarked for this prison to create jobs on the north shore or in other regions of Quebec, but in an effective and useful manner this time?

Mr. Hamelin: A supplementary question, Mr. Speaker.

Mr. Keeper: Mr. Speaker, if we are to create as many jobs as possible, these funds must be spent more effectively.

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Hon. Member for Capilano (Mrs. Collins).

• (1240)

[*English*]

Mrs. Mary Collins (Capilano): Mr. Speaker, it is a pleasure to participate in the debate on Bill C-14, an Act to amend the Excise Tax Act and the Excise Act. It is important to make it clear for the people who are listening to this debate that a majority of the measures that we are discussing in this legislation came into effect with the introduction of the Budget in 1986. They are not new or additional increases, we are simply going through the process of passing legislation to legalize those measures.

This Bill is an integral part of our over-all approach to economic renewal. We must keep reinforcing what we said in September, 1984, about our goals and our objectives as a Government. One of our major priorities was economic renewal.

Unfortunately, we must keep harking back to what the circumstances were at that time. After so many years of Liberal rule we were in a terrible deficit situation. Spending had risen by an average of 23 per cent per year, the gross national debt had grown by 50 per cent, and debt service costs had grown by 85 per cent. In fact, from 1981-82 to 1982-83 the deficit rose from over $14 billion to over $27 billion, an increase of $13 billion in that one year.

People sometimes forget that our financial situation was out of control and that if these spending patterns had continued, we would have been $100 billion more in debt than we will be as a result of the measures we have introduced. It is necessary to remind Canadians that when we took office we said it was necessary to tackle the economic issues, including the deficit. I know that the first thing I am asked when I meet people in my riding is what we are doing to manage the economy and bring the deficit under control.

People are concerned about the future for their children and grandchildren if we simply keep piling up a debt without any thought about its implications in the future. For instance, 93 per cent of today's deficit is the result of paying interest on money borrowed to finance yesterday's deficit. We know that increasing the deficit at a rate that was out of control would inevitably lead to higher interest rates, a weakened dollar, and would have impaired our ability to maintain a wide range of programs. It would have potentially impaired our ability to provide the very social programs that we want for our elderly, our children and those in need.

We said two years ago that we would make changes. The House will recall that in the economic statement and our Budgets we laid out a program so that for the first time in 40 years government spending is actually reducing and, for the first time in six years, the deficit is also declining.

We are debating legislation which has increased revenues through sales taxes and excise taxes in certain areas. It is important to remember that while some taxes have increased,

for every dollar in increased taxes, expenditures have been cut by $3.

Let us consider some of the steps that have been taken to reduce the deficit. It is never easy to cut programs and it causes some pain and hardship to those who may have a certain interest in certain government programs. However, we have had to take some tough action, including the elimination of the Canadian Home Insulation Program, the Registered Home Ownership Savings Program and Katimavik. We have closed down the heavy water plant, got rid of Canagrex and have modified the rate of indexation of transfer payments to the provinces. It is not easy to take these steps, but governing involves making some tough decisions. We know that each Department of government has been reviewed and is going through a process of managing more efficiently and spending smarter.

Hon. Members opposite may not want us to take these steps, but we feel it is in the public interest and what the people of Canada have asked us to do. There is no limitless pot of money from which we can draw and, if we do not make those very tough decisions, we cannot expect to maintain a competitive edge in the international field.

The measures we have implemented in the past two years include measures to reduce government expenditures and to sell off Crown corporations. Some of our measures have resulted in a reduction of $560 in the cost to average Canadian households.

The proof in the pudding is in the results of our measures, about which I am most pleased. No one can deny that job-creation has occurred in this country. Over one million more Canadians are working today than were working in September, 1984. I indicated in my speech in reply to the Speech from the Throne that 80 per cent of those jobs are full-time. Members opposite keep giving other statistics but they cannot deny the truth.

We know that unemployment has decreased by 2.2 per cent between September, 1984 and September, 1986, so that it is now down to 9.5 per cent. Furthermore, we know that inflation is holding firm.

The Hon. Member for Trinity (Miss Nicholson) expressed some concern about the impact of these increased sales tax measures on the economy. We know that they have been in effect since April of this year and there has not been an adverse impact on employment which has, in fact, increased. We also know that consumer confidence has increased because consumer spending is at its highest level in 21 years and its second highest level in history. They have not had an adverse impact on consumer spending.

When we consider the international statistics, which the Prime Minister (Mr. Mulroney) quoted during the Throne Speech debate, we know that according to the 1986 report of the European Management Forum, in the past two years Canada has moved from eleventh place to sixth place in improving our competitive position. We can be very proud of that record. Recently, a high level delegation from Japan visited Canada to meet the Government and private sector groups throughout the country. I had an opportunity to have an informal meeting with some of those delegates and discovered that they were almost astonished by the changes that have taken place in the economy of Canada in the past two years and the level of confidence that this was creating. Obviously, this will make Canada a much more positive place for investment and growth.

During the weekend the Prime Minister spoke to an organization and said that if we want to deal with the country's social problems, first we have to ensure that we have a healthy economy and economic growth. As he said: "Only a healthy economy can lead to the proper funding to combat social ills". It seems obvious, yet it is important that we reiterate those points time after time. It is always more pleasant to spend money. In fact, I find it interesting that the Liberals in their policy sessions being held across the country are saying: "Spend more money. Spend more money". That is all very nice, but we cannot afford to do that. When we spend more money in that way, ultimately it will come back to private citizens who will not then have the kind of income to invest in order to create the jobs which are required. It must always be balanced.

• (1250)

The particular increases with which we are dealing today are a very reasonable and sensible way to raise the 30 per cent which we believe should be raised through increases in taxation. There is a 1 per cent increase in excise tax in some areas. These changes will generate about $1 billion in additional revenue in 1987, which will really help us to meet our target of deficit reduction. At the same time, we have within this legislation looked at areas which need special attention. I recall when the Budget came down last April. I was particularly pleased by one of the measures which would exempt certain kinds of information for the travel industry from federal sales tax. That is information which is made available by Chambers of Commerce and Boards of Trade to help us sell Canada to tourists. That was one of the sensitive issues which we included in these provisions.

Hon. Members opposite have been concerned about the impact on lower income families, but they must keep in mind that in the enactment of the Budget we have indeed had that under consideration and have introduced a special refundable sales tax credit to lower income families. The credit provides $50 per adult and $25 per child, which could mean $100 per family with two children, and will be paid to families with an income of less than $15,000. The total benefits are reduced by $5 for every $100 in income over that amount. I think that particular measure, along with the measure we passed a couple of weeks ago for the refundable child tax credit, shows our concern about those families in Canada at the lower end of the wage scale. We know that many of those families are headed by women. We are trying to ensure that they benefit from the

measures and are not unduly burdened by tax increases. I believe we have accomplished that.

I think the measures we are discussing today, which were introduced in the Budget, fulfil all the criteria of our philosophy, our commitment to economic renewal which is based on more efficient management of Government, reducing Government spending and reducing the deficit, and only, when necessary, increasing taxes, and certain taxes in a way which has the least dampening effect on the economy or on the ability or the initiative of people to take risks and to create entrepreneurial activities and create jobs.

I was in Vancouver on Saturday and spoke at a fascinating conference of aboriginal women who were interested in going into business. There were 90 or 100 women from the Vancouver region who were all looking at opportunities to start new businesses. This conference helped them to develop skills and create the partnerships and the networks. I talked to many of those women. They had ideas for shops and child care services, on reserves and off reserves. There was a tremendous feeling of confidence and optimism. As we know, the majority of new jobs created in this country are created by small business. In British Columbia, women are creating small businesses twice as quickly as men.

We can think of the group I met and spoke with on Saturday as really the leading edge of what we want to see happen in this country; people taking risks, making investments, and we in Government providing them with the framework and the environment in which they can take those risks successfully. I felt so good about that particular experience that I wanted to share it with my colleagues.

I also feel good about the kind of legislation we are debating today because it is consistent with our over-all policy of economic renewal, of new opportunities for our citizens and, as we have always said, a new Canada for all Canadians.

Mr. Althouse: Mr. Speaker, I enjoyed listening to the speech of the Hon. Member, as usual. She talked about the hope that this legislation will increase tourism. She referred to the clause in the Bill before us which exempts people who relay information to tourists from tax on that particular written information. She, and indeed all of us, hope that this will contribute somewhat to an increase in tourism. However, I wonder, looking at the rest of the Bill, if she is not concerned that while information to potential tourists will not be taxed, this particular Bill creates actual extra expenses for tourists. I note there is an air transportation tax increase from the current 9 per cent to 10 per cent. There is an increase in fuel tax on regular gasoline from 3.2 cents a litre to 3.9 cents a litre. If the tourist flies in, his or her ticket will be more expensive because of these taxes. If the tourist drives in, it will be more expensive to use ground transportation. I just wonder how the Hon. Member sees the tourist industry being able to absorb these very real tax increases which amount to something in the order of 10 per cent. How will this affect the tourism industry?

Mrs. Collins: Mr. Speaker, I am pleased my hon. colleague has raised this issue because it is an issue which is very close to my heart. I might point out with respect to the air transportation tax the Hon. Member mentioned, there is a ceiling of $50 on domestic flights so that it will not place an undue burden on those who fly within Canada for long distances, particularly those residents of the North with whom we are very concerned.

One might think from what was said by the Hon. Member that these tax measures, most of which were in effect during the summer except for the gasoline tax, which did not come in until after, might have had an adverse effect, but I can assure my hon. colleague they did not. Not only as a result of Expo, but because of all the activities going on across the country, this has been an absolute boom year for tourists coming to Canada. It is terribly exciting.

I was at the United Nations in New York last week and had the opportunity to visit with our Consul General. We talked about tourism and what our New York office is doing. I was told there was a great deal of interest from the eastern United States. I particularly want to get them all out to British Columbia because we want people to come back after Expo and enjoy the glories of my wonderful province.

There were tours already booked. The raising of awareness in the eastern United States about Canada as a tourist destination has been fantastic. We will be following that up with very significant advertising campaigns co-ordinated through the Ministry of Tourism as well as with the private sector. Therefore, I can assure the Hon. Member that this kind of sales tax increase has not had a dampening impact. In fact, I see a great potential for growth in tourism which will benefit the economy of Canada.

The Acting Speaker (Mr. Paproski): Order. Before I call it one o'clock, I would inform the Hon. Member for Capilano (Mrs. Collins) that she does have five minutes left in the time for the questions and comments when Orders of the Day are called.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

USE OF CHEMICAL PESTICIDES CONDEMNED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker:

S.O. 21

The use of chemical pesticides in rural and urban settings has contaminated lakes, streams, aquifers, wildlife and food marketed all over the world. Farmworkers, their families, and non-farming residents of areas placing heavy reliance on chemical pest control often suffer acute and chronic ill effects from pesticide exposure. Severe economic losses result as many pests develop resistance to chemical controls. Farming methods dependent on high capital inputs can also accelerate soil erosion and fertility loss, threatening the base of all agricultural productivity and human sustenance.

This quote is from the Ottawa Declaration, made on World Environment Day, June 5, 1986, by concerned scientists from Canadian and American research institutes. These scientists urge their colleagues:

—to explore innovative sustainable systems of crop and livestock production, and particularly to seek pest control methods which protect human and environmental health.

* * *

[*Translation*]

TRANSPORT CANADA

DEPARTMENT'S FIFTIETH ANNIVERSARY—CONTRIBUTION TO WELLBEING OF SOCIETY

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I am honoured and privileged to point out that Transport Canada is celebrating its 50th anniversary today. I am sure that Hon. Members and all Canadians are as proud as all the employees of the Department to mark this first half century today, the first 50 years of Transport Canada's outstanding contribution to the well-being of our society.

[*English*]

Yesterday, November 2, was the fiftieth anniversary of the Department. On that day in 1936 the Department of Transport Act was proclaimed by Parliament when the former Departments of Marine, Railways and Canals, and the civil aviation branch of National Defence were merged into one.

Today Transport Canada's role and responsibilities are global in scope. Canadian airlines span the world. Search and rescue telecommunications are relayed through satellites. We must address environmental concerns and such issues as international terrorism in our planning.

I would like to salute Transport Canada and its people. May the next 50 years be as productive and inspiring as the last half century.

* * *

INDIAN AFFAIRS

DELAY IN PROCESSING RETURN OF STATUS APPLICATIONS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, since the changes to the Indian Act were made to enable those people who had lost their status as Indian people to have their status reinstated, over 70,000 applications have been received by the Department of Indian Affairs and Northern Development. To date fewer than 13,000 have been processed. People have been waiting for more than a year and still have not had their applications processed. Many young native people have had to forgo their education and job training plans while they wait for a decision on their Indian status.

I urge the Minister and the officials of the Department of Indian Affairs and Northern Development to recognize this outrageous situation and to take immediate steps to process the backlog of status applications.

* * *

SHIPBUILDING

LACK OF DEFENCE ORDERS FOR ONTARIO SHIPYARDS

Mr. Joe Reid (St. Catharines): Mr. Speaker, Canada has thousands of miles of coastline, perhaps more than that of any other country in the world. We are a member of the North Atlantic Alliance, with areas of responsibility. Yet for all practical purposes we are without a navy. Given the difficult starting point of the Government in its marine renewal it has experienced delays and frustrations. Meanwhile Ontario shipbuilding yards remain without a contract, yards that have a proven record in Coast Guard vessel design and construction, yards that have proven themselves in navy refit and repair.

Whatever the cost advantage there was in the original program, it has long since disappeared.

I ask the Department of National Defence to review the cost benefit of seeing men at work building ships and the pride that we all can share as Canada's navy puts out to sea.

* * *

• (1405)

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, on Friday when the Government made the decision on the CF-18 it overturned a bid that was, by a clear margin of 10 per cent, the winner on the basis of technical competence and low price. The rationale given was something called "technology transfer". However, the Government has not given any explanation of what it really means. It has provided no evaluation, no assessment, and no criteria. Perhaps even worse is that, as part of the process, the Government did not give the competing companies any opportunity to make a bid based upon technology transfer.

What is this new technology transfer? In the case of the CF-18 it obviously does not relate to the manufacture of planes

because the licensing is clearly related only to the servicing and maintenance of the aircraft. There goes one argument.

The other argument used by the President of the Treasury Board (Mr. de Cotret) is that only Canadian companies need apply. Does that mean that the new-found interest of the Conservative Government in recruiting foreign investment to help build Canada is no longer applicable? Does it mean that companies are no longer able to provide for this technology transfer if there has been foreign investment in them? I suggest that technology transfer is simply a subterfuge and what we really need is for the Government to come clean.

* * *

WELFARE

DECREASE IN NUMBER OF LOW-INCOME PERSONS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, low-income Canadians are defined as those who spend more than 58.5 per cent of income on the essential items of food, clothing, and shelter. Happily, substantial progress against poverty has been made since the present Government took office. There were 298,000 fewer low-income Canadians in 1985 than there were in 1984.

The National Council on Welfare has pointed out two factors which account for this reduction. These are improved social program benefits and a reduction in unemployment. Obviously the major cause of poverty is unemployment and therefore the major weapon against it is job creation.

Since September, 1984, the Government has provided an economic climate in which over 600,000 jobs have been created and under which the unemployment rate has fallen from 11.7 per cent to 9.5 per cent.

The Government stands committed to alleviating the curse of poverty through the provision of long-term meaningful jobs for Canadians.

* * *

CANADIAN BROADCASTING CORPORATION

FIFTIETH ANNIVERSARY OF FOUNDING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the celebration of the CBC's 50th anniversary this weekend was marred by the fact that in this of all years the CBC failed to account properly for millions of dollars of expenditures.

Let us not be so curmudgeonly as to fail to congratulate the CBC for its many contributions, for being the voice of Canadians speaking to each other and for often winning prizes. All this is done with a budget that is modest by international comparisons.

[*Translation*]

Canadian men and women who work for the CBC deserve a round of applause. The outstanding quality of their programs has earned them the respect of radio and television broadcasters throughout the world. Listeners and viewers, particularly in the remote areas of Canada, appreciate their work and dedication.

The Sauvageau-Caplan report advocates a still greater role for CBC broadcasting in the future.

[*English*]

The millions of Canadians who listen to and watch the CBC will want Parliament to wish it well on its anniversary on their behalf. May it have a computer that really works, better labour relations, more women on the air, and enough money to produce the high quality programming Canadians want and need.

* * *

WELFARE

EXISTENCE OF FOOD BANKS

Mr. Alan Redway (York East): Mr. Speaker, notwithstanding press reports to the contrary, a Progressive Conservative Member of Parliament did attend the National Conference on Hunger this past weekend. I attended the conference because of the growing number of people my constituency office has had to refer to food banks for help.

In 1980 there were no food banks in Canada. The term "food bank" was virtually unknown. Today there at least 94 food banks and hardly a week goes by without some reference to food banks in the media.

The existence of food banks in Canada is a direct result of the high interest rates that brought on the recession in 1981. Although interest rates have been falling and the economy recovering, food banks are not disappearing. We are in danger of food banks becoming a permanent part of our social safety net. That is no reflection on the good intentions of those who work at food banks, or those who donate to food banks. But do we really want to have—

• (1410)

Mr. Speaker: I regret to advise the Hon. Member that his time has expired.

S.O. 21

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

ROLE OF CHARLES PHILION

Hon. Bob Kaplan (York Centre): Mr. Speaker, this afternoon I would like to draw the attention of the House to the role played by a retired member of the Royal Canadian Mounted Police, Charles Philion.

According to *The Globe and Mail*, Mr. Philion found racist elements in the RCMP's personnel policy. He was responsible for revealing the existence of the report and bringing it to the attention of the RCMP Commissioner.

According to the article, Commissioner Simmonds put an end to this policy, and today, I would like to talk about Charles Philion's role in this respect.

* * *

[*English*]

NATIONAL CRIME PREVENTION WEEK

TRIBUTE TO WORK OF COMMUNITY VOLUNTEERS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, this is National Crime Prevention Week across Canada. The Solicitor General (Mr. Kelleher) will be travelling the breadth of this nation from Victoria to St. John's to acknowledge the many activities that are taking place at the community level to make our neighbourhoods safer and better places to live.

Hundreds of programs have been set up across the country. There are thousands of Canadian men and women volunteers who are working to make the crime prevention partnership between the police and the community strong and effective. Volunteer work is tremendously important to our society. One of the most satisfying aspects of the crime prevention partnership is the extent of the volunteer effort that goes into it. We are seeing a resurgence of community level participation addressing a whole host of social challenges. Mr. Speaker, everyone can play a role. Mr. Speaker, everyone should play a role.

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WELFARE

DEPENDENCY ON FOOD BANKS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, New Democrats share the outrage of delegates who attended the Hunger Conference last weekend. It is a national disgrace that food banks have been institutionalized because our social security system does not provide enough income for families. I am appalled that in Vancouver thousands of people must line up at food banks. Many of them are women and children.

At a summer poverty forum poor people told us that welfare must be raised, earnings must be exempted, and parenting must be recognized. We must have affordable housing and child care. Governments must act on several fronts to end poverty. We need aggressive job creation, tax reforms, higher minimum wages, pay equity, and guaranteed adequate incomes above the proverty line. Volunteer organizations should not have to feed hungry people. Governments must act now to eliminate hunger and poverty in Canada.

* * *

NARCOTICS

SUPPORT URGED FOR CAMPAIGN AGAINST DRUG ABUSE

Mr. William C. Winegard (Guelph): Mr. Speaker, some weeks ago the Prime Minister (Mr. Mulroney) suggested that illicit drug use in our country was a very serious problem and was epidemic. Recent information, including a new Gallup poll, confirms that most Canadians are as concerned as the Prime Minister. The Gallup poll indicated that 75 per cent of Canadians agreed with the Prime Minister on this issue.

Illicit drugs are a dangerous trap for all Canadians, especially the young. In that connection it is important to note that both the Canadian Football League and the National Hockey League have begun major drug education campaigns for the youth of Canada. Each of us should support wholeheartedly the efforts of the Prime Minister, the Minister of National Health and Welfare (Mr. Epp), the Minister of Justice (Mr. Crosbie), and the Minister of State for Youth (Mr. Charest) to control this major crisis facing us all. As Members of the House we have a special responsibility, particularly with respect to education.

* * *

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—EFFECT ON REGIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, to achieve regional equality requires strong, bold initiatives by the national Government. In regard to the award of the CF-18 contract to Canadair in Montreal one must ask these questions. What does it mean to the regions of this country? What does it mean to western Canadians? What does it mean to those Canadians in Atlantic Canada?

Is the Prime Minister (Mr. Mulroney) saying to western Canadians: "Go grow your wheat"? Is he saying to the people of Atlantic Canada: "Yes, continue your fishing"? When it comes to diversifying the economies of western Canada and of Atlantic Canada, the Prime Minister and the Government say an unequivocal "No". What does it mean with regard to a program that the Prime Minister initiated called the Atlantic

Opportunities Program? This was a golden opportunity for the Government to put its money where its mouth is. This was an opportunity for the Prime Minister to say to those individuals in Atlantic Canada: "We are going to give you a real opportunity and a real chance to diversify your economy." Shame on the Prime Minister.

• (1415)

Mr. Speaker: I regret that the Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—TECHNOLOGY TRANSFER FACTOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. The Government's handling of the maintenance contract for the CF-18 was unfair to the companies involved in that the standard bidding procedure was not followed. If the question of technology was the determining factor, why did the Government not say so in the first place rather than making it the prime factor only as late as last Thursday or Friday?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, regarding the right hon. gentleman's preamble to his question, I would like to repeat what I said last Friday. There was no change in the bidding process in any way, shape or form. We stood by the bidding process throughout. We went through the bids, through evaluation, through ministerial recommendation, and finally to cabinet action. In no way, shape or form was the normal process subverted.

GOVERNMENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): If technology was not a factor in so far as the companies were concerned until last Thursday or Friday, and the Government of Manitoba was not informed that was the prime factor, why was Canadair not awarded the contract about a year and a half ago, and instead of raising false expectations why did the Government not provide alternative work of equal quality to Bristol and IMP?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I must repeat once again what I said last week. We had two excellent bidders in those two groups covered by our technical evaluation teams. The bids were very close, both technically and as to cost. A number of considerations were taken into account. Given the fact that the bids were very close, we had a choice to make in the interests of Canada as a whole. That was not in any way against the bidding process. We made that choice, and one of the factors was technology transfer which we considered to be important. We made the choice on that basis and we stand by our choice.

[*Translation*]

INQUIRY WHY GOVERNMENT HAS NOT ISSUED CONTRACTS TO OTHER COMPANIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary for the same Minister. If the technology transfer to a company that builds whole aircraft is so important, and since Canadair is the only company of its kind in Canada, why wasn't the maintenance contract awarded a year and a half ago? And why didn't the Government spend the last 18 months obtaining contracts of equal value for companies like Bristol in Winnipeg and I.M.P. in Halifax, to give them a fair break?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think two comments must be made in this respect. First, about the time frame. We observed the time frame set for awarding this contract. The time frame was extended somewhat because initially, none of the bidding groups satisfied all the criteria. We therefore had to make a second call for tenders, which delayed the process for a couple of months.

I also can inform my hon. friend that when awarding contracts, the Government has always made clear it is not anxious to award the contract to the lowest bidder. The call for tender specified that "the proposal would be evaluated on the basis of socio-economic benefits such as Canadian design, development and manufacturing, and the technical support staff used by the entrepreneur."

Mr. Speaker, I think we observed every single rule governing the bidding process.

* * *

• (1420)

[*English*]

NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. In a memo dated October 31 the Director of the Algonquin Radio Observatory stated that due to Government forced cut-backs at the National Research Council, the Algonquin Radio Observatory would have to be closed, with the loss of specialized and unique expertise, and to the severe disappointment of scientists in Canada, the United States, and Europe. How could the Minister justify this ill-conceived closure of the largest fully steerable radio telescope in North America, in view of the Government's stated commitment that research and development would be a major

priority? Is the Algonquin observatory to become yet another Tory graveyard of excellence—

Mr. Speaker: Order, please.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I can only repeat what I said last week, that plans for the refurbishment and extension of the observatory have been postponed and that there will be some cuts to the program. The decision to close the observatory has not been made. I wish the Hon. Member would keep that in mind when he asks his next question.

GOVERNMENT POLICY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, perhaps the Minister could tell the House why the employees have been asked to apply for other jobs. How can the Minister justify the closing of this $40 million world-class telescope to save $1.1 million and to cut 20 jobs at a time when the Prime Minister of Canada has squandered enough money on a prison in his riding, not only to pay for upgrading the Algonquin Radio Observatory—

Mr. Speaker: Order, please. I would ask Hon. Members to confine their questions to a question, not to argument.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as the Hon. Member knows, the Government relies upon the wise counsel of 20 eminent persons who help the management committee of the National Research Council to select priorities in accordance with national priorities. The Council and the management committee have not made a decision on the Algonquin observatory. In fact other alternatives are being considered. I wish the Hon. Member would not be such an alarmist, because it is not very helpful to the morale of the people.

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SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—TECHNOLOGY TRANSFER FACTOR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the President of the Treasury Board. He knows very well that the Government of Manitoba and others think that the process of awarding the F-18 contract was not a fair one and that in some sense new criteria were introduced at the last minute. Was the question of technological transfer an item which was added at the last minute?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I have just answered that question. I told an Hon. Member through you, Mr. Speaker, that from the very beginning of the bidding process there was a clause indicating that consideration would be given to socio-economic benefits, including such terms as Canadian design development and Canadian manufacturing, engineering, and support personnel which would be used by the contractor. In no way does that exclude or preclude considering technological transfer; quite the opposite. I would think that is a very important part of the clause, and it was in there from the very beginning.

Mr. Broadbent: It may well be that the Minister thought that general phraseology included transfer of technology. However, the Minister also knows by now the Bristol Corporation did not think that, the Government of Manitoba did not think that, nor did a number of other people.

TENDERING PROCESS—INCLUSION OF GENERAL CRITERIA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I should like to ask the Minister a question about this important tendering process. He said in the House on Friday, with reference to the future, that the Government would consider spelling out in a more detailed way such specific national concerns. At a meeting I had this morning with representatives of the Board of Trade and Chamber of Commerce of the City of Montreal, they also indicated that they would like a public spelling out of such criteria. In view of those facts, would the Minister now assure us that, before any other tendering process is entered into, there will be the spelling out of such general criteria?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I indicated on Friday—and I stand by what I said—that I would be happy to consider how we could phrase the general clause to which I have referred to accommodate as many people as possible. However, I can only tell you, Mr. Speaker, that when we act in the national interest we do not necessarily have to spell it out. I would think that any responsible Government of the country would act in the national interest. It was in the national interest to ensure that we had the best possible transfer of technology. In our view the group of firms which could best assure that in a very close tendering process involving excellent firms was the group of firms headed by Canadair.

• (1425)

PERCEPTION OF FAIRNESS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister and everyone else in the country know that decisions of this kind are very sensitive and very difficult. Everyone understands that. However, the Minister also knows that such decisions must be perceived to be fair.

With this in mind, when will the Minister be prepared to tell the House something about the proposed change in criteria and about his own commitment to consider making more specific some of the national considerations which were clearly in the Government's mind when it reached this decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, if the Hon. Member is talking about changes to

the criteria in this contract, I can assure this House that there were no changes in the criteria for this contract. The criteria were well spelled out. We followed the bidding process. We had the evaluation, and ministerial recommendations by one Minister before the Cabinet shuffle and by another after. The recommendation was acted upon in due course, after thorough study and evaluation, by the Treasury Board. We followed the process as well as any process can possibly be followed in this field.

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REGIONAL INDUSTRIAL EXPANSION

FUTURE OF AEROSPACE INDUSTRY IN WINNIPEG

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Prime Minister. The spokesperson for Bristol Aerospace said that they may well have to close the aircraft maintenance division, a company which has provided service for the Department of National Defence for over 30 years. The union president says that over 300 jobs could be lost.

What does the Government intend to do to keep the aerospace industry alive in Winnipeg? Can we be assured that the same kind of specious and biased arguments which were used in the CF-18 decision will not be used in the decision on the CF-5 maintenance contract or in judgments on other aerospace industry work?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I, of course, must reject very vigorously the pejorative allusions made by my hon. friend. They are unacceptable and completely inaccurate. The decision was made in the national interest. That having been said, I can assure my hon. friend that Bristol, which is an excellent company, has had a very productive association with the Government of Canada over many years. We will ensure that that association remains productive and beneficial to Bristol.

Mr. Axworthy: Mr. Speaker, I can only say that many people in Manitoba find that decision unacceptable because of the criteria that were used.

WINNIPEG RAILWAY SHOPS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask the Prime Minister a question about the remark of the Minister of National Health and Welfare who said that "Manitoba is owed" as a result of the decision taken by the Government. Does the Government intend to pay its debt to Manitoba, as described by the Minister of National Health and Welfare, by restoring funding for the National Research Centre on Science and Technology and ensuring that CN will do the light hopper work in the Transcona shops in order at least to retain that technology in the city of Winnipeg rather than having it taken away by the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in an ideal situation in matters such as this there would be no losers, there would only be winners. Unfortunately, that is not always the case. As I indicated to the House, these decisions are painful for a national Government because we want, as would any Government, to do our very best for all regions at all times.

As the Premier of Saskatchewan and the Government of Alberta pointed out yesterday, the Government has done an enormous amount for western Canada. I want to assure my hon. friend that we do not consider that to be enough. We have taken and shall be taking many more initiatives on behalf of western Canada, and Manitoba in particular, which I know my hon. friend will be delighted to support.

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MINES AND MINING

NORTHERN ONTARIO IRON ORE MINE—ALGOMA STEEL'S INTENTIONS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of State for Forestry and Mines. It has been reported that Algoma Steel intends to close its iron ore mine in northern Ontario resulting in the loss of thousands of jobs in transportation and tourism as well as in mining. Can the Minister advise the House whether he has been in touch with officials of Algoma Steel? Can he clarify whether this report is in fact accurate?

• (1430)

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, certainly that news report is a source of worry to the Government as well as to the people in that particular community. That operation has had some difficulty for several years. They have made proposals to the provincial Government, to labour, and I guess to some of our Departments, with regard to a package that might preclude its being shut down. Those proposals are under consideration now.

With respect to whether we can verify the truth of that statement, I can only say at this time that there is no formal announcement.

PROPOSALS CONCERNING MINE'S FUTURE

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Minister of Transport. Could he advise the House whether it is his intention to call in officials of Algoma Steel and the railway company involved, who jointly made the proposals to the Government, to discuss with them this week the feasibility of adopting the proposals that they put forward to the Government?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Solicitor General has been in touch with me and other Ministers of the Government and several weeks ago arranged a meeting on this very subject between Algoma Steel and Algoma Central Railway. The lead Department for the Government of Canada in this matter is really the Department of Regional Industrial Expansion. The Department of Transport is also acting in the matter and the Government of Ontario, of course, is also involved. Negotiations are continuing and I have no doubt that, if the Solicitor General has his way, we will do what we can to assist in the situation.

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NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Press reports on the weekend have given support to Doctor Donald Morton's statement to the effect that he had no choice, had no money, and had to cut the telescope program. In a memo dated October 31, 1984, Doctor Donald Morton, Director of the Herzberg Institute of Astrophysics, stated: "It is with regret that I must announce these changes with the loss of dedicated staff with specialized expertise and the need to close a major telescope". Who is telling the truth? arm's length NRC, or the Minister with a hands-on policy?

Mr. Speaker: Order. I would ask the Hon. Member to rephrase the latter part of that question.

Mr. Gauthier: In that case, which version is correct: the arm's length statement of that Director of the Institute who says "We have no alternative, we will close next summer", or the hands-on attitude of the Minister, saying, "We have decided to cut the moneys."?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the decision to modify the program at the observatory and postpone or cancel expansion plans was made by the Management Committee of the NRC on the advice of the council. It is not my decision. My information, after phoning the President of the NRC this morning, is that a decision to close the observatory has not been made.

[*Translation*]

PROFESSIONAL'S FUTURE PROSPECTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I have a supplementary, Mr. Speaker. This morning, the Professional Institute of the Public Service of Canada tabled its annual report in the House, and in it we read: "Canada cannot afford to lose very many qualified replacements for its aging research staff and highly specialized professions." What does the Minister have to say to university students today? What kind of career can they expect? What can they expect from this Government besides cutbacks and program cuts?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, instead of looking at one particular program, the Hon. Member should examine the Government's record in total.

Mr. Gauthier: I have. I will send you a copy.

Mr. Oberle: With regard to universities, we have committed ourselves to a program which will produce a billion dollars of additional funding to universities over the next five years because we believe so strongly that this fundamental research needs to be combined with the task of training our next generation of scientists. That is the kind of program we are promoting.

* * *

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT— BUREAUCRATS' RECOMMENDATION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the President of the Treasury Board. Earlier in Question Period he said that despite the feelings among parts of Canada that the Government changed the rules part way through the game, technology transfer was one of the criteria from the beginning. If that is the case why did the 75 top bureaucrats who examined the bids recommend Bristol?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I believe I have answered this question time and time again. There were no changes in the criteria for the allocation of this contract at any time during the submission process. There were clauses in the initial requests for submissions that were exercised, given the fact that two excellent groups of companies were very close to each other. That was a choice that the Government had and that is a choice that the Government made. The Government exercised that choice in the best interests of the country.

TECHNOLOGY TRANSFER DECISION

Mr. Rod Murphy (Churchill): Does the Minister mean to say that if the Government made that decision on the basis of technology transfer, the government experts ignored that completely? Who made the choice that technology transfer would be better served at Canadair than at Bristol?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, when there are two excellent bidders the terms of the submission indicate very clearly that the Government reserves the right to award the contract to other than the lowest bidder and also reserves the right to consider other

criteria. That is what the Government did. It had a choice and exercised that choice in the best interests of the country.

BID MADE BY THIRD CONSORTIUM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the President of the Treasury Board. The Minister stated on Friday that the decision to award the CF-18 maintenance contract was between two successful bidders, Canadair and Bristol. He also stated that a third consortium was dismissed "because of technical insufficiencies". What were those insufficiencies and when was that decision made to exclude the consortium?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, my hon. colleague should know that I am not at liberty to reveal the details of any commercial submission on any request for bids. Throughout the evaluation process one of the groups of companies was judged to be non-compliant from a technical point of view and was dropped at that point.

Mr. Dingwall: I suggest to the Minister that that particular answer could be interpreted in the most negative way, calling into question the integrity of the bidding process.

REQUEST THAT UNSUCCESSFUL BIDDERS BE REIMBURSED

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on the basis of fairness and equity would the Minister not deem it appropriate to reimburse those two bidders, IMP of Halifax and Bristol of Winnipeg, the full cost they have incurred in submitting proposals for this contract?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer is no.

* * *

MINES AND MINING

FUTURE OF WAWA IRON ORE MINE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of State for Forestry and Mines. The Minister is well aware that the proposed iron ore mine closure at Wawa is apt to cost that part of Canada 6,500 jobs, perhaps even more. He indicated that it was a source of worry to him and others and that he guessed there had been some representation to some of the Government Departments. As the Minister responsible for mines is he aware of the situation and the whole problem associated with the closure at Wawa? If so, what has he done about it and what is he planning to do about it?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Hon. Member can rest assured that I certainly am aware of what has been done as well as what the problem has been in the past. A proposal has been put forward by the company. It involves the province, the federal Government, and labour. We will make an announcement once those solutions are considered by all three parties.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, is the Minister aware of the proposal that has been put to the federal Government and, if so, when can we expect some comment because there is a great deal of concern, particularly among the 6,500 people who are likely to lose their jobs if the mine closes?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, the Hon. Member can rest assured that I am aware of the problems. They are under consideration and, as stated earlier by the Minister of Transport, their consideration involves other levels of government. A potential solution will have to be considered by labour. This is under consideration and an announcement will be made when there is something to announce.

* * *

• (1440)

ADMINISTRATION OF JUSTICE

RESPONSIBILITY FOR PAROLE SYSTEM

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Solicitor General my question is directed to the Prime Minister. Why is the Government taking risks with public safety and with public confidence in the parole system by transferring the responsibility for its supervision from trained professionals in the Public Service to volunteers?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, perhaps I could take that question as notice and ask the Solicitor General to get back to the Hon. Member later on this week.

RALLY HELD IN TORONTO BY PAROLE OFFICERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my supplementary is directed to the Prime Minister. With regard to the rally by parole officers which took place in Toronto on Saturday afternoon, will he give assurance on behalf of the Government that reprisals will not be taken by the Government against those public servants who chose to participate in that demonstration?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Without having all the facts at my disposal, I will certainly convey that representation to the Hon. Solicitor General. I am sure he will be in touch with the Hon. Member.

Oral Questions

NATIONAL RESEARCH COUNCIL

FUTURE OF ALGONQUIN RADIO OBSERVATORY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Last week when I asked the Minister about the Algonquin Radio Observatory, and again today when he was asked questions about the closing of that observatory next year, he denied that a decision had been made. The director of the Herzberg Institute today notified 25 permanent employees that because of the cut of over $1 million to its budget, the observatory will be closed next year and their jobs will be phased out. Will the Minister explain what is happening?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I thought I had explained it. There is a reduction in the program which has been announced. However, the decision on the long-term future of the observatory has not been decided. How many more times can I explain that? The Council is looking for alternatives.

Mr. Orlikow: Given the fact that these people have been given their notice, how can the Minister say that?

USE OF OBSERVATORY'S EQUIPMENT

Mr. David Orlikow (Winnipeg North): Is the Minister aware of the plan that when the observatory, which cost $40 million to build, is closed, the equipment will be cut up and sold as scrap? Is the Minister aware of that plan?

Hon. Frank Oberle (Minister of State for Science and Technology): No, Mr. Speaker, I am not aware of that plan, nor am I aware of any lay-off notices going to any employees. I state emphatically that that has not happened.

* * *

CANADIAN HUMAN RIGHTS COMMISSION

APPOINTMENT OF ANTONIO ARCANGEL TO HUMAN RIGHTS TRIBUNAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Justice, my question is directed to the Prime Minister. In response to opposition questions about Conservative appointees to the Canadian Human Rights Tribunal, the Minister said the issue was competence. Was competence the reason for the appointment of Toronto Tory, Antonio Arcangel, who, in the current issue of *Toronto Life Magazine*, praises the Government of Ferdinand Marcos and its nine-year imposition of martial law in the Philippines by saying: "We were so happy. We would go home at 11 in the evening and have a sound sleep thinking there were no more people making a mess out there". Is that the kind of person we want in our Canadian Human Rights Tribunal here in Canada?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, members of panels who have been selected across the country in the various provinces and regions are all competent and responsible people—

An Hon. Member: How would you know, John?

Mr. Crosbie: —as far as we know—

Some Hon. Members: Oh, oh.

Mr. Crosbie: —and it is unheard of for scattered statements to be plucked out of the air and imputations made about them. It has never been done in this House before and I find it very unbecoming now.

REQUEST FOR INVESTIGATION OF APPOINTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am asking a serious question and I would like a serious answer. Who in this Government is checking the qualifications of people who are appointed to a quasi-judicial tribunal, the Canadian Human Rights Tribunal? Would the Prime Minister personally investigate this appointment, and if in fact the statements attributed to this gentleman in *Toronto Life* are true, will he be thrown off the Canadian Human Rights Tribunal, because we do not want a supporter of martial law on the Canadian Human Rights Tribunal.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Member is a member of the committee in question. If the Hon. Member was seriously concerned—

Ms. Copps: I am.

Mr. Crosbie: —about the integrity and qualifications of these persons, she would not be up slandering them in this House. She would be trying quietly to find out in committee what their qualifications—

Mr. Gauthier: He made the statement himself, John. Come on.

Mr. Crosbie: —and backgrounds are.

Mr. Speaker: Order. I would ask the Hon. Minister to withdraw the word "slandering". I do not think it was necessary and I do not think most Hon. Members in the House feel that way.

Mr. Crosbie: I withdraw the word "slandering" and replace it with the word "disgusting".

Some Hon. Members: Oh, oh!

Mr. Rossi: You are a big joke.

Mr. Speaker: I would ask the Hon. Minister to withdraw that word in view of the context within which it was said.

Mr. Crosbie: I withdraw, Mr. Speaker.

Mr. Gauthier: Good.

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CANADA POST CORPORATION

DENIAL OF SECOND-CLASS MAILING PRIVILEGES TO CHURCH PUBLICATIONS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister responsible for the Post Office who will know that recently Canada Post officials denied second-class mailing privileges to the national publications of the Lutheran and Presbyterian Churches. In view of the fact that other churches continue to enjoy second-class mailing privileges, will the Minister consider instructing Canada Post to restore the privileges previously enjoyed by the Lutheran and Presbyterian publications? And will he ask Canada Post to ensure there is some consistency in the application of its rules?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Post Office is fully aware of the situation. The chairman is presently reviewing the situation and we hope to be able to make an announcement in the near future.

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NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. A few moments ago he said that questions about NRC are hurting morale. I would have him know it is the answers which are hurting morale.

An Hon. Member: It's the evasions.

Mr. McCurdy: If, as the Minister states, the radio telescope is not at the present time to be shut down, when will the decision be made as to whether it will be shut down, and by whom?

Hon. Frank Oberle (Minister of State for Science and Technology): The decision on any program of the National Research Council is made by the board and the management of that Council.

COMMITTEES' REVIEW

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, does the Minister not agree that the NRC Associate Committee on Astronomy and the NCR Management Committee are appropriate bodies to have reviewed the matter of the telescope, as indicated in this memo I hold, and to come to the conclusion that the telescope would be shut down?

Hon. Frank Oberle (Minister of State for Science and Technology): If such a prestigious committee came to that conclusion, I would say perhaps it would be shut down. It would be its decision to make.

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BANKS AND BANKING

ESTEY COMMISSION REPORT—NON-PUBLICATION OF UNINSURED DEPOSITORS' NAMES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Last Friday the Minister of State said that when the Estey Commission was established it was to decide on the question of releasing the names of the uninsured CCB and Northland Bank depositors and that Mr. Justice Estey had decided not to release the names. Can the Minister clarify that answer since, contrary to what was said on Friday, the matter of the uninsured depositors was not in the Commission's published terms of reference and the report is silent on the matter?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the terms of reference for the Estey Commission, as the Hon. Member well knows, are not so broad as to identify every specific item which might or might not be considered by the Estey Commission. The Hon. Member is quite aware of the position the Government took at the time. We decided it was inappropriate for us to release those names because we valued highly the importance of the privacy of individuals as expressed in the Bank Act and the fact that this also is reinforced by the traditions of the Access to Information Act. We know that the matter could have been considered by Mr. Justice Estey. He chose not to do so. I think the matter rests there.

• (1450)

INQUIRY CONCERNING POSSIBLE INTERIM REPORTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister's answer today differs from the answer given by the Minister of State for Finance on Friday. Will the Minister tell the House whether Mr. Justice Estey submitted interim reports? Did he recommend that any portions of his report, or reports, be kept confidential?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Mr. Justice Estey did not issue any interim report, and did not ask whether or not any of his report should be made confidential.

Oral Questions

PORTS

PRINCE RUPERT—FUTURE OF GRAIN TERMINAL NO. 1

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Transport regarding Prince Rupert Grain Terminal No. 1. I am sure the Minister is aware that Price Waterhouse has studied the feasibility of operating the facility and has found that it can be run at a profit. Underwood McLellan has completed an engineering study and has found that the facility is basically sound. Since there is now an offer from Alberta Terminals to purchase and operate the facility will the Minister add his support to maintaining and operating this facility?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a grain elevator and handling facility which is in excess of 60 years old. In 1979 the present Deputy Prime Minister and the present Minister of Agriculture arranged with a consortium for a new elevator to be built in Prince Rupert. The consortium has the right either to have it demolished now, having spent over $200 million on the new facility, or to return it to the Government of Canada. My predecessor went to great lengths to attempt to arouse interest in operating the old facility. There was no interest expressed within the time limit that he indicated earlier in the year, and there is no present proposal before the consortium. I can only say that I will continue to look at the matter, but that is the present position.

REPORTED PURCHASE OFFER

Mr. Jim Fulton (Skeena): Mr. Speaker, over 40 per cent of that facility was built since 1969. The taxpayers of Canada turned it over to the consortium for one dollar. The taxpayers own it. My question to the Minister is very simple. Since Alberta Terminals has offered $14 million for it and since Prince Rupert Grain wants to tear it down at a cost of $3 million, does it not make more sense to keep it in operation handling grains such as feedstock that are not competitive with Prince Rupert Grain No. 2? This would keep people in Prince Rupert, and in the country, working.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, perhaps the hon. gentleman does not understand that an agreement was entered into with the consortium in 1979 and that it expended something between $200 million and $250 million. It has certain rights in this matter as well. I reaffirm what I just told the hon. gentleman. I am advised that there is no concrete proposal with any figures capable of being analyzed or reviewed now before the consortium. That is the present position. There is nothing concrete before it in terms of concrete figures on which it can decide to act or not.

ENVIRONMENTAL AFFAIRS

CONSTRUCTION OF DETROIT INCINERATOR

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Acting Minister of the Environment or such other Minister as may be appropriate. Yesterday we learned that a number of environmental groups in the United States are prepared to go to court to stop the construction of the Detroit incinerator which is causing great concern to so many Canadians because of its lack of environmental control equipment. Will the Government join in such a court action or at the very least will it provide funds to appropriate Canadian environmental groups to join in such an action to prevent this incinerator from being built and threatening the health and safety of large numbers of Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that my colleague, the Minister of the Environment, discussed this case in detail with the EPA Administrator, Mr. Thomas, at their regularly scheduled meeting on environmental issues. Officials of Environment Canada and External Affairs held consultations with Washington on this matter on October 22. The Minister of the Environment and other representatives of the Canadian Government are vigorously restating our concerns on this very important matter.

COURT ACTION CONTEMPLATED IN UNITED STATES

Hon. Herb Gray (Windsor West): Mr. Speaker, if the Minister is not ready to give a commitment to provide financial support with respect to the court action for which I understand there is precedent with regard to the Niagara River problems, I ask the Minister whether he will at least have officials of the appropriate Departments meet with Mark Richardson, counsel to the American environmental groups which are contemplating the court action, to see how the Canadian Government can best support their action which is of such an essential nature to so many Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can tell the Hon. Member that the Government of Canada is exploring all options on this particular issue. We will continue to press our case with the United States, as well as look at those options. I can assure the Hon. Member that his concerns will be expressed to the Minister of the Environment on his return to the House.

* * *

NARCOTICS

GOVERNMENT ACTION TO COMBAT DRUG ABUSE

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Health and Welfare. According to the results of a Gallup poll released today, 75 per cent of

Canadians agree with the Prime Minister's comment that the use of illegal drugs in Canada is an epidemic. Will the Minister advise the House if he intends to take urgent action to deal with this problem as he would with other epidemics? If so, when and what?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Hon. Member has said was included by Gallup in a poll conducted approximately two weeks after the Prime Minister's statement. I think the Prime Minister's statement clearly reflected what a number of us knew as a result of communications we had had with parent-teacher groups and others. It is very clearly confirmed in the Speech from the Throne which includes a drug strategy. For example, the Solicitor General will be making certain announcements in the next few days along this line. There will be others. The Prime Minister's view has been very solidly endorsed by the average Canadian.

* * *

REGIONAL DEVELOPMENT

FUTURE OF WINNIPEG RAIL SHOPS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Prime Minister. It has to do with a comment made by the Hon. Member for Provencher that Manitoba is owed one by the federal Government. Will the Prime Minister tell us when the appropriate Minister in his Government will make a statement in the House about matters that are relevant to the economies of Manitoba and western Canada? For instance, when will we be told that new transcontinental equipment will be ordered? When will the VIA Rail shop in Winnipeg be built? When will the capital expansion of the diesel shop in Transcona happen? We need to know these kinds of things.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the Minister of National Health and Welfare, as an outstanding representative of Manitoba and western Canada, was merely indicating in response to a question that, inasmuch as he is aware of the commitment of the Government to western Canada, he can speak with certainty that there will be future good news for western Canada, and for Manitoba. In that, of course, he is quite right.

AEROSPACE INDUSTRY INQUIRY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, we do not want further news of the kind we have had so far—

Mr. Speaker: Order, please. The Hon. Member gave a very lengthy preamble to what turned out to be a very detailed and lengthy question. Perhaps on his supplementary question he could be direct.

Mr. Blaikie: Mr. Speaker, I would like to ask the Government when the appropriate Minister will make a statement with respect to what will be done for the aerospace industry in Manitoba, and for all the other industries that I listed in my first question. We need to know this.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as soon as possible in all cases.

* * *

[*Translation*]

FINANCE

REQUEST THAT GOVERNMENT RESCIND DECISION TO TRANSFER PRISON LOCATION FROM DRUMMONDVILLE TO PORT-CARTIER

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Minister of Finance regarding a disagreement between the provincial Ministers and the federal Minister of Finance about equalization payments. The fact is that the Quebec Minister of Finance has said he is willing to reduce his demands in an attempt to reach a settlement with the federal Government. My question is as follows: Considering the general opposition in Quebec to transferring the Drummondville penitentiary to Port-Cartier, would the Minister of Finance be willing to recommend withdrawing this decision in order to save many millions of dollars that could be better used to increase the equalization payments Quebec needs so badly?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has referred to disagreements that were encountered during the course of a Finance Ministers' meeting in Edmonton on Friday. I think there was general acceptance that the proposals that were on the table from the Government of Canada were reasonable proposals. There were some Ministers who, I thought, were a little bit unrealistic in the demands that they made, particularly in view of the fiscal position of the Government of Canada. I quite firmly stated to them that we could do certain things to enhance the fairness of the equalization program but that it was not possible to go to the extent of the demands made. In that regard I think that they were quite unrealistic.

[*Translation*]

EDUCATION AND MEDICAL CARE IN QUEBEC—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister of Finance claims that an agreement has been reached and that everybody has come round to his position. However, the facts are there: the Quebec Minister of Finance is not happy with the decisions that were made.

And to get back to my question: Does the Minister really believe he has his priorities right by spending money on

transferring a penitentiary or does he feel that education and health care for Quebecers have a higher priority? That is what I want to know.

• (1500)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member understands the nature of the equalization process. The equalization payment is a totally unconditional payment on the part of the federal Government to certain provinces which are not as well off as others. Those moneys can be used in any way the provinces want to use them, but we have made it quite clear to the provinces that equalization will continue to be a priority of the Government of Canada.

We indicated that the growth rate in equalization payments will continue to be one of the highest of all government programs, and the enhancement that was discussed on Friday would have increased that growth rate even more. It is for that reason that I felt that the provincial Finance Ministers who opposed this were being unrealistic and did not understand, or did not want to understand, the fiscal position of the Government of Canada.

Mr. Speaker: I recognize the Hon. Member for Vancouver— Kingsway on a question of privilege.

Mr. Waddell: Mr. Speaker, my question is directed to the Minister of Transport. I have before me a letter from the British—

Mr. Speaker: Order. Question Period has expired. I thought the Hon. Member was rising on a question of privilege of which I had received notice. Does the Hon. Member wish to proceed with his question of privilege?

Mr. Waddell: Mr. Speaker, I thought I could sneak in one more question. I will ask the Hon. Minister of Transport to return tomorrow and we will take it up from there.

* * *

PRIVILEGE

MR. WADDELL—FAILURE TO RECEIVE COPY OF MINISTER'S SPEECH

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have raised a question of privilege and you have in your possession the letter I wrote to you giving you notice of it. The facts are as set out in the letter. I would just say that the role of a critic in this House, and I have been—

Mr. Speaker: Order. I do not know whether or not the Hon. Member wishes me to hear argument. However, I think it is the right of the Hon. Member to put the basic facts when arguing a question of privilege. I would invite the Hon. Member to exercise his right accordingly.

Mr. Waddell: Mr. Speaker, the facts are set out in the letter, a copy of which has been given to the Hon. Minister and yourself. I would ask you to adopt those facts.

In summary, on October 29 and 30, both myself and members of my office staff tried to receive a copy of the Minister's very important speech on the deregulation of natural gas which was to be given in Calgary. My office was repeatedly promised the document and was told certain things about what was going on that were not true. The result was that the press in Calgary and elsewhere managed to receive a copy of the Minister's speech before I did. The Minister's speech was made available to the press before it was made available to Members of Parliament. I was not asking for an advance copy of the speech but just for some co-operation.

This is a continuing trend. Sometimes speeches are given to the press before they are given to us. I know this has happened on one other occasion.

A critic must respond quickly. When the Minister for International Trade (Miss Carney) was Minister of Energy, she made a point of making speeches available to the Opposition. She was a good Minister. We received a continual runaround from the present Minister's office so that I was not able to respond in the House as critic.

The story came out of Calgary where they are able to control the news. So much as it is possible, they are able to control the news because there was no general critical comment from a federal Member of Parliament in Calgary.

This kind of thing is becoming the trend. It is a breach of the privileges of Members of the House and it is not the way to run a Department. I am sorry to see this happening. The Minister came into his Ministry highly regarded. If this is the way he will act, it is very regrettable and I believe it is a question of privilege.

[*Translation*]

Mr. Masse: Mr. Speaker, I had to work on the text until the last minute, and this explains the delay. Perhaps there was a Translation delay, I have no idea. I can assure you that the text was ready when I gave it. It was ready at the last minute because I corrected it until the last minute, as Minister responsible for departmental policy. It was with this in mind that I revised the text.

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe it is fair for me to say that of all the suggestions made, I find the suggestion that we are controlling the news to be the most amusing. I believe this is an isolated incident. The Hon. Member will know that the Government has made every effort to co-operate with opposition critics on statements by Ministers and on instances such as this. I would suggest that this is not really a question of privilege but an isolated incident. We

will do our best to see that these problems are ironed out in the future.

Mr. Speaker: On Friday, the Hon. Member for Vancouver—Kingsway (Mr. Waddell) very courteously delivered to the Chair a letter setting out extensively the facts of the Hon. Member's grievance. The Chair has considered the facts as set out in the letter and has also listened carefully to the Hon. Member for Vancouver—Kingsway. Hon. Members will note that I invited the Hon. Member to be sure that when rising on an occasion like this, he put at least some of the basic salient facts on the record of the House because the Chair feels that that is helpful. The Chair has also listened to the Minister and to the Parliamentary Secretary.

The Chair is conscious of the fact that this kind of complaint has been made repeatedly over a great many years. All Hon. Members will know that when some who sit on one side of the House sat on the other side, this kind of complaint, taken as a point of privilege, was made.

The Chair feels that the complaint is a serious one, but must advise the Hon. Member and other Hon. Members that in the view of the Chair, it is not a question of privilege. The Hon. Member for Vancouver—Kingsway has heard the statements of the Minister and the Parliamentary Secretary. It would seem to the Chair that there is in both those statements a disposition to say that they regret that the incident occurred. I am sure the Hon. Member can, with that disposition of goodwill evidenced, take the matter up with his House Leader, the House Leader of the Government and perhaps as well the House Leader of Her Majesty's Loyal Opposition. Perhaps together they may be able to work out an understanding so that the Chair will not have to take up the time of the Chamber to deal with this kind of complaint.

In the interests of parliamentary reform and of enhancing the role of the private Member, of committees and of critics, a careful adherence to all of the courtesies that can be exercised would be helpful to the administration of Government and certainly to the mood and attitude in the House. After having been in this new position for one month, I think the Chair can say that Hon. Members of the House have been extremely helpful to the Chair and I thank them for that. I think that helpfulness was exhibited in today's exchange.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 p.m., there were five minutes remaining in the question and comment period following the speech of the Hon. Member for Capilano (Mrs. Collins).

[*Translation*]

I will now recognize Hon. Members who wish to go on with the period of questions and comments. The Hon. Member for Scarborough East (Mr. Hicks).

• (1510)

[*English*]

Mr. Hicks: I would like to comment briefly on the very good speech of the Hon. Member for Capilano (Mrs. Collins) which was made in her regularly imitational style.

Some Hon. Members: Hear, hear!

Mr. Hicks: The Hon. Member alluded to the air transportation tax, which has been increased from 9 to 10 per cent. When that was done, many people living in remote areas were extremely concerned. This Government has recently taken steps to alleviate some of those concerns. I wonder if the Hon. Member would care to comment on those steps.

Mrs. Collins: I would like to thank my colleague for Scarborough East (Mr. Hicks) for his very kind comments. Yes, indeed, the question of the air transportation tax is part of Bill C-14 which we have before us. To begin with, it is important to remember the reason for the air transportation tax. It is a tax which goes toward the provision of airport facilities and navigation services, so it is a tax directed toward specific services.

The Hon. Member will recall that prior to the introduction of the change in the last Budget, there was a transportation tax of 9 per cent without a ceiling. That was a hefty bill for people from the further regions of this country, particularly from the far North where the costs of air transportation can range from $800 to $1,000. What has been accomplished with the new revision is that the rate has gone from 9 per cent to 10 per cent but there is a ceiling of $50 on domestic travel. That means that even if the airfare is $1,000 from point A to point B, the limit of the transportation tax will be $50. That is certainly consistent with our whole approach in trying to make taxation fair. In this particular case it is going to help people who live in the far northern parts of the country or the farthest regions. On the other hand, there is not the same limitation on the tax which went into effect in August on the cost of air travel from outside the country. Generally speaking, you can get such good rates these days, and many of the airlines offer specials, that quite often you can go a long way for $500, which is where the $50 tax comes into effect.

Mr. Riis: I listened with interest to the Hon. Member's speech. It was a very entertaining and exciting presentation. The Hon. Member indicated a concern that most speakers to this debate have regarding the deficit and ways and means of

combating an increasing deficit. The implication was that one of the ways of increasing revenues for the federal Government was by levying these taxes on all types of new items and increasing the levels of sales tax, which is a regressive tax.

I would like to ask the Hon. Member her views regarding the $500,000 capital gains exemption. Does she feel that it is appropriate to have a *carte blanche* capital gains exemption up to $500,000 so that a person who makes money by speculating in land in Florida or Arizona does not have to pay tax on that money or if someone is speculating in the Hong Kong stock exchange and makes profits there of up to $500,000 that one should pay no tax on that? Personally, how does the Hon. Member feel about this provision? To my knowledge such a wide application of exemption from capital gains does not exist in any other country in the world.

Mrs. Collins: I thank my hon. colleague for his comments. I not only try to be entertaining but to be enlightening about the legislation that we are putting forward.

I had the opportunity of commenting on the capital gains exemption a couple of weeks ago when I spoke in an earlier debate in the House. I believe at that time I explained to the House that I felt it was a very important measure and one that had not received as much attention as it should. It is an important tool in encouraging new investment. I would hope that most of that investment would be in Canadian activity, particularly in small Canadian companies. As Members know, other provisions have been brought in during the past year to encourage that as well. I have found that it is often identified as only wealthy people who are going to benefit from the capital gains exemption. To some degree they will. However, ordinary Canadians who have a little bit of money to invest in a penny stock, some other stock, or a piece of property will have the benefit of that growth and the opportunity to reinvest and to spend. That will assist in improving the economy over a period of time. I have certainly welcomed that measure and I think it will be an advantage.

The Acting Speaker (Mr. Paproski): Questions and comments are terminated. On debate.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as we are having this debate, this measure is already in place, because it came into effect in April of this year. It might not harm for a moment to indicate to Canadians what is taking place in terms of a persecution of the consumer by way of increased sales tax. In most of these cases it is invisible because it is incorporated in the price of services or goods long before they reach the consumer.

What we are debating today with this Bill C-14 is an increase of 14 per cent in the sales tax for construction goods. This is an increase from 7 to 8 per cent in the tax rate applied to construction goods. There is an increase from 7 to 8 per cent in the cable and pay-TV services. There is an increase from 14 to 15 per cent in the tax rate as it applies to wine, beer, tobacco, and other alcoholic beverages. There is an increase in the tax rate from 11 to 12 per cent in a number of other taxable goods, which are too numerous to be listed here today. However, the increase taking place now compared to the one which existed before translates into some pretty surprising percentages.

In the case of construction goods, the increase in the tax rate from 7 to 8 per cent means a percentage increase of 14 per cent in the tax itself. In the case of cable and pay-TV services, the increase as a result of this legislation represents an increase of 14 per cent. In the case of wine, beer, tobacco and other alcoholic beverages, it represents an increase of 7 per cent. The increase that applies on other taxable goods is an increase of 10 per cent.

On January 1 of this year we witnessed another increase in the tax rate on manufacturers' sales. At that time we had an increase comparable to what we are debating today. In other words, in the same year there is a double whammy by the Conservative Government to the Canadian consumer by way of applying twice an increase on sales taxes that in the end amounts to the following. There is an increase in the sales tax of 28 per cent on construction goods and similar material and an increase of 28 per cent in cable and pay-TV.

• (1520)

There was also an increase of 14 per cent on wine, beer, tobacco, and the like, as well as an increase of 10 per cent applied to all other taxable goods. If we look at the tax as it was before January 1 of this year and as it is now after two increases have taken place, we understand the decline in the political fortune of the Tories in Canada this year. We also understand why their performance in the polls is so weak, why there is a downward trend, and why their popularity in general is suffering.

We are witnessing a hard year in terms of the application of taxes upon consumers. It is a taxation regime based upon a Tory philosophy which says that everyone, no matter what their income, should pay the same tax. In addition, the tax is not visible at the time of purchases.

It is unlikely that the purchaser of construction goods will pay the tax in the end. It will be consumers at the retail level who will pay for it. In the case of cable and pay-TV services, the subscribers will pay for the increase in taxes. The same must be said about consumers of alcoholic beverages and tobacco. That is the inevitable conclusion at which one must arrive in examining the application of the measure before us for debate.

What is happening in 1986 is a continuing erosion of the purchasing power of consumers by way of the imposition of an invisible tax which hits harder those with lower incomes and much harder those who are below the poverty line. The policy is a typical Tory approach to economics. It reinforces the well known perception about which people on the street speak when they say that Tory times are tough times. It is another example of the application of economics which are regressive in social

terms and are bad *per se* because they diminish the capacity of consumers to purchase and to keep the economy healthful and vital.

Earlier this morning the Hon. Member for Lethbridge—Foothills (Mr. Thacker) made reference to the Bill as being a necessary instrument to pick up the tab for the deficit by taxation. That is the point of departure or the watershed between the Tory approach and the Liberal approach to tackling the deficit. The Tories are trying to tax people in every respect. They have the notion that by doing so the deficit will be reduced substantially. They say that it is a medicine which must be taken to reduce the deficit, the monster which has been described in various interventions on the part of the Conservative Party.

I submit that it is the wrong way in which to reduce the deficit. One does not bring down the deficit by applying a tax which hits the poor hardest and hits the well-to-do least. It is actually an unfair way of dealing with an important measure, that is, the reduction of the deficit. It should not be fought on the backs of those who can least afford it. In that respect Tory Members and those of us on this side of the House part ways in a very dramatic and drastic manner. I do not think they should pick up the tab for the deficit, as the Hon. Member for Lethbridge—Foothills put it, by way of taxation, particularly a sales tax which is applied equally on everyone and therefore hits hardest those who can cope the least.

There are other ways of reducing the deficit. There are other techniques of maintaining the good health of the economy, actually increasing its momentum, increasing the revenues of the state, and gradually coming to grips with a reduction in the deficit itself.

There is an aspect in Bill C-14 about which I should like to comment very briefly. It concerns the ways and means application on page 11a as it affects petroleum products, in particular regular gasoline, unleaded gasoline, and the like. We have the introduction of a tax whereby unleaded gasoline is taxed more heavily with the application of a tax of $0.0036 per litre and the tax on regular gasoline is $0.0032 per litre. In other words, we are witnessing the application of a policy whereby the consumer of unleaded gasoline, that is an individual driving an environmentally friendly type of engine, is being penalized by an ever-increasing tax on unleaded gasoline.

We on this side of the House raised this matter almost a year ago. At that time the Conservative Government had already introduced a taxation measure which applied a greater tax upon unleaded gasoline than upon regular gasoline. In second reading debate—and I believe it was also at third reading—we drew to the attention of the Government the way this could be avoided. We suggested that a tax increase on gasoline ought to be applied with greater emphasis on regular gasoline than upon unleaded gasoline in order to protect the environment. I remember Your Honour was in the Chair and listened patiently to what would be the advantages in environmental terms in the application of a greater tax on regular gasoline than on unleaded gasoline.

I regret to report that the Tories have done it again despite promises and statements made in public. For example, on October 31, 1985, as reported in *The Globe and Mail*, the Minister of the Environment (Mr. MacMillan) proclaimed that eliminating the price difference between leaded and unleaded gasoline might be the best way to end widespread misfuelling. He went on to say that he would co-operate with the federal Minister of Finance (Mr. Wilson) and with provincial colleagues to see whether the disparities in the price of gasoline could not be addressed. Then he extolled about what Canadians ought to do, namely, pay a premium to protect our health. He indicated that this would be a way of protecting the health of our children.

As we know, unleaded gasoline is not as harmful to human health as is leaded gasoline. That was a year ago, almost to the day. However, we find ourselves facing a second increase. This despite representations made to the Government a year ago, and despite promises and declarations of good intentions, which is basically what they remain, by the Minister of the Environment. He seems to be very prone to making promises and impotent in delivering upon them. That is very regrettable because the question of taxation of unleaded versus regular gasoline is becoming a national concern. There is no reason why a Government which claims to be interested in protection of the environment, human health and other resources affected by acid rain, cannot proceed through a change in taxation policy to ensure that unleaded gasoline costs less at the pump than regular. I for one cannot understand why this cannot be achieved given the length of time which has gone by since the matter was first raised.

• (1530)

It is true other jurisdictions, being the provincial Governments, impose taxes on gasoline. It is my fervent hope that the Ontario Liberal Government will be the first jurisdiction to adopt a policy which taxes unleaded gasoline less than leaded. While that process is under way, however, we in this House of Commons have twice witnessed a tax Bill in which this basic fact has been ignored. Therefore I urge Conservative Members who care about the environment in fact as well as in words to register this point in their national caucus. The matter has not been dealt with. It is not right that the gap between leaded and unleaded gasoline would continue to rise to a difference of over 3 cents a litre at the pump. Imposition of the Ways and Means figure I mentioned earlier will result in an even greater differential.

I refer those Members concerned about the reaction of farmers to that excellent clause in this Bill which provides refunds to farmers on the purchase of gasoline. I refer now to Clause 9 as a whole which takes into account the desirability and necessity to compensate farmers, and I suppose it applies to fishermen as well, on the gasoline they consume.

In essence this Government has to come to grips with its economic policy so as to make it jibe with its environmental policy. That has not yet taken place despite the repetitive promises made by the Minister of the Environment. In fact, the Government made a regressive decision by extending the phasing out of lead in gasoline to 1992 instead of 1990. For that reason alone let us at least have a tax policy which will result in a price for unleaded gasoline at the pump which is less than leaded.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. Questions and comments.

Mr. Blenkarn: Mr. Speaker, I was quite intrigued when the Hon. Member first made the proposition with respect to the difference in price between leaded and unleaded gasoline. Is it the view of the Liberal Party that it would consent to an amendment to the Ways and Means motion to increase the tax on leaded gasoline to make it the same price as leaded gasoline?

Mr. Caccia: Mr. Speaker, if the Hon. Member would care to look up the submission I placed on the record at the time of the debate on Bill C-80 he will find the formula and precise percentages which would have to be applied to regular and unleaded gasoline in order to bring about this switch without a loss of revenue to the Treasury.

Mr. Blenkarn: The Hon. Member will of course realize that the whole question of taxation is changing given our tax reform proposals. This Bill is really a temporary Bill. The only easy way of doing this would be to have an identical tax on gasoline, whether it be leaded or not. Therefore I ask him again, will his Party consent to an amendment to the Ways and Means motion so that the particular schedules concerned can be amended at a later stage in the proceedings?

Mr. Caccia: Mr. Speaker, I went to committee on Bill C-80 with an amendment. I was not granted the opportunity to submit it there. I did submit it as an amendment on third reading in a detailed manner. It is in *Hansard*, and all the Hon. Member has to do is to look it up. It can be done if there is the political will to do so. I urge him, though, not to confuse this Bill with tax reform. I doubt very much, and I think deep down he does too, that tax reform and the imposition of taxes on gasoline will have very much in common. This tax, once it is in place, will be hard to remove no matter what kind of tax reform you engage in. If we are going to have tax reform, it will be Tory tax reform and I am very suspicious of it.

The Acting Speaker (Mr. Paproski): Since there are no more questions or comments, debate.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I am sure Canadians are not overjoyed today, listening to a parliamentary debate a proposed sales tax increase on certain products. No taxpayer in his right mind appreciates paying more for any product, good or service he might consider buying.

Still, Mr. Speaker, Canadians readily admit that the existing situation could not last any longer. Canada was sliding down a dangerous hill, heading full speed for a bottomless pit. Under the previous Government, the gross national debt increased by 50 per cent in only a few years, and debt servicing soared by 85 per cent.

More specifically, the deficit rose from $14 billion to $27 billion between 1981-82 and 1982-83, almost doubling in a single year.

Mr. Speaker, we probably cannot repeat it too often.

• (1540)

Our annual budget is now $116 billion, and every time Canadian taxpayers are presented with a new Budget, they should realize that there will be a shortfall of nearly $30 billion—yes, $30 billion—in revenue to balance the budget, which means that we are spending more than we get in revenue. This shortfall is now $28 to $30 billion annually, but if we had not intervened, it would be as much as $38 to $40 billion annually, nearly $10 billion more per year. The annual deficit was close to $40 billion, as it was during the last year of the previous Government's term. This administrative disaster led us to apply sounder management practices aimed at reducing the rate of growth of the deficit, which we wanted to see below the growth rate of our economy.

The purpose of Bill C-14 is to achieve that goal through legislation that will generate revenu and at the same time reduce our expenditures. The tax increases produced in this Bill represent 30 per cent of our deficit reduction program, while spending cuts represent 70 per cent. Exactly what kind of revenue are we talking about in Bill C-14? Seven hundred million will be raised by increasing federal sales tax during the 1986 fiscal year, rising to $1.05 billion in 1987. Excise tax will produce $125 million in 1986, and twice that much: $250 million, in 1987.

However, there are other reasons as well for increasing our revenue and bringing down the deficit. Ninety-three per cent of the present deficit arises from interest payments on the amounts we borrow to finance the previous deficit. Yes, Mr. Speaker, 93 per cent of our present deficit consists of interest payments on the money we borrow to pay off the previous deficit.

We also want to maintain our basic social programs. Consider the child tax credit Canadian families will be able to claim this year. In fact, Canadians with incomes of less than $15,000 will be able to claim $300 per child in November. Furthermore, the child tax credit will be increased by $70, which will raise the credit to $524 starting next year.

Job-creation programs are also very important, and we are allocating $4 billion over two years to job creation through our six job-strategy programs.

Farmers will also benefit, Mr. Speaker, through a reduction in tax on the gas they use in their farm operations. This is the kind of assistance they need and the kind we are giving them.

Mr. Speaker, another very important measure, one we implemented in the last Budget, is the $500,000 capital gains tax exemption.

Mr. Speaker, I still remember that very recently some Canadian farmers told me how much they appreciate the $500,000 capital gains tax exemption. Mr. Blackburn, they said, you know, we were no longer even able to give or sell our farm to our children. It was viewed as a capital gain and we did not even have the money to pay taxes on it. Thanks to the tax reform—our tax reform—now we can do that, let our children take over and keep the farm going. This $500,000 capital gains tax exemption is a measure which Canadians really appreciate.

A number of other Government initiatives bear fruit as well, and this would be a good opportunity to raise the matter of employment. When we came into office the unemployment rate was 11.7 per cent, today it is down to something like 9.5 per cent. We have created 595,000 jobs since we took over in 1984, which works out to 24,792 jobs a month against 7,345 under the previous administration. In other words we are creating three to four times as many jobs each month. Three to four times as many jobs a month has to be some kind of an achievement, Mr. Speaker, a significant figure which Canadians should be aware of. It is still not enough, of course, what with an unemployment rate of 9.5 per cent, an improvement but still not enough by a long shot. We must keep up our efforts and, as a responsible Government, that is exactly what we are doing. We are always coming up with job-creation policies, ever on a quest for a fresh approach to this problem.

Mr. Speaker, Canada's economic growth is another challenging issue. In terms of economic growth, Canada ranks second among the 24 OECD member countries. It is indeed a promising performance. This means that, on 24 countries, Canada had the second best record for economic growth and job creation. That is an important factor and it must be taken into account.

Let us speak also about the announced tax reform. Our Government has said that it would examine the options offered for an in-depth tax reform. We remain committed to our objective of implementing a simpler, fairer and more efficient tax system. Our review deals with the relationships between the three major components of federal taxation, that is direct personal income tax, corporate income tax and the sales tax, and their role in meeting our tax reform objectives in Canada. Our Government has established major principles to promote the debate in coming months as well as public input on reform options. In fact, what we want is more equity in the tax system. Our taxation system must ensure an equitable distribution of the tax burden among all taxpayers. This means that taxpayers in the same situation must be covered by the same taxation system, that all high income individuals and all profitable corporations must pay their fair share of taxes and that similar products must be subject to the same sales tax rate. The sales tax burden must be distributed more equitably among goods and services and the sectors which produce them, which is not the case now.

When we talk about a tax reform, our objective is to reduce the personal tax rate and perhaps to increase the corporate tax rate. I refer to an article by reporter Vincent Cliche which appeared last October 29 in the newspaper *Le Soleil*. The author had this to say: Yet it has become necessary to review the method of taxation in Canada, first for a very pragmatic reason since the United States have already completed their own reform which will come into effect in 1988. The attraction of simplicity could incite many corporations or taxpayers in Canada to opt for the American system and to decide to pay their taxes in the United States. It is therefore important for us to join in this process. However, the major reasons for an in-depth review of the tax system, as everyone including the Minister of Finance (Mr. Wilson) himself recognizes, is that Canadian taxpayers pay too much in taxes, to the extent that the percentage of federal tax revenue from personal income tax has been increasing constantly in the last 25 years to reach the present figure of 50 per cent.

Finally, the tax burden balance between lower and higher income earners, between individuals and corporations, has been greatly jeopardized by the gradual introduction of tax shelters.

This is therefore a major tax reform, and I think that Canadians are happy to see our Government undertake such a reform.

While we are on the subject of Government policy, I should like to mention the one that was made public over the past weekend concerning a major contract which was awarded to Canadair for the maintenance of F-18 aircrafts. Mr. Speaker, there was a difference of less then 3 per cent between the Bristol Aerospace and Canadair. Our Government acted in Canada's best national interest when it decided to grant this contract to a Montreal corporation. I must say that even if this decision is difficult to accept for a province, I suggest that, under the circumstances, Canadair being an airplane manufacturer, it will fully benefit from this high technology transfer.

With this in mind, our Government decided to award a $104 million contract for three and a half years to Canadair. Over the weekend, a great many Canadians have congratulated our Government for its choice, a choice which was both difficult to make and of great importance in view of the high technology involved in this maintenance contract for F-18s.

Mr. Speaker, perhaps we should talk about the inflation rate, which is still around 4 per cent. This is part of this Government's performances, as is another one our policies applying to 185,000 widows and widowers aged 60 to 64, who can now get the spouse's benefit. This is very important.

There is of course something else that we might be able to implement and I am thinking in particular about single people who are in the same predicament and unfortunately cannot

benefit from it. In order to extend that, and of course I do not think there is one single Member here who would not wish we could give more to Canadian men and women in need or facing difficulty. But we need money for that, and it is not always possible to act as and when we would like to.

Mr. Speaker, I would also like to recall that during the summer, when the Quebec Caucus met in the Beauce area, it was my pleasure as a Member for Jonquière to present to my colleagues a working paper on voluntary retirement at age 60. This is another policy I know would be most popular with Canadian men and women. It would have the additional benefit of opening jobs for our young people who are looking for employment or are trying to get into the labour force after graduation, or for fathers or mothers aged over 40 who very often have difficulty re-entering the labour market.

Mr. Speaker, we now have 1,160,000 Canadian men and women aged 60 to 65, and I was recommending that gradually, over a five-year period, we implement a policy of voluntary retirement under which in 1988, for instance, people aged 64 could go on early retirement; in 1989, it would be those aged 63, in 1990 those aged 62, and so on and so forth. This would mean that Canadians who so desire, who have worked hard, could decide on a well-deserved retirement to allow young people who would like to work to get into the labour force. Mr. Speaker, it is a sad situation for Canadians, or for young people aged 20 to 25 to be jobless. And I can tell you that as Members of Parliament, we regularly have those people coming to our offices to discuss the problem. They would like us to introduce more measures to help young people get on the labour market and be entitled to a job, which is so rewarding for everyone.

Mr. Speaker, I mention that because it is important and it is part of this Government's policy, because we are trying to implement those policies, and in order of course to do that we need more revenues, and to make the Canadian economy work better and to continue reducing the deficit.

Bill C-14, the Bill we are considering today, has a disagreeable side for Canadians because we are going to increase sales tax in certain areas. People should realize that the money we raise in this way, $700 million this year and $1.05 billion next year, will enable us to sustain the social policies we are introducing now for the benefit of Canadians. I am sure they agree with what we are doing, Mr. Speaker, to put our economy on a sound basis and steer a straight course so that pretty soon, instead of an annual deficit of $30 billion, we will have a balanced budget within several years.

Mr. Speaker, I want to thank you for this opportunity to speak to Bill C-14 and the various sales tax increases it entails, and those were my comments on the subject.

• (1550)

[*English*]

Mr. Hovdebo: Mr. Speaker, the Hon. Member spent a considerable amount of time talking about the deficit and defending the type of tax proposed in this Bill.

The Auditor General has suggested that the Government of Canada has forgone billions of dollars in tax expenditures in various forms of relief mostly to corporations. In years past this has amounted to considerably more than our deficit and this year it amounts to $28 billion, which is as much as our deficit this year.

Would the Hon. Member agree that a better source of funds to reduce the deficit in a more effective way would be to ensure that all or part of the tax expenditures of corporations are tapped by the Government? According to the Auditor General's Report from last year, these tax expenditures amounted to between $23 billion and $50 billion. This year, the Auditor General specified that at least $28 billion was forgone by the Government in this way.

[*Translation*]

Mr. Blackburn (Jonquière): In my opinion, Mr. Speaker, the question raised by my colleague does underscore or indicate how imperative a tax reform has become in this country. A good many tax shelters are now allowed, yet Canadian taxpayers must pay ever more taxes as years go by. The tax reform we are about to embark upon will undoubtedly deal with the tax shelter issue since the proposed reform would advocate higher corporate taxes and a lighter tax burden on Canadian taxpayers.

Needless to say, the Auditor General's report has raised this important issue and, as it happens, one of the recommendations of this Government is to implement a tax reform which should benefit all Canadian men and women.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Trade—Canada-United States negotiations—Economic Council's projection; the Hon. Member for Churchill (Mr. Murphy)—Unemployment insurance—(a) Pay-outs in Atlantic Canada. (b) Request for Government guarantee; the Hon. Member for Trinity (Miss Nicholson)—Finance—(a) Sales tax—Effect on disposable income. (b) Personal taxes—Request for rollback.

• (1600)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Prince Albert): It seems to me, Mr. Speaker, that we spend an inordinate amount of time discussing the deficit and the methods of reducing it. The Hon. Member who just spoke indicated that the main reason for the establishment of Bill C-14 was to reduce the deficit and that the time is now. I do not believe anyone in this House does not recognize that the deficit is a major problem. We operate under a financial structure where our financial institutions are the strongest organizations in Canada and they will continue to take their pound of flesh regardless of the economics of the country and how much it hurts us. Therefore, we have to take seriously the fact that the deficit costs us $20 billion to $30 billion a year to service.

The point we should make clear as often as possible is that there are ways of dealing with the deficit other than nickel and diming us to death with sales taxes on every little item a consumer purchases. The sales tax in any form is a regressive tax. It takes the same amount of money away from persons who are trying to live on $7,000 or $10,000 a year as it does from the person who earns $100,000 a year. Since we all consume approximately the same amount of most items, this is not a fair way of dividing the burden. All Parties in this House and every Government in Canada has recognized that there is some value in having a progressive type of tax. But that progressiveness is being attacked by the Government with the Bill which is before us today. Progressive taxation means that the person who is able to pay the most, pays the most. A regressive tax is a tax which it is necessary for the individual to pay regardless of how much he earns. Therefore, every time tax is put on a loaf of bread, whether the bread is purchased by someone on welfare or someone who receives a very small wage, they will have to pay the seven cents, eight cents or nine cents, whatever the tax amounts to on that loaf of bread, in the same way as a person who earns $100,000. Of course, that tax affects the low wage earner a great deal more than it does someone who earns a good wage.

It seems to me that when the Government uses these sales taxes, these hidden taxes, to a large extent, in its attempt to reduce the deficit, it is being cowardly in its approach. It is unwilling to say to those who earn a great deal of money that they should pay. It chooses instead to hide the tax so that everything which is purchased will contribute to the reduction of the deficit. The Government thinks this will not be noticed by most individuals because when one goes to buy a loaf of bread, the fact that it is two cents or three cents more expensive will not really be a factor because that loaf of bread will still be purchased.

It is of great concern to me, to members of my Party and to many people across the country that this Bill deals not with who is able to pay but only with the collecting of money. It does not recognize that Governments have a social responsibility to even out the amount of money which people live on.

Two weeks ago the Minister of Finance (Mr. Wilson) rose in his place and promised he would make some changes in the taxation structure to make it more progressive and fairer for ordinary Canadians. But today we are debating a Bill which does exactly the opposite. This Bill is not fair to ordinary Canadians and will make it more difficult for the Canadian family to survive. What makes it more of a problem is the fact that the Government has shown that this is not something new it thought up last week. This is a policy which it has carried on for two years and intends to continue to carry on. In the first two years of this Conservative Government, instead of introducing a fairer taxation system, it has increased the amount of taxes to be paid. It has made the system less fair than it was before. There were quite a few problems in the tax system before the Government came to power but instead of doing what it said it was going to do in its campaign speeches before it was elected, it has continued to increase the complexity and the unfairness of the tax system. The Government in the two years it has been in power has added something over $800 per family in direct taxes. It has also added a considerable amount in regular income taxes. So that a family of four who thought they were doing pretty well two years ago, unless they received a 7 per cent increase in income per year, is earning less today. That problem is being perpetuated by this particular Bill.

The Government has a propensity for using hidden taxes. Sixty-nine per cent of the tax increases in the last two years have been in excise and sales taxes and only 31 per cent of the increase of money taken in has been in income tax. The Government suggests there are a lot more people earning a better wage than before, at least it keeps telling us that. I think it is important to recognize that the Government is speaking from a certain position. It is likely to continue to develop its tax structure in that way regardless of how much it says it will improve it.

• (1610)

We have suggested that the Government increase the corporate tax rate. I was not surprised to hear the Hon. Member for Trinity (Miss Nicholson) defend the corporate tax structure—the Liberal Party has been doing that for many years. The Government is now suggesting that it will increase corporate taxes. The Hon. Member for Lethbridge—Foothills (Mr. Thacker) seemed to express some concern with respect to that point. We must recognize that if corporate taxes are increased it is likely that there will be some adjustments passed on to consumers. Tax on corporations is tax on income which

cannot be avoided in quite the same way that other taxes can be avoided. If a corporation makes more money by gouging the consumer then it will have to pay more tax on the extra money it earns. We recognize that this extra money may be used to increase profits. If that happens then a law which is in place in the country will have to be utilized when it is obvious that corporations are gouging consumers.

The Minister of Finance has suggested that what the Government will do is to close the loopholes and eliminate some of the tax expenditures which the Auditor General suggests costs the Government some $28 billion per year. If this is done, the Government will be able to take advantage of this forgone money and increase the income of the Government. Consequently, it can do what it spends so much time telling us it will do, that is, reduce the deficit.

Today I had the fortunate—or unfortunate—adventure of looking into what is happening to the farm community in Saskatchewan. As Hon. Members know, the Government in the last year established the Farm Debt Review Board. Maybe it has not helped the farmers much as yet. There is even some suggestion that it may not help farmers. However, it has done one thing. It has made available statistics about farm foreclosures. For instance, statistics from the Farm Debt Review Board, which is in place in every province, show that there were 1,233 notices by financial institutions of intention to foreclose against farms in Canada between August 5 and October 16, a matter of just over two months. I was a little shocked to find out that Saskatchewan accounted for 677 of those notices. In other words, more than one-half of those notices were filed in the Province of Saskatchewan. The rest of the country is also in bad shape. For instance, Alberta had 217 financial organizations file against farmers. Manitoba had 110; Ontario had 142; Quebec had 42; and there were 27 in New Brunswick. Little Prince Edward Island even had 12 financial organizations file against farmers. The same is true in the case of British Columbia.

I make the point that even as the Government puts in place what it says may help farmers, it brings in this Bill which affects every item a farmer buys. It affects every item which is necessary for production. Today farmers will tell us that it is input costs which are killing them. I refer to the cost of fuel, the cost of money, fertilizer and chemicals. These are costs which are making farming less profitable when one considers the low prices farmers receive for the commodities which they produce. The Government talks about how it will help the farmer through the review board and other measures while at the same time it puts forward a Bill such as this which will cost the farmer even more money. I use farming as an example, but this measure will affect every industry in the same way. Each time direct taxes are increased input costs are increased. This in turn makes it more difficult for industries to make profits.

Over the last few years the effect of increasing input costs without increasing commodity values has decreased farm incomes to the extent that there have been 1,233 filings with respect to foreclosures in a matter of a few months. That is only a small part of what will happen to the farming community. I suggest that what the Minister of Finance is doing through this measure is playing a shell game with the taxpayers. He is telling them that he will shift the tax burden and reduce the amount of income tax they must pay. Taxes may disappear momentarily, but in the end they will return in larger amounts than ever before.

Instead of this shell game which moves taxes from income to direct taxes the approach should be much more worth-while. If the Government continues in this approach it will not be long before we will be penalizing the poor and ordinary Canadians to the extent that we will be paying much more in terms of welfare. We will be increasing the number of food banks necessary to keep people alive. The taxation process that is being put into effect through this Bill will contribute to this.

• (1620)

I believe the direction that is being taken is wrong. Instead of trying to increase direct taxation, the Government should take the advice of the Auditor General and eliminate as quickly as possible tax expenditures from corporations.

Mr. Murphy: Mr. Speaker, the Hon. Member for Prince Albert (Mr. Hovdebo) spoke eloquently of the problems faced by farmers. I wonder if he would spend a few moments explaining to us about the things he thinks could be in tax legislation that would be of direct assistance to the farming community not only of Saskatchewan but of Manitoba, Alberta and elsewhere in Canada.

Mr. Hovdebo: Mr. Speaker, I used the example of farmers being affected by this type of taxation, but this example must be extended to every ordinary Canadian. If the only thing the Government will do is to increase the price of goods used by farmers, it will increase farmers' input costs. If the Government were to pick one particular industry to do something about, it should make the inputs to that particular industry exempt from tax. The Government has done this in the area of fuel. The tax paid on fuel by farmers is only a small percentage of a cent after receiving the rebate. If that rebate applied to all other inputs, there would be some effect on the cost of production on each farm.

Mr. Riis: Mr. Speaker, I wonder if the Hon. Member would shed some light on a question that has been arising in the House for many years and that is the matter of the hesitancy of the Government to move on the definition of a farmer for taxation purposes. I know the question about Section 38 of the Income Tax Act has been raised here for as long as I can remember.

Perhaps I could ask the Hon. Member to indicate whether or not this matter is still a problem and why it is that the Government seems to be taking so long to take action on this matter. The Government is two years into its mandate and has still taken no particular action on defining Section 38 of the Income Tax Act more precisely.

Mr. Hovdebo: Mr. Speaker, Section 38 supposedly defines a farmer as a hobby farmer, a part-time farmer or a full-time farmer. As long as a farmer makes money, the Government is willing to call him a farmer regardless of how much or how little he makes. It is when he starts losing money that the Government starts changing its rules.

As soon as a farmer loses money, the Government says that he cannot deduct the money he has lost because he is not a farmer. It tells the farmer that farming is just a hobby with him and he has spent that money for his own enjoyment. That problem must be faced and it must be faced very quickly.

As I indicated, 677 people are faced with foreclosure. That is an indication of what is happening to farmers. More and more farmers are getting jobs off the farm so that they can survive. If they make more money off the farm than on it because of the economic structure of agriculture, then the Government tells them that they are no longer farmers and therefore cannot deduct their losses against their incomes.

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is a pleasure to speak on this Bill. A number of Hon. Members have spoken about what the Bill is about and what it is not about. If I may, I would like to discuss what the Bill attempts to do and why it attempts to do it. Then, since members of the other Parties have raised a number of questions about social policy, I would like to spend most of my time speaking about what we have done in that area of great importance to many Canadians.

Some Hon. Members say that it does not contain too much good news, but the good news in the Bill is that it provides a one-year extension of the fuel tax rebate for primary producers. The rebate will go from three cents per litre to 3.5 cents per litre. We believe that is important in that it fulfils a commitment made by the Prime Minister (Mr. Mulroney) to the primary producer sector which, as you know, Mr. Speaker, is in great difficulty.

The Bill is designed to raise revenue. We are chronically short of revenue thanks to the 15 or 16 years of financial mismanagement on the part of the earlier Government. The Bill will generate approximately $700 million in the present fiscal year and about $1 billion in 1987.

It is a little known fact that about 93 per cent of today's deficit has accrued as a result of paying interest on money borrowed to finance the previous Government's accumulated deficits. That, of course, has led to higher interest rates. Interest rates are decreasing, but they are not low enough yet. The deficit has led to a weaker dollar, and I would point out that about $90 billion is owed by Canadian provincial Governments, the federal Government, Crown corporations, private citizens and corporations to external creditors.

Maintaining a strong dollar and keeping interest rates as low as possible are two things which are very important to Canadian men, women and children. The national debt is close to $250 billion. The mountain of red ink in which we find ourselves impairs our ability to provide better and richer social programs to citizens who need them. We are trying to spend smarter. We are trying to eliminate waste and unnecessary programs. We are trying to sell off some Crown corporations and we are trying to help low-income Canadians.

I believe our social programs are excellent. Someone has said that a rising tide lifts all boats including human boats. The creation of jobs is probably the most important social policy we can have. We have created fully 595,000 jobs since we were elected in the 1984 election. The national unemployment rate was 11.7 per cent on election day. I am happy to confirm that last month, it was 9.5 per cent. I know, as do other Members from western Canada and the Maritimes, that the unemployment rate is still too high in our own regions but over-all, jobs are being created at an average rate of about 25,000 per month.

More than 75 per cent of the jobs that have been created since we took office are full-time jobs. Youth unemployment nationally has dropped by fully 112,000 since the election or, in percentage terms, from a dreadful 18.4 per cent to about 15 per cent. Of course, it must still drop further.

Fully 328,000 more women across Canada were working last month than in September 1984. The unemployment rate for women across Canada has dropped from 12 per cent at the time of the election to 9.7 per cent now. I understand that employment has increased and unemployment has decreased in all 10 provinces since the election. This is small comfort to an unemployed constituent of yours or mine. While door-knocking about 10 days ago, I met a person from the oil sector whose income had dropped from a salary of $4,000 a month to $1,000 a month in unemployment insurance benefit. That is a very difficult thing for him to go through. He, you, and I are all grateful for the unemployment insurance safety net.

• (1630)

My point in citing these figures is that creating a social, business, and investment climate where jobs can be created is a central feature of our social strategy on this side of the House. More jobs are still needed, especially in the west, Quebec, and Atlantic Canada. Unlike our political opponents, we have already shown considerable success in creating a climate where jobs are being created in good numbers. My colleague, the Hon. Member for Jonquière (Mr. Blackburn) mentioned that the OECD forecast that this year Canada will have the best employment growth rate of any major industrialized country of the 24 OECD countries. It is this political Party on this side of the House more than any other that cherishes the inherent dignity and worth of each individual Canadian. Our Party does not look at our fellow citizens as being members of this consumer group or that production unit. We see people as individuals created by a creator who must never again be treated by Government as objects, units of production, or the like. From that perspective comes true compassion and help for disadvantaged Canadians.

Let me illustrate what we have already achieved in three areas. First, with regard to disabled persons, there has been a

substantive increase in funding for the participation program which encourages self-reliance, self-determination, and self-managment by disabled Canadians. The Walter Dinsdale Information Centre for Disabled Persons opened in Calgary in April, 1986. There were new measures designed to improve access for disabled individuals to federal Government buildings. There was an increase in the maximum housing renovations program for the disabled to $5,000 from $1,500. There was a significant broadening of the definition of "disabled person" in the Income Tax Act for purposes of eligibility for the $2,590 disability deduction, which is expected to add about 120,000 disabled persons to the current claimants. I am very proud of that record for disabled Canadians.

Second, with regard to seniors, we have extended the spouse's allowance to more than 85,000 low-income widowed persons who are mostly women, aged 60 to 64, regardless of the age of their spouse at the time of death. We have significantly enhanced pension and other benefits to our veterans and their spouses. Pension plans in federally-regulated sectors are to be improved by our legislation on such issues as portability, benefits for part-time employees, and equal benefits for men and women. Proposed changes to the Canada Pension Plan will improve it in terms of its future financial health, benefit elibility as early as age 60, increased disability benefits and the continuation of survivor benefits upon remarriage. Many seniors will benefit from our new definitions of "disability" for purposes of the Income Tax Act. A further 350,000 senior taxpayers have been exempted from having to make more tax instalment payments. Thank goodness for that. We have increased flexibility in using funds accumulated in RRSPs and removed the maximum limit on registered retirement income funds. We have funded over 1,900 New Horizon Program projects in one year alone.

Third, with regard to women and families, about 10 days ago in the House we debated our child tax credit proposal, under which will hopefully next month send a prepayment of $300 per child to approximately 700,000 families whose income in 1985 was $15,000 or less. More than 4 million families with incomes of less than $15,000 will also receive a refundable sales tax credit of $50 for each adult and $25 for each child.

We are committed to economic and social equality for women. The latest issue of *Chatelaine* magazine provides a pretty fair assessment of some of our initiatives. More is needed, but we are making headway in some important areas. The recent Throne Speech outlined a number of initiatives to protect and enhance Canadian families, which are the cornerstone of our society. Unfortunately, they are probably more under attack now than at any point in Canadian history. We will move on pornography. This is simply hate literature against women, children, and the family. Its linkage to increased crimes against women and children is pretty clear. Robert Lunney, our Police Chief in Edmonton recently pointed out that you can obtain video tapes in Edmonton which advocate incest. Is it any wonder that there were a reported 17,000 sexual assaults in 1985 alone across Canada?

For the first time in history, we will initiate a national drug strategy against illegal drugs. Can anyone in the House doubt that a $9 billion to $10 billion a year illegal drug industry is at the epidemic level? I note that, as was mentioned earlier in Question Period, according to Dr. Gallup about 75 per cent of Canadians think that it is at the epidemic level, as was pointed out by the Prime Minister (Mr. Mulroney).

We have already moved against street soliciting, primarily because of the Hutt decision which in effect said that it is virtually impossible to be found guilty of soliciting in a public place. This created many juvenile prostitutes of both sexes. Once the new law is finally upheld by the Supreme Court of Canada, which I am certain will be the case, it will reduce the number of young boys and girls who enter this self-destructive and brutal occupation.

In short, we believe that deeds are more important than words in matters of social policy. We have already done much. We will do a great deal more. The Bill itself before the House is part of a mosaic of raising more money to enable us to do more things to help Canadians in distress and in difficulty to cope with problems that they need help with.

Mr. Sergio Marchi (York West): It gives me great pleasure to rise this afternoon to address the House of Commons on Bill C-14, an Act to amend the Excise Tax Act and the Excise Act.

I listened with great pleasure to the speaker before me who was representing the Government side on this particular piece of legislation. Perhaps it conjures up comments made by a colleague of his. I used the past tense because he is no longer a member of the Conservative Party or the governing Party. He is the Member of Parliament for Terrebonne (Mr. Toupin), who now sits as an independent. One of the many reasons that Member of Parliament prefers the independent category as opposed to the Party of the governing side is that, in his own words, he believes that the Conservative Government is essentially a Party of the rich, a Party very much interested in the elitist category of this country and not a Party of the people. Using his own definition, he felt that he and his principles and the values represented in his riding precluded him, and perhaps impelled him, not to sit as a member of the Government Party but to seek his independent category and thus better represent the aspirations of his own constituents.

When you look at Bill C-14 you see the facts behind the reasons for the Member of Parliament for Terrebone and the very difficult decision that he must have had in switching from the governing side to that of independency. Bill C-14 states that the federal manufacturers' sales tax increas on construction goods goes up from 7 to 8 per cent. On cable and pay-TV services it goes up from 7 to 8 per cent. On alcoholic beverages and tobacco there is a rise from 14 to 15 per cent. On other goods there is a rise from 11 to 12 per cent. There is an alcohol and tobacco excise tax, as I earlier indicated. There is an airport transportation tax. There is a telecommunication

program service tax. There is a motive fuels tax. And on and on.

• (1640)

Basically, Canadian citizens are not advocating that taxes should be going down. All Canadians, including Members of the House, know that if taxes are to go anywhere, they will go up, or remain the same. That principle is accepted by Canadians from the Atlantic to the Pacific as long as the tax burden is fair and equitable and as long as taxes are applied in a way Canadians can accept. Canadians must know that they are being asked to shoulder expenses incurred by a federal Government which wishes to do well for the citizenry across the land. Canadians accept that principle if all taxpayers are being asked to shoulder the same burden, proportionately speaking. However, there is great concern about the philosophy of the Conservative Government that some people should pick up a bigger piece of the tax burden. Some individuals are being asked to shoulder disproportionately the burden of taxes.

This gives rise to the reality that there is a growing disparity between the rich and the poor, a growing gulf between the have and the have-nots, a growing gulf between those in the urban centres and those in the more regionalized and perhaps disadvantaged areas. This fuels speculation that somehow the priorities of the Government are out of whack and that the burden being asked of those less well off is unfair and inequitable. It is at that point that the Government is asking for trouble. It is aggravating an already bad situation, and it is really trying to kick the poor taxpayer who cannot bear another kick. That is when we have a tax revolt; that is when the fires of disparity give rise to emotionalism.

Individual taxpayers cannot be asked to carry the burden unfairly. When we look at unfairness, what are we talking about? Let us look at the last couple of Budgets introduced by the Government. We see an unfairness in the cumulative tax increases. A family with an income in the range of $15,000 to $20,000 will be facing a cumulative tax increase of some 23 per cent by 1990, compared with a 15 per cent increase being faced by those earning between $30,000 and $50,000, a 4 per cent increase being faced by those earning $100,000, and a 2 per cent increase being faced by those earning $200,000. What do we think a $15,000 wage earner will do? What questions will he or she be asking of elected representatives, more specifically of the Government of the day? One does not have to be an economist to understand the frustrations being felt by such individuals. That is where the disparity or the fuel for enhancing the disparity comes in.

They are asking a $15,000 wage earner to face a 23 per cent increase by 1990. On the other hand, the $200,000 wage earner will only face a 2 per cent increase. The $15,000 wage earner will not take it sitting down. He or she will send a message to the Government, as we are trying to do in this national Chamber. We, as Members of Parliament, have an obligation to rise and at least inform the Government of what its financial and fiscal policies are doing across the land, particularly in communities like York West that are typical working-class and middle-class communities.

I have attended numerous public meetings on the subject of taxes and the fiscal policies of the Government. No one in the country minds meeting together our fiscal challenges in the 1990s and beyond. However, no one is prepared to shoulder the burden on an unfair basis.

The disparities between the have and the have-nots or the rich and the poor are actually being reflected for the very first time in national polling studies. Never before have Canadians perceived the gulf of disparity to be hitting Canada as much as it has in the last few years. They never perceived Canada as having a well defined class structure. Although we have Mr. Porter's vertical mosaic, Canadians did not want to believe that there was a well defined class structure. For the first time in history there are very clear signals from polling studies that Canadians are beginning to understand and accept the perception of class disparities or class structures.

The fights in our country have been along other lines. We have had linguistic battles between the legitimate rights of Francophones and other communities which perhaps did not wish to extend those rights across the board. We have been able to put that behind us, for the most part. We have had struggles between the East and the West, where perhaps regionalism gave rise to emotionalism, where perhaps Alberta could not understand the manufacturing centre of Ontario and vice-versa. We have also had struggles among provincial Governments whose responsibility it is to protect their regions and parochial concerns, as well as the clashes which have ensued with the federal Government. Those facts tell us that the country is not easy to manage or to govern because of its vastness in size and what size implies in terms of priorities.

However, we have never had the battles along the lines of class structures which have unfortunately occurred in other parts of the world such as Great Britain. Those fires have been fuelled consistently for years under Margaret Thatcher and her brand of Conservatism. We are beginning to see an element of that disparity taking on a more active role.

Is it any wonder that we see the manifestation of those disparities and inequities indicating that somewhere in the system things are not right? When we look at the increases in the numbers of food banks in the country, we realize that something is wrong. Not only are there increases in the numbers of food banks, whether they are in local parishes or in community centres in Vancouver, Toronto or Montreal, regrettably and unfortunately the line-ups outside food banks are growing longer and the food supplies in those banks are becoming more sparse. Is it any wonder there was a conference on food banks and the hungry in Toronto this past weekend?

We are in 1986; we are not in the 1940s. There is nothing more degrading for human beings in society than having to line up in the morning with their children in tow to ask for their piece of daily bread. There is nothing more serious than

human beings having to say to the state, society, their neighbours, community centres, or local parishes: "I do not have enough dollars to go to the IGA to buy food for my supper this evening". Thousands of individuals are lining up in front of food banks. I have seen them in Toronto and I have seen them in Vancouver. There is nothing more repugnant than to have to see that. There is nothing more repugnant than to have to ask ourselves why in today's rich, educated, technological society we witness fellow Canadians having to line up at food banks. Yet, when you look at something like Bill C-14, it is not surprising at all.

• (1650)

Consider some of the statistics produced by that very Government. After all these cumulative tax measures are in place, a person earning $50,000 or more faces a 1.2 per cent increase in taxes by the end of 1986. Yet a single parent family with two children faces a 2.1 per cent increase. At the very least the single parent family would expect the numbers to be reversed. Someone with a $100,000 income will pay a tax increase of 1.7 per cent. However, an elderly couple with less than $25,000 has a 2 per cent increase. Is it any wonder that the National Council on Welfare put out a report just last month which said the disparity between rich and poor in Canada is increasing at an alarming rate?

It said there were close to 4 million Canadians, or 16 per cent of our population, living in poverty. That is more than there were in 1980. One child in five is growing up in poverty, single mothers are five times more likely to be poor, and 60 per cent of female single parent families are poor. If that is the unfortunate reality facing Canadians from coast to coast, then why do we not have legislation which will adequately address that reality? Why are we asking the elderly to pay more than the $100,000 wage-earner? Why is the cumulative tax about 23 per cent for those earning $15,000, and only 4 per cent for those earning $100,000?

I would suggest, and other Canadians would suggest, that somehow the Government has its priorities out of whack. Somehow the mind-set governing its philosophy is out of whack with the realities. If there are 4 million poor, if tax increases are more for those less well off, then we are not talking about fairness and equity. We are proving the truth of the words of the Hon. Member for Terrebonne when he described the philosophy which has enveloped the Conservative Party and the Government of Canada.

We are not talking only about the working poor. We are also talking about a middle class which has constantly and consistently been clobbered by the Government. An individual came to my office last Saturday during constituency day and said he always thought of himself as a member of the middle class. He has a bungalow, two children, his wife works part-time and he holds down a pretty good job. What he then said was very indicative of where people are coming from in their thinking about a Government of the stripe we have seen over the last two years. He said the Government is making it more difficult for him to call himself a member of the middle class. That individual and thousands of others like him are beginning to see society in terms of the politics of extremism.

Some Hon. Members: Oh, oh!

Mr. Marchi: You are either a have or a have-not in this country. It is more and more difficult for that person to remain part of the middle class. Taxes are increasing at a rate that he and his family cannot keep up with. Hon. Members might have some snide remarks or they might smile, but I suggest they go back to their constituencies and talk to some of those middle class Canadians. That will counteract the mind-set which seems to have been plaguing their Party and their Government for a long time.

One message I have as an opposition Member is to tell the Government to address the realities. It should shape a fiscal policy and tax program which does not exacerbate but which addresses and solves the problems. Once again, no one in this country is unwilling to pay increased taxes to deal with the challenges we have to deal with as a young, progressive nation. At the same time, no one is willing to have to pay more than his next door neighbour, particularly when the next door neighbour can better afford to pay more of that burden.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Blenkarn: Mr. Speaker, the Hon. Member has given us a great harangue but he does not bother reading the Ways and Means motions. A motion was filed on June 11th and again last Friday which specifically gives his $15,000 wage-earner a tax credit equal to all of the sales taxes paid to this Government. The Hon. Member does not know that. He says there is discrimination. Yet for the first time in history we have a Government prepared to be fair, to make sure the ordinary person gets a sales tax rebate. Yet what does he do? He harangues it as if he did not know any better. In fact, he does not. If he went down to his own riding of York West and talked to his constituents, he would find they are all employed, making more money today than they have in any time in their lives. Their properties are worth more. Their businesses are worth more. They are all working and they all have a good life. Why does he not say so? Why does he not say that this is the best Government his constituents have ever had?

Some Hon. Members: Hear, hear!

Mr. Marchi: Mr. Speaker, I used to have great respect for the Hon. Member but I think he just blew it there. He suggests that somehow I am preaching something that is not real. What I am doing is perhaps being a lightening rod for the Canadians he refers to in my riding, and essentially Canadians from coast to coast. If Canadians thought that somehow this Government was being fair and compassionate, if Canadians thought this Government was the best they have ever had, then the Government would not have the problem in the polls it has had ever since it was elected two years ago.

• (1700)

I wish the Hon. Member would not leave because this is the best part. The Government was elected with the largest majority in history. Canadians voted for a change. They wanted to see what the Conservative Party could do. We have seen the Government, which has such a large majority, throw away its support and popularity in such a short time. In the two years remaining in its term it will exacerbate that.

Members of the Opposition are trying to convince the Government to listen to Canadians and learn from what they are saying. Canadians will make the judgment. When Canadians read the statistics of the disparities in the 1986, 1987, and 1988 tax forms, they will become much more active than they have been. The poll results of today will look good by comparison in two years time.

Mr. Murphy: Mr. Speaker, the Member gave a very eloquent speech on behalf of the downtrodden and unemployed who are suffering as a result of the taxation system of the country. He was quite right to spend a substantial portion of his time attacking the Conservative tax regime and pointing out that it has added to the taxation and debt load of ordinary Canadians. However, would he not also admit that there is inequity between the amount of taxes being paid by ordinary Canadians and that being paid by the rich as well as between individuals and corporations?

In other words, individuals with low incomes are still paying proportionately much more than they should. Those with large incomes are still paying very little, if any, income tax. An increasingly larger share of income tax is being paid by individuals rather than corporations. Indeed, it has become evident lately that a large number of corporations are paying no taxes at all. They are earning vast sums of money year after year and are paying no federal tax at all. To be fair, would the Liberal Member who just spoke not admit that this taxation system was imposed by the Liberal regime of the last 16 years?

Mr. Marchi: Mr. Speaker, the Hon. Member from the New Democratic Party failed to note that our Party has historically and traditionally been a Party of reform. We have sought to make Canada a better place for everyone. We have tried to shape the policies of the country as fairly and equitably as possible. I do not suggest that that reform is finished, that the problems have been solved. During the 16 years that this Party was in power it was recognized as having done the right thing and moved in the right direction. If the New Democratic Party had all the right answers, it would have been in Government for those 16 years. The fact that it was not reflects the thoughts and priorities of Canadians.

During the 16 years when my Party was the Government, we brought forward fiscal reform to make Canada a little more progressive, equitable and fair in order to eliminate the class barriers which are taking on a new definition under the present Government of Canada. We in the Liberal Party feel that the reforms we put forward have come to an end, that instead of becoming a progressive country with regard to fiscal outlay we are turning the clock back. We feel that four years of Conservative rule will undermine the progressive elements of reform which this Party introduced and which we will once again champion after 1988.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would like to know whether the Hon. Member thinks that the lowest interest rates in eight years are helping the rich or the middle class.

I would also like to know whether the fact that people with an annual income of $15,000 or less will receive their child tax credit cheque in November, instead of having to wait until they file their income tax returns, will help the rich or the poor.

I would also like to know whether the fact that inflation is below 4 per cent is helping the rich or the poor.

If the Hon. Member is perfectly honest, Mr. Speaker, he will answer that it helps both the poor and the middle class, and that his comments earlier were not exactly correct.

[*English*]

Mr. Marchi: Mr. Speaker, the Hon. Member has asked me to be honest and fair and admit that low inflation and interest rates help the poor. Of course they do, but they also help the rich. I do not know what the Hon. Member intends by her question. If low inflation and interest rates help the Canadian working poor and the Canadian rich, we are on an equal playing field. That is fine and fair. We, too, advocate as low an interest and inflation rate as possible. However, leaving those two aspects aside, we are left with what the future course of fiscal responsibility will be. Is it fair to have taxes which favour the rich over the poor? She should ask this of her constituents and executive to hear the real answers.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I am sorry that the period for questions and comments comes to an end after some of these speeches.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Gatineau, on a point of order.

Mrs. Mailly: Mr. Speaker, I should be grateful for some guidance. The Hon. Member for Bourassa (Mr. Rossi) is back to his old tricks of shouting comments once the debate is over with. If the Hon. Member for Bourassa had anything to say about the subject, it seems to me he could have risen in the House and made his comments at that time.

Mr. Rossi: Mr. Speaker, I was only doing what the Hon. Member did when the Member for York West (Mr. Marchi) was speaking. I did exactly the same . . . I took a leaf from the Hon. Member's book of etiquette and acted accordingly.

Excise Tax Act

[*English*]

The Acting Speaker (Mr. Paproski): I find these comments out of order. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) has the floor.

Mr. Althouse: Mr. Speaker, I rise to continue debate on Bill C-14, an Act to amend the Excise Tax Act and the Excise Act. This Bill provides for the third increase by the Government in the sales tax and excise tax since it took power in September of 1984. We sometimes leave the impression that the tax increases are much smaller than they actually are because we talk about a 1 per cent increase. To be more accurate, we should be describing it as an increase of one percentage point in the tax base. These seemingly small one percentage point increases mount up to a great deal of tax. One should consider this not as an increase of 1 per cent on three different occasions, but as a basic sales tax increase to 8 per cent from the 5 per cent sales tax when the Government took power. That is an increase of over 40 per cent, which reflects a much greater increase than 1 per cent.

• (1710)

Those 1 per cent increases have added up. In 1982, federal revenues from excise taxes and duties amounted to just over $2 billion. This year they will total more than $4 billion on an annual basis and will be in excess of between $5 billion and $6 billion per annum going into 1988. This means there is nearly a 300 per cent increase in that type of tax over the mandate of the Government.

We know that the 1984 Economic Statement contained an agreement by the Conservatives to increase federal sales taxes which had been announced by the Liberals. It also contained an increase of a percentage point for federal sales tax, bringing it from 5 per cent to 6 per cent, and an increase in the petroleum compensation charge. Just over six months later, in the May 1985 Budget, there was a further 1 per cent increase in sales tax, to 7 per cent. As a result of the February Budget and the implementation of this Bill, there will be a further 1 per cent increase in sales tax on April 1, bringing the sales tax on these items to 8 per cent from the 5 per cent in September, 1984. In a matter of two years, sales tax has risen from 5 per cent to 8 per cent. In addition, this legislation will increase taxes on certain goods from 11 per cent to 12 per cent, and from 14 per cent to 15 per cent on wine and spirits.

This Bill does not reflect small increases of 1 per cent, but very substantial increases in excess of 10 per cent to sales and excise taxes in this country. These extreme increases add up very quickly as far as individual Canadians are concerned.

To this point the Conservatives have netted the federal coffers almost $7 billion from increased sales and excise taxes alone. During the same period, the Progressive Conservative Government has increased corporate income taxes by an additional $1.4 billion and has increased personal income taxes by $3.3 billion. This amounts to a total tax grab of more than $11.5 billion since coming to power just over two years ago. If it were not so serious it would be rather amusing to consider that the Government has attempted to reduce the deficit by increasing these taxes between $11 billion and $12 billion, yet the deficit has only decreased by a few billion dollars on an annual basis.

In the year the Government took office the deficit exceeded $36 billion. This year the deficit will be over $30 billion even though the Minister of Finance (Mr. Wilson) promised to reduce the deficit to below that amount. The Government has not succeeded in bringing down the deficit by as much as it has charged Canadians in extra taxes.

There have been some serious cuts to services and additional charges have been made against Canadians who use Government services. Yet no dent as such has been made to the deficit. I believe the accumulated deficit is approaching some $300 billion, and while it costs a great deal to carry this deficit the only changes the Government seems capable of making are increases that will affect ordinary Canadians by reducing their take-home pay and purchasing power.

Several high profile groups in Canada have commented on this reduction in purchasing power. They include the National Council on Welfare, which is often quoted by my Party. It has noted that there has been a steady decline in disposable income of all Canadians, which can be expected to continue over the next five years as a result of this kind of taxation policy we see in Bill C-14. It is essentially a regressive tax because it taxes the items that people need, like goods and services to maintain their standard of living. This is a hidden tax because it is already included in the purchase price of goods. On the other hand, provincial sales taxes are very clear because when one pays the bill, the additional 5 per cent or 7 per cent is clearly stated as the extra sales tax. Similarly, we know what we pay in income tax.

Income tax in Canada is considered to be a progressive tax because the rate of income tax increases as one's taxable income goes up. This means that people who have $20,000 in taxable income will pay a lower proportion in income tax than those who have a taxable income of $45,000. I believe the rationale behind this tax is good because it assumes that there are certain goods and services that all of us must have and on which we cannot cut back. We need a certain minimum for food, clothing, housing and transportation needs in this country to maintain a certain standard of living. Families who are in the $20,000 income range do not have much opportunity to save, but families who earn $45,000 find it much easier to set aside savings or pay a higher tax rate. Therefore, our system of taxation is a progressive system in which higher income families are charged more.

However, our over-all tax policy has not been so clear or fair. We have permitted the income tax system to deteriorate over the years to the point where it is reported that some corporations pay absolutely no income tax even though they showed very good profits. We have seen statistics made public in the last few months that show that some 80,000 Canadian

corporations, all of which showed substantial profits, paid absolutely nothing in corporate income tax.

• (1720)

This is the way we have permitted our income tax system to deteriorate. We have moved away from a progressive form of taxation to one which is now so full of loopholes that, to some extent, it is becoming a regressive kind of tax. Families with an income of $20,000 are paying more tax than some corporations which in the past year earned profits of up to $450 million. These corporations paid absolutely zero in income tax. That does not seem fair when a family is trying to struggle along with an income of just over $20,000 and is not receiving any tax breaks. That family pays its share of income tax, but one of our large corporations in the downtown area showed hundreds of millions of dollars of profits and contributed absolutely nothing by way of income tax to the maintenance of our services.

The two views of taxation are whether it should be a progressive tax or a regressive tax. The arguments some Conservative philosophers have given is that the regressive tax is in fact a fair tax. We have heard some allusions to that, although not too many Government Members, to their credit, have actually defended regressive taxation. They have made references to regressive taxation and supported that position in a vague sort of way by saying: "When the tide rises, it carries us all, rich and poor alike". But they know in fact it carries the very wealthy much further and much faster than it carries the low income earner.

The continued move is toward the hidden regressive kind of sales tax that we see presented in this legislation before us today. This is the third attempt at this kind of legislation. What the Government has succeeded in foisting on the people of Canada, has resulted in less income for ordinary Canadians and a rapidly accelerated tax load. For those people who are considered middle income earners, who may have both spouses working, two dependent children and a family income of $35,000, a fairly typical Canadian family, these particular sales tax and excise tax increases which have come into effect since the Government took over, have resulted in a total increase in taxation to that family of just over $1,300.

The 1984 Economic Statement which placed the first one per centage point increase on sales tax cost that family approximately $350 a year in clothing and building materials and so on which would include the hidden sales tax. The Budget of May, 1985 added another $325 to that family's tax burden. The recent February Budget which announced the sales tax and excise tax increase we are debating today, will have added another $170 per year. These increases total just over $1,300 for this particular family, and $845 of this new burden would be due to sales taxes. The rest would be the increases in excise taxes mostly with regard to transportion costs, driving one's automobile or riding the bus. With the increase in fuel tax and airport taxes, the increase in airline tickets would show up in that family's expenditures if they took a vacation once during that period of time.

The tax increases are fairly substantial. Most Canadians have not been so privileged as to have received that kind of income increase to their own personal family income. As a result of this kind of tax policy, low income and medium income families are worse off. Government Members have made it very clear that there is a tax credit for those low income families who earn between $10,000 and $15,000. We applaud that, but we also point out it is very hard going in the very cold waters of "sink or swim" for those families who earn between $15,000 and $20,000. Their income position is not a whole lot better but they do not have that kind of tax break. They still pay the extra excise and sales tax with no compensation back in the form of a tax break. Those families are finding it increasingly difficult to live under this kind of tax regime. These hidden taxes are not just sales taxes. I mentioned so far the increases to sales tax. I would like to talk a little bit about the kinds of increases which have fallen on Canadians who use fuel. This is something which is important because Canada is a large country and we must have fuel not only for heating our homes but to be able to move around in our automobiles and use our transportation system. There was an increase of two cents a litre on September 3, 1985. There was a further one cent per litre increase on January 1, 1986. There has been a new excise tax of two cents per litre on diesel and aviation fuel imposed since that time. Those increases have meant extra costs to the budgets of ordinary families with no recognition of how much harm that is doing. The Government simply explains it away by saying: "This is the way we are asking our people to fight against the large deficit". Yet the Minister, who has collected something in the neighbourhood of $11 billion and $12 billion in new and extra taxes in the sales and excise area alone, has, in spite of cuts, still left us with an annual budgetary deficit not very much different from the annual budgetary deficit left to us by the Liberals. With a total expenditure of something over $120 billion annually, we are failing to collect taxes in excess of $30 billion. The Government has not decided to collect taxes from large corporations where the money is available but has chosen instead to go after low and middle income earners. It is ignoring the several hundred millions of dollars of profits of corporations which are escaping without paying any taxes at all. This is unfair. The situation must be but right. There is a great deal of money to be collected from that area.

One of the old rules of taxation Tommy Douglas used to follow when he was Premier of Saskatchewan—and I would point out he got rid of what was for his time the very large deficit he inherited—was to give tax breaks to the ordinary people in Saskatchewan and taxing those corporations which had surplus funds. Failure to do that will result in a continuation of the kind of policies we had under the Liberals where these large tax breaks have resulted in large amounts of money in corporate coffers. These corporations do not use this money to start new businesses. They simply use them to buy each

other out with the result that a lot of people actually lose jobs rather than get jobs.

• (1730)

Mr. Murphy: Mr. Speaker, I would like to ask the Hon. Member the same question I asked the previous spokesman from the Liberal Party. As Hon. Members are aware, the Member from the Liberal Party stated that there were all sorts of tax reforms taking place under the Liberal regime. He stated that it was only in the last two years under the nefarious Government of the Conservative Party that the situation had fallen apart, that all of a sudden there was poverty in the nation and that the tax system was unfair. He suggested that all of a sudden our corporations are not paying their fair share of—

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

The Acting Speaker (Mr. Paproski): I believe the Hon. Member is coming to his question. However, I will hear from the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: I would like some direction from the Chair, Mr. Speaker. When I rose previously to ask a question, the time for questions and comments had expired with respect to the speech of the Liberal Member. I now see that the Hon. Member for Churchill (Mr. Murphy) is bootlegging a question on the previous speech. I wonder if Your Honour could make it clear that we are talking about—

The Acting Speaker (Mr. Paproski): As soon as the great Member for Ottawa—Vanier stood up I knew exactly what he was going to request. I also know that the Hon. Member for Churchill (Mr. Murphy) is directing his question to the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). I believe he was coming to his point. I am sure that as a result of the comments by the Hon. Member for Ottawa—Vanier the Hon. Member for Churchill will now ask his question.

Mr. Murphy: Mr. Speaker, despite the provocation I will not repeat the preamble to my question. Suffice it to say that the Hon. Member for Winnipeg North Centre (Mr. Keeper) points out that the Liberals seem to be awfully sensitive with respect to this issue.

Presuming that the preamble to my question had been restated, my question was with respect to the fact that there was obviously a situation in which we did not see tax reform during the last 16 years of Liberal Government. I would like the Hon. Member for Humboldt—Lake Centre to comment on that fact.

Mr. Althouse: Mr. Speaker, I was just getting to the Hon. Member's point when my time ran out. The philosophy of the previous Government, and one which seems to be carried on with little noticeable difference by the current Government, seems to have been to provide more incentives and loopholes in the tax system. This would have the effect of leaving money in the hands of the corporate sector on the assumption that it would be reinvested and that jobs would be created.

On the face of it, it sounds like a good argument. It sounded like a good argument, and it was something which was experimented with. However, after a few years of experimentation, when it became clear that jobs were not being created by the corporate sector as a result of these types of policies and that real job creation was taking place in the very small business sector, large corporations rather than create jobs were forming conglomerates. In these cases they bought each other out. This usually resulted in a great many middle management people of one or other of the takeover corporations being retired. Oftentimes plants were shut down in order to make the productive capacity of the new corporation even more efficient. This had the net result of fewer jobs. Canadians financed the augmentation of some corporations with no benefit going to the taxpayers or the workers.

We have to rethink this particular theory. It seems to me that if the small "c" conservative economic analysis which says that there should be absolutely no corporate taxes were put in place then there would be absolutely no way that corporations could retain earnings at a lower corporate tax rate. I would only accept that argument if earnings were distributed to shareholders and the shareholders of those corporations then decided how expansion should take place.

Mr. Thacker: Mr. Speaker, I think the Leader of the New Democratic Party will be quite angry with the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) since in the early part of his speech, before dealing with the usual NDP ideology, he was quite sensible in that he fingered the real problem. This problem is the $300 billion national debt. He set out the tax increases that people will now have to pay. He also set out all of the cuts that have been made. He then went on to admit that in spite of all these cuts we still have a deficit of $32 billion. I point out to the Hon. Member that without those cuts we would have had a national deficit of $38 billion or $39 billion. As a farmer, can the Hon. Member tell me how his Party would cope with a $30 billion yearly deficit? Would the Hon. Member increase income taxes? If so, on whom and by how much? Would he increase corporate taxes or sales taxes? I think that Canadians are entitled to know the position of his Party.

It would be very simple for the Hon. Member to put it forward if he has thought about it. I would like to be able to send copies of the Hon. Member's speech out to the constituencies to say: "If you are not happy with our solution, then here is how the NDP will solve the problem". We know that the Leader of the Liberal Party said that he would reduce the deficit by 50 per cent within three years of coming to power. In order to achieve this he would have to implement massive tax increases, something in the order of $16 billion or $17 billion. What would the NDP do?

Mr. Althouse: Mr. Speaker, I will give the Hon. Member my personal assessment of this situation. When the NDP

comes to power there will be more Members than I in the Government. As I suggested in my speech, there is really only one place at which to attack the deficit. We need more money. We are spending in excess of $120 billion per year and collecting only about $80 billion or $85 billion. The only thing that can be done in such a situation is to collect the money where there is money, just as Tommy Douglas did in Saskatchewan. There is no point in raising sales taxes on the people who earn less than $20,000. There is no point in trying to obtain money from the poor workers or those who are on welfare. We cannot attack the deficit by permitting large corporations which have profits of up to $450 million to pay absolutely zero in terms of tax. There has to be a method by which to collect taxes out of these enormous profits. If we do not address that issue then we cannot address the problems with respect to employment or the deficit.

Mr. Redway: Mr. Speaker, I listened to the Hon. Member refer to the question of solving the deficit problem and solving all the tax and fiscal problems of Canada by increasing taxes on corporations. I know that his is a compelling argument to many people. Over the weekend I attended the National Conference on Hunger. At that conference I heard one person after another who lives below the poverty line get up and express concern with respect to the solution of the Hon. Member. They felt that his solution was a regressive type of tax. They felt that increased taxes on corporations would be passed on to them as the poor of the nation.

Does the Hon. Member agree with the opinions of the poor people of the country with respect to the question of corporate taxation or does he feel that they do not really know what they are talking about with respect to this issue?

Mr. Althouse: Mr. Speaker, I think the Hon. Member will agree that along with tax breaks if there were some requirements imposed upon corporations to provide jobs then some accommodation could be worked out. I do not think we should assume that people will have to pay more for products simply because corporations are paying an ordinary amount of tax. I think that has to be seen. However, I think it is clear that poor people will have to pay more tax with these types of taxation measures, something that cannot be avoided. Everything they buy has an additional tax on it of up to 40 per cent because of these types of policies.

• (1740)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is unfortunate that we did not have a chance to pursue the argument put forward by my hon. friend from the Conservative Party. I understood him to be paraphrasing the participants in the poverty conference. The statement he made seemed to suggest that they were against corporate tax increases because corporate tax increases mean that ultimately the people will pay.

It seems to me that the measures we are debating today, specifically the increases that were imposed in the last federal Budget directly on the taxpayers in the form of sales and excise taxes, are in fact a form of direct taxation of poor people and those who can least afford to pay. These are in fact the most regressive kinds of taxation. If there is to be an increase in corporate tax, something that might be affected could be the issue of profit margins or shareholders' returns.

Quite sincerely, this particular tax measure encapsulates the philosophy of the Conservative Party. I hesitate to say Progressive Conservative Party because I think it is a contradiction in terms, a contradiction underlined by the kind of regressive tax measures introduced by Bill C-14 and further compounded by recent statements made by the Minister of Finance (Mr. Wilson) relating to tax reform.

The Minister has been titillating the Canadian public for quite some time. He has been suggesting that he will introduce a tax reform package that will in fact ease the burden currently faced by middle-class families. We realize, because of the announcement he made in the House a few days ago, that the Minister is not prepared to ease the burden on middle income taxpayers. Sure, he will reduce personal income taxes, but at the same time he is suggesting that we charge more sales taxes and more of the kind of direct taxation which hits the hardest at those who are in the worst position to pay.

Let us look at the effect of the tax measures contained in Bill C-14 along with sales tax and other tax measures. It has become increasingly clear that the Government has no intention of easing the tax burden on those who cannot afford to pay. In fact, Government Members seem to have devoted themselves primarily to those who cannot afford to pay. An elderly couple earning a total of $27,000 per year—and most Hon. Members will know that senior citizen couples do not, generally speaking, earn that much—will face a total tax increase of $500. At the same time, a family of four earning $100,000 will face a tax increase of $1,740. The percentage of the tax increase imposed on the elderly couple earning $27,000 per year is higher than the percentage of the tax increase imposed on the family earning $100,000 per year.

The same is true all the way down the line. The group that is hardest hit by Tory fiscal policies aimed at ordinary working people is the family with one income earner who has one adult dependent and two children. Because of measures introduced in the last three Budgets, that kind of family will pay an extra $630 in taxes, an increase of 2.1 per cent. In my own community, a steelworker who may be supporting a wife and a couple of children on $30,000 per year will be asked to bear a greater burden of the public tax increases than a family of four earning $100,000 per year. The vice-president of the steel company who may be earning $100,000 per year or more will be faced with less of an increase in his or her taxes than the average steelworker. I think this is what is intrinsically wrong with Bill C-14 and with the legislation that we have seen over the last couple of years. Middle class Canadians are losing their ability to keep pace with inflation because any gains they make are taken away by the tax man.

What is happening to all this money? Where is it going? The effect of the 1986 Budget will be that $100 million will go back to the coffers of the Government in 1986, $700 million in 1987, $800 million in 1988, and $900 million in 1990. This is an increase of $3.3 billion in personal income taxes. This has been imposed by a Minister of Finance who then had the gall to say that he will reduce personal income taxes. Sure he will reduce personal income taxes. He will reduce them after the exorbitant $3.3 billion increase that he has already imposed on the Canadian taxpayer.

Where has the money from the increase gone? It took 48 hours for the Government to decide to come up with $1 billion to bail out two insolvent banks. We have learned from the questions asked repeatedly by the Hon. Member for Trinity (Miss Nicholson) that the Government never even revealed the names of the depositors. It hid behind the Estey Commission. The Government said it would wait for Estey's recommendations to find out the identities of those who received $1-million giveaways courtesy of the Canadian taxpayers via the Minister of Finance. In fact, Estey was never asked to look at the identity of the depositors. It was a decision of the Conservative Government of Canada to keep secret from Canadian taxpayers the identity of those who received the $1 billion in bail-outs that came from tax initiatives imposed by this Government.

In 48 hours, we lost $1 billion. That still leaves us with $2.3 billion. The Government's election hymn was that it would reduce the deficit and clean up the terrible mess left by 20 years of Liberal administration. We know what kind of cleanup is occurring. We have seen the cleanup in the Prime Minister's Office. There was a 54 per cent increase in his budget. We have seen the cleanup in the travelling entourage, complete with Hercules, security maids and butlers and a travelling bevy of staff and hangers-on numbering up to 50 or 60 people who have to accompany the Prime Minister (Mr. Mulroney) on every trip abroad. At the same time, we saw the Government telling the taxpayers that it wants them to pay.

[*Translation*]

Mr. Speaker, the most serious aspect of this Bill is the fact that if sales tax is applied as suggested in Bill C-14, many people . . . For instance, if you buy a house in Montreal, if you want to buy a new home, for every one per cent increase in sales tax, it will cost you around $500 or $600 more, depending on the kind of house.

If, in addition to the 3 per cent sales tax increase imposed by this Government, we consider the 3 per cent increase introduced by the Canada Mortgage and Housing Corporation, we see that thanks to the Conservative Government we have now in Ottawa, the total increase may be from $2,000 to $3,000, the amount the federal Government will be taking from families who want to buy a home.

As I pointed out earlier, the family most seriously affected by the tax system will be the family of four with one breadwinner earning around $30,000, in other words, the average or not even the average family in Canada, and that family is being asked to shoulder the heaviest tax burden.

For example, Mr. Speaker, according to the Wilson Budget a family with an annual income of $100,000 will pay a tax increase of only 1.7 per cent, which works out to $1,740. Indeed, Mr. Speaker, a 1.7 per cent increase is not a big amount for a family earning $100,000 a year. However, if we are talking about a family whose annual income amounts to $30,000, all indicators in Canada show that a man with a wife and two children who earns only $30,000 a year will see his tax rate go up by 2.1 per cent, or $630 more per family.

Mr. Speaker, it is obvious that the Conservative Government policy is to have middle and even low income families pick up the tab.

Now, Mr. Speaker, the response of the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) is that families earning less than $15,000 are entitled to a rebate. Well, Mr. Speaker, it is shameful and utterly ridiculous to brag about rebates to families making do with $15,000 or less a year when we know that the poverty level in Canada applies to any family with less than $22,000 or $23,000 a year, depending on the number of children in the family.

As I see it, Mr. Speaker, just to be sure that the Government will do something at least for men and women who live below the poverty level, it should tell these families that any person who earns less than $23,500 a year, as advocated by the Senate committee on poverty, should get a sales tax rebate from the Government. Otherwise, Mr. Speaker, it will become quite clear that this Government failed to react when the people urged it to repeal the $500,000 capital gains tax exemption which can only help those who are already well-to-do, the rich in our society.

Mr. Speaker, if we look at the Order of the Day since the Conservatives are in power—

• (1750)

[*English*]

Since taking office in 1984, we see what the Conservative Party has really intended for families in this country. The tightening and redirecting of family allowances with a review during the summer of 1986, which serves as a potential precursor of a further erosion in family allowances. The tightening and reduction of unemployment insurance benefits to those 50,000 people who were denied unemployment insurance benefits in 1986 because of a unilateral, dictatorial government action to include pension as income for the purpose of unemployment insurance calculation without even waiting for the Forget Commission Report. I am pleased to learn that the Forget Commission has recommended to the Government that pension not be included as income for those 50,000 Canadians who were cut off in 1986 as a result of the Wilson Budget and the Mulroney decisions on the unemployment insurance. I hope that the Government will follow their advice. I urge every one of those 50,000 people to write to their

Member of Parliament and tell them that they want the Government to accept the recommendation which would ensure that at the very least all those who were affected in 1986-87 and 1988 will not have their benefits cut back and reduced.

We have heard the horror stories in the House. We have heard the horror stories from individual families and from the people in my own riding who were employed at Miracle Mart, some with 15, 20 or 25 years service who have been cut loose without a penny and told to find other jobs. But they cannot collect unemployment insurance even when many of them have put their small severance pay into a nest-egg so that they could retire with some dignity.

In the time that this Government has been in office there have been severe cut-backs to job training generally, and in particular to employment programs for youth and women. A few weeks ago in the House we heard the Minister saying that the Government was introducing these new programs for women. He did not tell the people that it was this Government that withdrew programs for women as one of the first acts of its changes to the delivery system in the Canadian Jobs Strategy situation.

Social housing is another area. The impact of these cumulative sales taxes, as well as the decision by Canada Mortgage and Housing Corporation to increase the individual guarantees anywhere from 1.5 per cent to 3 per cent on the purchase of a new home, have added several thousand dollars to the cost of a new home. When you have a situation, as we do now in the City of Toronto, where the real estate market has increased by 30 per cent in the last year, and where most average Torontonians have to come up with somewhere in the neighbourhood of $120,000 to purchase an average home, home ownership is indeed becoming a Canadian dream that will not see fruition and reality under the policies of this Government. Specifically with respect to social housing—

[*Translation*]

First, the Tory Government turned over the full responsibility for social housing to the provinces; now, it is doing the same thing concerning older workers.

The federal Government states that it wants to withdraw, to surrender the responsibility to the provinces, claiming that they know better the housing situation on their own territory. This sounds like a great idea. The only problem is that the Federal Government should sign first an agreement with all the provinces. Some provinces, like British Columbia, are not at all concerned with social housing. If we, as Members of Parliament, truly believe that there should be a national policy on social housing, we do not have the right to surrender our responsibilities to any provincial Government whatsoever.

Mr. Speaker, the same thing is now happening to older workers.

[*English*]

The Minister of Finance made another pronouncement. Millions of dollars are saved by eliminating the Labour Adjustment Benefits Program. In the last federal Budget the Minister said that we are doing away with the Labour Adjustment Benefits Program. It is costing too much money. Instead, we are going to replace it with a program called Program of Older Workers' Adjustment. The Minister said in his Budget that a POWA replacement program would be in place in August of 1986 to assist those hundreds of thousands of older workers who have been laid off and disenfranchised and are completely fed up with a society that even after the recession says to them, "I am sorry, you are going to have to face an unemployment rate that is double what it was before the recession". We have not seen POWA.

An Hon. Member: What is POWA?

Ms. Copps: It is the Program of Older Workers' Adjustment. It is $125 million program which was supposed to replace the Labour Adjustment Benefits Program, specifically targeted to those older workers who are being crushed by technological change. Everyone in all of the ridings is concerned with the people who come into constituencies who after 20 and 30 years' service are laid off. Nothing has been done. Not one single provincial agreement has been signed. The federal Minister of Labour (Mr. Cadieux) went to the provinces and said, "We would like you to come on board with POWA. But we would also like you to foot part of the bill". They do not want to foot part of the bill, because at the same time the federal Government is cutting back on transfer payments in post-secondary education and health.

It is interesting that of the $3 billion that we are coming up with as a result of these tax increases, not one single penny is going toward older workers. Not a single penny is going towards the POWA program which was promised by the Minister.

• (1800)

Am I to understand that my time is nearly up?

The Acting Speaker (Mr. Paproski): You have five seconds.

Ms. Copps: Well, Mr. Speaker, there is more to come on this subject in the future.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

Adjournment Debate

TRADE—CANADA-UNITED STATES NEGOTIATIONS—ECONOMIC COUNCIL'S PROJECTION

Mr. Alan Redway (York East): Mr. Speaker, have I ever had an opportunity to tell you a little about my constituency? I see you nodding your head, Mr. Speaker; I guess I have. Notwithstanding that fact, I will remind you of a few things about my constituency.

The riding of York East is situated in the geographic centre of Metropolitan Toronto. One of its characteristics is the fact that there are more jobs per thousand residents in my constituency than anywhere else in the whole of Metropolitan Toronto, with the exception of the downtown financial core. It is a very industrialized riding.

Some of the businesses and industries in my riding are very large ones, such as IBM. Others—in fact many hundreds of them—are quite small with only a few employees or workers. Many of the workers in the small plants and in the larger ones are worried at the moment. They are worried about the trade negotiations which we are undertaking with the United States. They are worried about what the press likes to call "free trade". They are also worried because they do not know what might happen to their jobs as a result of these trade negotiations.

A few days ago they heard from the Economic Council of Canada. Unfortunately, they do not feel much better as a result of those comments. The Economic Council of Canada said that it was quite possible that some 370,000 new jobs could be created by 1995 as a result of a new trade agreement with the United States. However, the Council also said that all Canadians must be sensitive to the prospect that some citizens will lose their businesses or their jobs as a result of more competition from lower cost United States-made goods entering Canada.

That is a sobering thought, especially if one thought that one's job or business might be affected by the trade negotiations. What would you do, Mr. Speaker, if you lost your job as a result? I know that you are a young man and that you could be retrained. Perhaps that is what you are thinking, that you would go through a retraining program. However, many of my constituents do not see themselves in your age category. They think of themselves as older workers, and they believe it would be impossible for them to retrain. Perhaps they are looking to some special government programs to help them, perhaps special retraining programs. They have not heard anything from the Government as yet about what sort of special retraining programs might be available. They also wonder if there might be some financial assistance for them as a result of what could happen through the trade negotiations. Again they have not heard anything specific from the Government about what those programs might be.

However, they have heard some people say: "Businesses go bankrupt every day. People lose their jobs every day. How can we tell who are the people losing their jobs as a result of trade negotiations and who are the people losing their jobs through inefficiency, lack of good management, or whatever?". These same people say that there is not much point in trying to assist people financially or through retraining programs because they cannot tell whether they are losing their jobs for other reasons or through the trade negotiations. My constituents have heard those comments and are disturbed by them.

They have also heard comments from other people who ask why we should assist businesses which go bankrupt or people who lose their jobs through the trade negotiations, because it will only increase the cost for the winners in the process and they will not be able to afford to compete with the Americans after the negotiations. They are worried by those comments as well.

• (1805)

How are we, Mr. Speaker, you and I, going to reassure our constituents that these trade negotiations are going to be of benefit to them? How are we going to tell them that everything is going to be okay? I think the Government can start by telling you and me and all of our constituents what it calculates both the job gains and job losses to be as a result of these trade negotiations. It can also tell us which industries it believes as a result of its studies are going to be the winning industries and which are going to be the losing industries. Most of all, I think it should be telling us how it is going to cushion the blow. Are we going to have retraining programs? If so, for whom and what kind, and how do people qualify? Are we going to have financial assistance? If so, what is it going to be? Those are the questions that you, I and our constituents are asking, and I know that tonight you and I are waiting with bated breath to hear the answers from the Government.

Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines)): Mr. Speaker, it is a pity that you cannot give the answer because I am sure in your previous position as a very important part of the Edmonton Eskimo machine you must have had a lot to do with international trade. Probably. Anyway, the answer I have to give here is the following.

Mr. Murphy: Which has nothing to do with the question.

Mr. Greenaway: The section of the Economic Council of Canada annual review dealing with Canada's trade experience and opportunities discussed the impact of several Canada-U.S. trade scenarios on GNP and employment, based on computer simulations. These simulations made various assumptions, the most favourable of which, such as the removal of trade barriers plus productivity gains, led to an assumed increase in employment of 376,000 by 1995. Other assumptions, such as gradual removal of trade barriers plus productivity gains, removal of trade barriers with no productivity gain, and protectionism with retaliation, all led to different results ranging from an increase in employment by 1995 of 321,000, to a net loss of jobs totalling 528,000.

All such studies based on computer simulations or econometric models make assumptions about how such key elements

as productivity, exchange rates, investment and prices respond to the elimination of tariff and non-tariff barriers. Some recent studies include projections done by the University of Maryland, Informetric, and the University of Toronto, as well as those done by the Economic Council of Canada. While estimates of the impact of freer trade on employment vary owing to variations in inputs, the common thread running through all the studies done so far is that freer trade would produce an over-all net national employment gain of between 1 per cent and 3 per cent of the current employment level. With a current employment level of about 11.5 million, that translates into between 115,000 and 345,00 additional jobs.

There, Sir, is your answer.

UNEMPLOYMENT INSURANCE—PAY-OUTS IN ATLANTIC CANADA. (B) REQUEST FOR GOVERNMENT GUARANTEE

Mr. Rod Murphy (Churchill): Mr. Speaker, I cannot help but add to the comments between the Conservative Member who asked the previous question and the Conservative Member who responded on behalf of the Government. He said that you, as a former member of the Edmonton Eskimos, would know how to deal with the problems that Canadians face in keeping jobs in Canada with regard to free trade negotiations. It reminded me, with the greatest respect, that we did guarantee there would be Canadian jobs for people playing for Canadian teams. That was kind of a Canadian content measure. I am sure that you, Mr. Speaker, would have kept your job even without that particular piece of legislation, but others who played for the Canadian Football League did need that sort of protection.

I rise to speak in regard to a question I asked on October 15 of this year. It resulted from the leaking of certain information regarding the Forget Commission. There have been indications that the report of the Forget Commission will result in a drastic change in the way with which unemployment insurance is dealt. This concerns me and my Leader, the Hon. Member for Oshawa (Mr. Broadbent), so much so that we both asked questions that day in the House of Commons.

• (1810)

We pointed out that Atlantic Canada receives approximately $620 million from the Unemployment Insurance Program. We wanted a guarantee from the Government that that amount of money would continue to go to Atlantic Canada through similar programs if not through the Unemployment Insurance Program. We also spoke at that time about the need to recognize the very fragile economy in Atlantic Canada. The fishery, forestry and mining industries, as well as the small business and other sectors, have relied on part-time and seasonal work for a very long time, and that is not likely to change overnight. We said that regardless of what the federal Government does as a result of the Forget Commission, it must take that into account.

It is not only me and the Leader of the New Democratic Party who are concerned about the Forget Commission. I could quote people from across the land, but one of the most interesting quotes is from the Conservative Minister of Social Services in Nova Scotia, Edmund Morris, who said that this could "wreak havoc on the economy of Nova Scotia".

This is a very serious matter. The fishery and forestry industries have relied on seasonal work for a very long time. The economy of that part of Canada is not changing quickly. The people in that area will continue to rely on unemployment insurance. We are not happy about that or proud of it. However, we are concerned that whatever the Government does as a result of the Forget Commission take into account the economy and job situation which exists in Atlantic Canada. We hope that as a result of the work of the Forget Commission the Government will do all it can to enhance, rather than destroy, that which presently exists in Atlantic Canada.

I raise this issue again at this time because, in response to my questions and those of the Hon. Member for Oshawa, the Minister of Employment and Immigration (Mr. Bouchard) would not give us those assurances. The Minister was right to say that he cannot respond completely to the report of the Forget Commission which has not yet come down. However, he could have taken the opportunity to say, in response to our questions, that there will be certain protections for Atlantic Canada, to guarantee that $620 million will still go to that region and to guarantee that there will be some new job creation programs for that region. He did not do that, Mr. Speaker, and that is one of the reasons I raise this issue at this time.

In addition, I believe the people of Atlantic Canada are still very nervous as a result of the scant mention they received in the Throne Speech. The leaks from the Forget Commission indicated that the Government must get up in the House and explain what it is going to do. I am afraid that the Government's response will be that we cannot allow the unemployment insurance program to continue as it is year after year. I am afraid that the Government will admit that there are problems in Atlantic Canada but will say that it will not deal with the problems of the mine workers, small business and the others involved in various industries in Atlantic Canada. Instead, the Government will talk about the need to reform unemployment insurance.

It is not good enough to talk about the need to reform unemployment insurance. The people of Atlantic Canada are demanding from the Government a clear indication of where it is going. Unemployment has not been reduced in Atlantic Canada in the two years during which the Government has been in power. It is one of the regions that has not benefited from the general improvement in the economy. Frankly, they are very nervous about the Government's intentions and are very concerned that there has been no set direction with regard to what is happening in Atlantic Canada.

• (1815)

It is fine for the Prime Minister (Mr. Mulroney) to say in the Throne Speech that Atlantic Canada will be considered and there will be a new agency set up to see what can be done for Atlantic Canada. The truth is, however, that the Government has been in power for two years and if it is going to do anything for Atlantic Canada it must do so soon, not in a few months prior to an election. If the Government has a plan of action for Atlantic Canada, Quebec and other parts of the country, this is the year for it to act. We want to hear what it will do.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to respond to some of the comments by the Hon. Member for Churchill (Mr. Murphy), in conjunction with the answer that was already supplied to him by the Minister of Employment and Immigration (Mr. Bouchard).

There are several holes in the comments made by the Hon. Member. First, he stated that there is a lack of understanding or sensitivity to the problems in Atlantic Canada. I just returned from a meeting in which we dealt precisely with that problem. For instance, fishermen in Newfoundland are facing problems because they no longer have access to job opportunities in the off season due to the mechanization of wood cutting, wood hauling and so on. Those job opportunities are gone and the Government is well aware of that because of the representation from those areas that we have in our ranks. We understand those needs.

I suppose the Hon. Member believes that an unemployed person in Atlantic Canada is different from an unemployed person in western Canada. Perhaps he believes that being unemployed is easier in some parts of Canada than in others. That is unfortunate because I believe the unemployed in Canada face the same kinds of problems.

The Prime Minister (Mr. Mulroney) made it very clear, in referring to the comments of the Minister of Finance (Mr. Wilson) in his May 23, 1985 Budget Speech, that the Government has no intention of reducing its support to the unemployed anywhere in Canada. It will not do that.

We have asked the Forget Commission to look at our system. I believe most Canadians would agree that the system probably requires changes that may be different for various regions of the country. We have asked the Forget Commission to consider this and bring forward recommendations. We intend to study these recommendations conscientiously and then make changes to improve and simplify the system on behalf of all Canadians, particularly unemployed Canadians. We are looking for improvements and we look forward to the Commission's report.

FINANCE—SALES TAXES—EFFECT ON DISPOSABLE INCOME. (B) PERSONAL TAXES—REQUEST FOR ROLLBACK.

Miss Aideen Nicholson (Trinity): Mr. Speaker, my comments this evening are based not only on the most recent question but a series of questions that I asked in the House following the collapse of the Canadian Commercial Bank and the Government's unprecedented action in paying out $1 billion to uninsured depositors whose names are being kept secret.

By now we are all too well aware of the circumstances of the bank's failure less than six months after the Government bailed it out and guaranteed its viability. Since then I have asked over 50 questions in the House. I have participated in other adjournment debates and in debate on the Bills brought before the House to deal with the bank bail-out and later, the bail-out of uninsured depositors.

The Government's record of providing answers to my questions and those put by my colleagues has been consistently poor. We were told that all our questions would be answered by a special inquiry. First we were promised a parliamentary inquiry. Then the Government appointed the Estey Commission and the Prime Minister (Mr. Mulroney) said in the House on October 2 of last year, and it is found in *Hansard* at page 7250:

• (1820)

—the Government appointed Mr. Justice Estey with the broadest possible terms of reference so that the full truth can come out, including the conduct of everyone involved and the policies that went into the matter. Mr. Justice Estey will put the spotlight on those people who are responsible.

We have the Estey Report now and, indeed, it is for the most part a very thorough and illuminating document. It confirms much of what we have said in the House about the bail-out being undertaken in an atmosphere of panic and haste without proper information or adequate follow-up.

The report does not answer all of our questions, but the position of the Government appears to be that now the report is public, the case is closed. This is not so. I agree with Mr. Justice Estey when he says in his report at page 21:

It may be that other forums—having different objectives will reach different conclusions with respect to duties and obligations of the participants in these events.

I am not prepared to close the book on the bank failures and the bail-out of uninsured depositors because the principle of ministerial accountability is at the heart of our parliamentary system. That principle is not being observed.

The Government has made much of the fact that the Estey Report does not put blame on Ministers for events prior to the CCB bail-out. However, the report condemns in no uncertain terms the way in which the decision to bail out the bank was reached. It condemns the bail-out package itself and the almost total lack of follow-up action from the Government. The report says about the bail-out, at page 125:

The concept adopted was—at best half baked.

And at page 127:

—this bail-out was ill-starred from the outset and had no chance of success.

And at page 174:

The bail-out program seems to have been conducted more like the launching of a toboggan. Once it was placed on the slope, its course, speed and destination were left to gravity and the toboggan. There was no steering mechanism and no machinery for change of direction or increased financial support or indeed any other adjustment, whatever risk may loom up.

And on page 173:

—the Minister of State appears to have made no effort to press for an early and organized hands-on examination of the loan assets of the bank.

That was after the bail-out was decided upon. And at page 175 it says:

The combination of the lack of information at the time the rescue program was adopted and announced, and the tenor of that announcement and subsequent statements by the Ministers—boxed the Government into a position where the only defensible alternative was universal compensation of creditors of the bank.

Under a system of ministerial accountability, someone has to be in charge. Our traditional notion of ministerial accountability says that Ministers of the Crown are responsible and that ignorance of an issue, or being poorly served by officials, does not absolve a Minister from responsibility for decisions he or she has taken. This is fundamental to our system of Government and it is not acceptable for the Government to refuse to take responsibility for its actions which are costing the taxpayers close to $2 billion.

As I mentioned earlier, I and my colleagues still have questions to ask. I would like to have answers to those questions and some indication that the principle of ministerial accountability means something to this Government.

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I might indicate at the outset that I checked with the Table officer and I understand that the Hon. Member for Trinity (Miss Nicholson) was going to deal with the question she raised on October 23, at page 663 of *Hansard*. That question deals with tax reform and sales tax. One subject with which it does not deal is the Estey Commission. I would be more than happy to speak to the question of the Estey Commission with respect to those two banks, but if the Hon. Member has indicated, as I believe she has, that she only wants us to deal with the question raised on that date, it is very hard to reply. Therefore, my answer will be like a ship which passes another ship in the night and will have nothing to do with the subject raised by the Hon. Member late in the day this afternoon, without indicating, if I understand correctly, that that is the subject she wanted us to deal with.

The Acting Speaker (Mr. Paproski): I think I should allow a point of order here to the Hon. Member for Trinity (Miss Nicholson).

• (1825)

Miss Nicholson: Mr. Speaker, I do not know how the confusion arose. I was expecting to deal with the issue of the Estey Commission. If the error arose in my office, then I certainly regret it. While I appreciate the Parliamentary Secretary's offer to give me a reply with respect to a question concerning sales tax, I agree with him that it would not be a very sensible procedure.

Mr. Kilgour: Mr. Speaker, even if the error arose because the office of the Hon. Member had the wrong date, or the wrong question, if I may I would like to put on the record what the Government has to say in reply to her question concerning sales tax. She has had a chance to speak in the House and I think that sauce for the goose is sauce for the gander—

The Acting Speaker (Mr. Paproski): I believe a situation such as this has arisen before on the "Late Show". It has happened that an Hon. Member has raised a specific question and the Parliamentary Secretary has responded to a totally different question. I think it only fair to allow the Parliamentary Secretary to read whatever he has into the record. If the Hon. Member wishes to ask another question on the "Late Show" at another time she will be allowed to do so.

Miss Nicholson: Mr. Speaker, I rise on a point of order. I would like to correct the matter. If the Hon. Parliamentary Secretary wishes to read his answer into the record, I have no objection to that. However, I would like to make it clear as a courtesy to you, Mr. Speaker, and to the Parliamentary Secretary and Members of the House, that I said that if the error arose in my office then I regret it. I am not saying that the error did arise in my office. It could very well have arisen at the Table or anywhere else.

The Acting Speaker (Mr. Paproski): That is perfectly fine. The Parliamentary Secretary may now respond.

Mr. Kilgour: Mr. Speaker, with respect to a question that was not raised by the Hon. Member for Trinity (Miss Nicholson), in her original question she questioned the benefits to Canadians of a tax reform package which is pivotal to what we will be doing in the next two years since we know it is so important to Canadians. The Hon. Member indicated that reducing personal taxes with one hand and taking revenue back with the other in the form of an increased sales tax was diabolical, or some such term—

Miss Nicholson: Mr. Speaker, I rise on a point of order. I have never used such language. I really object to that.

The Acting Speaker (Mr. Paproski): I have allowed these points of order. The question that was to be raised on the "Late Show" was with respect to sales taxes—effect on disposable income. (B) Personal taxes—request for rollback, as reported in *Hansard* on October 23, 1986, at page 663. I hope that the Hon. Parliamentary Secretary will now complete his remarks so that we can call it a day. I do not wish any other points of order to be raised, particularly since this is the Adjournment Debate and it is something which is not usual in this circumstance.

Mr. Kilgour: Mr. Speaker, I believe the Hon. Member's view of the matter was simplistic, partisan and narrow in view of the tax reforms we are considering.

[*Translation*]

In her statement, the Hon. Member lost sight of the basic objective of our tax reform, which is to make each component of the taxation system, that is personal income tax, corporate income tax and the sales tax, more equitable, simpler and more efficient. A lowering of personal income tax rates is a major objective of our tax reform, but it is not the only one. The first objective of the Government is to solve the problems in each of these taxation fields.

Once they are met, these objectives will provide lasting benefits for Canadians. For instance, Mr. Speaker, the federal sales tax now has several weaknesses: it favours imports rather than goods produced in Canada; it penalizes our exporters and it differentiates between the producers of similar products. The Government is looking at reforms which will ensure that the sales tax applies more consistently in all sectors of the economy. The widening of the tax base will also help to reduce the tax rate. This will improve both the equity and the efficiency of the tax, not to mention the fact that it will make compliance much simpler for businesses and the administration much easier for Revenue Canada.

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Parliamentary Secretary but his time has expired. Only three minutes are allowed for a reply.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11.00 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Tuesday, November 4, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Public Accounts. Pursuant to Standing Order 99(2) the committee requests a comprehensive response.

This report deals with the income tax remission order granted to Hudson's Bay Oil and Gas Company, a subsidiary of Dome Petroleum Limited. The committee is concerned that the remission order conferred a substantial benefit without Parliament's approval. The remission was used in an unconventional and unprecedented way to implement government policy rather than to provide relief from an aspect of the tax system. Moreover, the amount of the remission was not disclosed in the public accounts as required under the Financial Administration Act. The use of a remission order in this way denied Parliament an opportunity to consider a significant expenditure of public funds.

The committee is recommending that disclosure of all income tax remission orders be required and, further, that prior parliamentary approval be required for remissions exceeding $20 million in value.

* * *

NATIONAL TRANSPORTATION ACT, 1986

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Transport) moved for leave to introduce Bill C-18, an Act respecting national transportation.

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

Some Hon. Members: Agreed.

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

MOTOR VEHICLE TRANSPORT ACT, 1986

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Transport) moved for leave to introduce Bill C-19, an Act respecting motor vehicle transport by extra-provincial undertakings.

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

Some Hon. Members: Agreed.

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

* * *

• (1110)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 19 will be answered today.

[*Text*]

CANADIAN JOBS STRATEGY

Question No. 19—**Mr. Scott (Victoria—Haliburton):**

Since September 4, 1984, have any projects been funded in the constituency of Victoria—Haliburton under the Job Development and Job Entry Programs of the Canadian Jobs Strategy and, if so (*a*) how many (*b*) what was the total funding allocated to the approved projects (*c*) how many jobs have been created?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Since September 4, 1984* projects have been funded in the constituency of Victoria—Haliburton under the Job Development and Job Entry Programs of the Canadian Jobs Strategy.

Job Development

		1985-86	1986-87
(a)	General projects:	13 projects	none
	Individually subsidized jobs:	14 placements	6 placements
	Severely employment disadvantaged	1 renewal	none
(b)	General projects	$765,409	none
	Individually subsidized jobs:	$ 87,429	$22,839
	Severely employment disadvantaged	$187,000	none

* The Canadian Jobs Strategy having been in place since September, 1985.

(c)	General projects	72 jobs	none
	Individually subsidized jobs:	14 jobs	6 jobs
	Severely employment disadvantaged	26 clients 4 core staff	none

Job Entry

(a) 1 project

(b) $84,250

(c) 15 participants

[*Translation*]

Mr. Lewis: Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S.O. 29

RAILWAYS—POSSIBLE CLOSURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I wish to thank you for giving me the floor at this time, since I realize that under the provisions of Standing Order 29, your office should have been given notice one hour before, and I was unable to meet that requirement. Thank you very much.

[*English*]

Pursuant to Standing Order 29 I give notice that I wish to move a motion to adjourn the House for the purpose of discussing a matter of urgent and pressing importance, namely the situation at Moncton, New Brunswick, where 1,000 jobs are threatened as a result of a decision by CN, a Crown corporation, to close its railway shops there.

I have previously asked for an emergency debate on this issue. In fact, I made the request on June 18, 1986, shortly after CN announced its intention to sell the Moncton railway shops to Canadian General Electric. However, things have changed since then. The proposed sale to Canadian General Electric, which would have salvaged 300 jobs, appears to be very much in jeopardy and will likely not materialize. The deal hinged on the various unions in the Moncton area agreeing to waive a "no contracting out" clause. When the deal was taken to a vote the membership of two of the seven unions refused to accept the proposal because the deal was unacceptable to them.

Things are right back where they started and the complete closure of the shops—

Mr. Lewis: Mr. Speaker, I rise on a point of order. I understand the Hon. Member's concern. I wonder whether we may not move directly to the motion. Standing Order 29(3) states that "the Member shall rise in his or her place and present without argument the statement referred to in section (2) of this Standing Order". I appreciate the Hon. Member's concern. I think we should move directly to the motion and your ruling.

Mr. Speaker: It is the feeling of the Chair that an Hon. Member rising on an application such as this should have an opportunity to present the basic facts and reasons for moving the motion. The Chair is in the hands of the House. Perhaps the Hon. Member could conclude his remarks briefly and present the motion itself. I intend to defer my decision until 3 o'clock.

Mr. Robichaud: As I was saying, Mr. Speaker, things are right back to where they started. There is a threat that over 1,000 jobs will be lost. A deal was in process with CGE and CN which would have saved some jobs, but it now seems that talks have been suspended and that Moncton could lose 1,000 jobs. In a province where the unemployment rate is 13 per cent this would be a disastrous loss. For these very serious reasons I respectfully move:

That this House do now adjourn.

[*Translation*]

Mr. Speaker: I want to thank the Hon. Member for his speech on a very important matter, but I shall postpone my decision until three o'clock this afternoon.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE AND CANADA EVIDENCE ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is an honour today to address the House on a matter of grave concern for all Canadians—child sexual abuse. We are here to do something about this. Our younger generation is the promise of Canada's future. We have a responsibility to protect children from sexual abuse and exploitation and to deter those who would seek to victimize them.

It is a high priority of the Government and myself, as Minister of Justice, to address this issue in an effective and sensitive manner. To that end I am asking for the support of all Members in this House in order that this legislation may be dealt with without delay so that those children who are

presently being exploited can have some protection under the law.

In 1984, the Committee on Sexual Offences against Children and Youths, the Badgely Committee, reported that half of all Canadian females and one-third of males are at some time victims of unwanted sexual acts, 80 per cent of which occur when the victims are children or youths. Over the last two years police departments and child welfare agencies have seen a significant increase in the rate of reporting of child sexual abuse cases by as much as 25 per cent to 50 per cent.

[*Translation*]

This disturbing increase in the number of cases reported is in some measure due to the fact that both the experts and the general public are now more aware of the problem of sexual offences against children. Furthermore, children themselves are also better aware of the parameters of this problem, thanks to educational programs that teach children not to submit to the various physical advances that may be made by their elders or by persons in a position of authority.

[*English*]

In April, 1985, the report of the Special Committee on Pornography and Prostitution, known as the Fraser Report, was published. The work of the Fraser Committee in part overlapped that of the Badgley Committee so that recommendations were made by both committees on certain aspects of child sexual abuse such as the provisions presently existing in the Criminal Code which are applicable to child sexual abuse and to juvenile prostitution.

The Badgely Committee and the Fraser Committee have made a significant contribution in identifying the scope of the child sexual abuse problems in Canada in those areas where present legal provisions have failed us. In addition, officials in the Department of Justice and other concerned Departments have met with more than 300 individuals representing more than 200 different organizations across Canada to gather the views of certain non governmental organizations and private sector agencies concerned with children's issues about the recommendations of these committees. Consultations were also conducted with the provinces. As a result of the review of the recommendations of the two committees, and these consultations, legislative amendments were developed to deal with the problems of child sexual abuse, reception of children's evidence and juvenile prostitution. The findings of the Badgley and Fraser Committees and the consultations with the provinces and the public clearly pointed out that the present Criminal Code provisions do not adequately cover the full range of sexual behaviour that children may be induced to engage in, nor are young girls and boys afforded the equal degree of protection of the law required by our Charter of Rights and Freedoms.

• (1120)

This Bill would create three new criminal offences, namely sexual interference, invitation to sexual touching, and sexual exploitation, to ensure that children under 14 years of age are protected almost absolutely from all manner of sexual contact while children up to the age of 18 years would be protected from sexual exploitation by anyone in a position of trust or authority or on whom the child is dependent.

The new offence of sexual interference is designed to cover a wide range of sexually abusive behaviour consistent with the Badgley recommendations. The consent of the child to being touched for a sexual purpose is irrelevant. The child is to be protected from all touchings for a sexual purpose, with one exception. This exception would cover youths aged 12 or 13 who are not more than three years older than the complainant. Of course, if the complainant under 14 did not consent to the sexual activity with a 12 or 13 year old accused, the young accused could be charged under present sexual assault provisions.

Since the age of criminal responsibility is 12, children under 12 would not be held criminally responsible for any sexual activity. Over-all, the effect of this new offence would be to provide an almost absolute protection to children under 14 years of age from being touched for a sexual purpose.

The Badgley Committee found that very young children were sometimes bribed or otherwise induced to perform sexual acts upon another individual. Under the present law, no sexual assault is committed by the inviter in this situation and prosecution under the indecent act provisions may not always be successful.

In order to ensure more complete protection for children under 14 from all manner of sexual abuse, a new offence would be created termed invitation to sexual touching. It would be an offence for anyone to invite a child under 14 to touch him or her for a sexual purpose. It would also be an offence for anyone to invite young children to engage in sexual touching of themselves or others.

The two new offences which would afford protection to those under 14, sexual interference and invitation to sexual touching, would be hybrid offences with Crown election whether to proceed by way of indictment or summary conviction. Where the Crown decided to proceed by way of indictment, the maximum penalty available would be a ten-year sentence of imprisonment.

The proposed third new offence, that of sexual exploitation, would protect young people under the age of 18 from sexual activity with an adult who is either in a position of trust or authority, or on whom this young person is in a relationship of dependency. This offence recognizes that a young person requires special protection from those individuals who would use their position of authority, or the child's trust or dependency to exploit them.

There was a great deal of concern expressed by child care workers and others, as well as by the Badgley and Fraser Committees that those accused of sexual offences against children should not be able to avoid prosecution easily by arguing they did not know the age of the child involved. With

respect to the three new offences, and in fact all the provisions that would protect children, mistake of age will not be a defence unless the accused took every reasonable step to ascertain the age of the complainant.

There is another form of sexual abuse of our youth that has increasingly been openly practised across Canada. It is the exploitation of our children by those who seek their services as prostitutes and by those who would benefit financially from putting them to work as prostitutes. This Bill would create a new indictable offence punishable by a maximum sentence of five years for anyone in any place to obtain the services of a juvenile prostitute. Both the Badgley and Fraser Committees recommended penalizing the customer of a young prostitute, as did the Standing Committee of the House of Commons on Justice and Legal Affairs in 1983 in its report on prostitution.

The House may recall that I had the honour of being my Party's spokesperson on the Justice and Legal Affairs Committee at the time. I recall the deliberations and many thoughtful presentations made to that committee by individuals and groups across Canada. It is my honour today, as Minister of Justice, to be putting forward legislative changes to deal with the problems addressed by the Justice Committee three years ago. This Bill would also increase the penalties for living from the avails of a prostitute from the present ten-year maximum sentence of imprisonment to 14 years, if a young prostitute under 18 was involved.

[*Translation*]

It is not sufficient, however, to create new sexual offences and to amend the present provisions of the Criminal Code accordingly. As the Badgley Committee pointed out and as consultation with non-governmental organizations has confirmed, it often happens that very young children cannot benefit from the protection of criminal law because they cannot be sworn and, consequently, cannot testify in court. Those who abuse very young children can often do so a number of times or abuse more than one child without having much to fear from the law.

The Bill we are about to consider provides a number of amendments to the Criminal Code and the Canada Evidence Act, in order to resolve the problem of the admissibility of evidence given by children and to put in place more flexible mechanisms to gather that evidence.

[*English*]

An amendment to the Criminal Code would remove the current need for corroboration before a conviction can be sustained when it is based only on the unsworn evidence of a child. Amendments to the Canada Evidence Act to enable more children to testify would provide a procedure whereby a judge would examine a child under 14 to determine whether the child could be sworn or heard to affirm. If the child cannot be sworn or make an affirmation, the judge would determine whether the child could be heard on promising to tell the truth. The weight to be given to such evidence would, of course, be a matter for the judge or jury to decide.

A further proposal would abrogate the doctrine of recent complaint. It has been observed that children are frequently unable to bring themselves to make a disclosure of their sexual victimization until a significant time has passed. This inability has resulted in offenders evading prosecution and indeed punishment.

• (1130)

It is also proposed that a videotape of a child victim under 18 describing the acts complained of could be shown in court if the child adopted the contents while testifying. During the series of consultations held with groups and individuals across Canada, my officials were told of numerous instances where young children felt intimidated by the nearness of the accused in the courtroom. Further amendments would permit the judge to exclude the accused from the courtroom during the testimony of the child complainant in a sexual offence case, if the judge believes that the exclusion of the accused is necessary to obtain a full and candid testimony from a child. The excluded accused would, of course, be able to watch the proceedings on closed circuit television and would have the facility and ability to communicate with his or her legal counsel.

We have often heard that sexual abuse is a cyclical problem, that individuals who are abused as children often abuse children in their adult years. It is my hope that this legislation will assist in breaking that cycle of abuse by using our system of justice to protect those who cannot protect themselves, the innocent victims of child sexual abuse. It is not my intention to hold out these amendments to the Criminal Code and the Canada Evidence Act as a solution in and of themselves to the complex and tragic problem of child sexual abuse. However, and this I stress, these amendments are an integral part of the commitment of the federal Government to do everything reasonably possible to stop this damaging conduct.

My colleague, the Minister of National Health and Welfare (Mr. Epp), is actively co-ordinating an effective federal approach at the policy and program level to combat child sexual abuse. My colleagues and I will be working closely with the provinces and territories to ensure an integrated effort. The amendments before the House, in the context of all the other steps being taken, will send out a real signal that society will not tolerate the continuation of child sexual abuse and exploitation. We will use the full weight of the criminal law to afford our children the protection they have the right to expect.

Hon. Bob Kaplan (York Centre): Mr. Speaker, on behalf of my Party, her Majesty's Official Opposition, I am very happy to participate in the debate. I begin by assuring the Government and the Minister of Justice (Mr. Hnatyshyn) that we support action in this area. We welcome the Bill. While we have some concerns I will deal with in a moment, we feel this is an important area for action with respect to Criminal Code amendments. Even before the—

[*Translation*]

Even before the Badgley Report, there was a feeling among the general public about the seriousness of child abuse and people realized that it was a matter that had not been satisfactorily addressed by our society. What really came out of the Badgley Report was that the extent of the problem was far greater than anyone had suspected.

[*English*]

A problem was revealed by the Badgley Commission of a proportion which could hardly have been anticipated by many Canadians. The Badgley Report makes recommendations for many bodies to act on. While there are recommendations which cannot be implemented by Government, there are a certain number which can be, including strengthening the Criminal Code to deal with the problem of child abuse and molestation of children. I am very glad the Government has reintroduced this legislation. I would have been happy to deal with it in the last session of Parliament but I am glad it has been raised in this session. I look forward to the important work the committee will do in looking at the recommendations and to seeing this Bill legislated, hopefully, in this session of Parliament.

Let me say, however, that I think we have to give the public more time to react to the Bill than we seem to be doing. It is true that this Bill is virtually the same as Bill C-114, but I do not think too many of the groups which looked at Bill C-114 realize that the Bill has been reintroduced in this session. I hope that, when it comes to committee, at least three or four weeks' notice will be given to communities which are interested, that the Bill is here, that important considerations are before Parliament in this area, that new crimes are being created and that traditional safeguards for the accused are being removed, so that there will be some opportunity for those interested in these questions to get their act together and put a submission in before the parliamentary committee. I think the committee's work will be important because we are creating new crimes and removing traditional safeguards which accused have relied on in the past in connection with offences against young children.

I think it important that there be new crimes created and that some of the safeguards which have prevented cases from getting to court in the past be looked at and removed. Nevertheless, when we make changes such as that, it is important they be done with notice and opportunity so that members of the Committee on Justice can consider all the points of view which have to be brought to bear before steps are taken.

A fundamental step on which we must all agree, I submit on behalf of the Official Opposition, is to find ways of getting more cases where young people are sexually abused before the courts of the land. Whatever the safeguards and definitions of the past, the Badgley Report is right in observing that not enough cases have come before the courts. I think judicial decisions, condemnations and judgments against accused in connection with sexual offences have an enormous deterrent effect.

People have felt comfortable about getting away with sexual abuse partly because it involved the family where, one might have wrongly felt in the past, the law did not venture and partly because children were involved. Offenders might have felt, because of their more powerful position, that they could get away with it. Whatever the reasons, we have to throw light on this area of behaviour and bring reprehensible behaviour before the courts and obtain more convictions.

There have been barriers in the past which have prevented these cases from coming forward. In part, this has been because of definitions. As the Minister has indicated, and here he has our support, some new offences are being created with new definitions of unacceptable behaviour in relation to young people. I am particularly pleased to see the particular provision with respect to "persons in authority". I am pleased with the provision with respect to the protection of children under 14 and of the greater precision which is attached to the exemption for sex play among children which we must recognize is a normal part of growing up through adolescence. The law must recognize that, and is doing so, with the exception provided for in that provision. But that is not an exception from which an adult should be able to benefit. Again, the Minister's provision makes it clear that exploitation by adults of young children for sexual purposes by adults will be a punishable activity. It will be a crime and will be brought before the courts, if it can be.

On the other side, there is a treatment of the traditional barriers which have prevented behaviour of this type from coming before the courts. There is, first, the qualification of the complainant. The Government is proposing the removal of the requirement that corroboration be retained. If one looks at the cases, one sees that the kind of corroboration asked for by the courts has provided cover and has made it impossible to bring forward many cases which should have been brought forward. Where an adult organizes his assault on the young person with care, corroboration will not be available. Those of us who have practised in the area, and Members of Parliament who have followed the amendments of the Criminal Code in this area in the past, know that the corroboration requirement, which has no counterpart for offences against adults, has probably been the single greatest reason why cases have not been able to be developed to the point where they can be brought before the court. This requirement is to be removed.

• (1140)

Second, we are looking at the acceptability of the complainant's evidence. Is the young person competent to tell a story? Is the young person aware enough of the consequences of what he or she is doing? Is he or she conscious of the difference between truth and falsehood so that a court can be asked to accept such evidence?

We are moving from a point in the law at which courts focused on admissibility to a point where they now focus on questions of weight. In general, I welcome very much this

development in the law. Our traditional British system of justice when compared with other systems in the world—and one has to recognize them as fair in themselves—more than the civil law system and other systems I have looked at tends to exclude evidence which tells the trier of fact that certain matters cannot be taken into account.

In many other systems the approach is different. In such other systems the court is allowed to consider evidence that is relevant and to say what weight it should be given. The Bill before us seems to be moving more toward a system in which formerly inadmissible evidence will be considered while the question of what weight it should be given will be raised.

I also have some reservations about the sufficient intelligence test that the Minister proposes be maintained in the law. While I agree that a judge ought to assess the capacity of a young person to tell a story as it happened—something about which the judge will have to make some judgment—"sufficient intelligence" is a test that has already been looked at by the courts. If one looks at the leading case in the field, *Horsberg v. The Queen* which dates back to 1968, one will see that the sufficient intelligence test boils down to a requirement that the complainant be of above-average intelligence. This is a case which went to the Supreme Court of Canada. The above-average intelligence standard is a high standard. It is applicable to less than one-half of the people in a given group. It means that more than one-half of the children who might otherwise be complainants will fail the test. A great many cases that ought to be brought forward will not be brought forward.

While a judge ought to look at the intelligence of the complainant to apply the sufficient intelligence test, according to legal precedent this will result in the exclusion of a great deal of evidence rather than in its admissibility. This is subject to the question of how much weight is given to the evidence of the young person who tells a story and who is intelligent enough to be able to put forward a story that he or she believes to be true and that reflects a proper recollection of the incidents alleged to constitute a crime. This is a test which I will want to look at in the committee.

I would now like to deal with the removal of other traditional safeguards recommended in the Bill. First, there is the removal of the warning that the judge traditionally gives in the case of even formerly admissible evidence by a young person to the trier of fact that it is evidence of a young person and that the trier of fact must be extra careful in considering it. This warning will not be necessary in the future under the regime to be established by the legislation which is before us. I think that is a positive move.

The admission of videotape evidence taken soon after an incident occurs is an extremely important and welcome addition to the law. This means that shortly after the commission of an offence, the young person will be able to tell the story on videotape. I ask parenthetically why there could not be provision to have the story placed on sound tape. There may be some circumstances in which video cameras are not available and where evidence could be given on an ordinary tape recording. Videotape gives the trier of fact an extra dimension in which to make judgments. One can watch the demeanor of the child telling the story. This helps one to conclude whether or not the child has been truthful and accurate. However, as I have said, video equipment may not always be available. If we are to trust a judge or a jury to make a judgment about the truthfulness of the evidence of a child then a sound recording may be useful. This is one of the issues on which we will question the expert witnesses who appear in committee to see whether or not such a provision can be added. From the stories I have heard from people who practise in this field, four or five years can go by between the time an offence is committed and the time the accused is found guilty or not. Thus videotaping a complainant at a time closer to the incident will reflect more accurately the vocabulary and life experience of a child. The evidence a child gives in court will be much different four or five years later because of the evolution of the child, because of his or her greater understanding of the sexual behaviour of adults and because of his or her own sexuality. That in itself is an argument for admitting a videotape or some other similarly recorded earlier recollection.

The provision with respect to the videotape calls for it to be made soon after the incident complained of. I wish to suggest that perhaps a videotape should be made soon after the child reveals the commission of an offence. Sometimes a period of time goes by before a child who has been subjected to the conduct about which he or she complains reports it. Again, there may be other intervals between the time of complaint and the time of trial. To limit videotaping to soon after the incident occurs will exclude videotape evidence in a case in which a child waits a year or two before deciding to complain about certain behaviour. I wish to discuss in committee the opening of a window for videotaping not only soon after the incident occurs, as is presently proposed, but soon after the disclosure or the making of a complaint by a young person. In general, I think that videotaping of this nature, or any taping, will enhance the ability of the court to make a proper decision.

I now wish to speak about the exclusion of the accused from the courtroom, which is unprecedented in our system of justice. The argument for exclusion is that the complainant when giving evidence in court could be intimidated while he or she is doing so while the accused is sitting in the same room, glaring, as he or she is entitled to do, at the young person in the witness box. The thought is that if the accused is removed then the young person might feel more free to tell the story. One could say the same about other people around the accused. In many cases, as in incest cases, for example, there might be other adults present in the courtroom whose presence could be intimidating to the young person. If this power is to be given, we ought to see if the judge might also have the power to exclude others who, by being present in the court while the young person is telling the story, might prevent the young person from feeling comfortable about telling the entire story.

• (1150)

Let us look at this from the other side for a moment. Nothing would be worse than developing a regime under which an accused would be denied a fair opportunity to defend himself or herself. What is the impact on the court of removing the accused and perhaps a larger group of people during testimony? I believe it is very prejudicial. If I were sitting on a jury and the accused was ordered by the judge to leave the courtroom along with others because of his or her demeanour, I would find it pretty prejudicial. It might also damage the ability of the accused to defend himself.

The statute calls for the video taping of the procedure so that somehow or other, the accused will know what is going on in the courtroom while he is away and will be able to instruct counsel or respond to counsel. The machinery that is proposed here is a radical innovation. While I welcome it and believe it will achieve the basic goal of the Official Opposition, which is to see more of these cases come before the court and be dealt with by the court, we want to be fair as well. We want to be certain that the machinery the Government has in mind will not prejudice a jury or a trier of fact and will not tend to lead to convictions in cases where the accused has a defence and is innocent.

What I am about to say applies to this particular provision as well as to some of the other provisions. There are other jurisdictions in the world that are trying all these different methods. I do not think there is anything in this legislation, new and radical as it is for Canada, that has not been tried elsewhere.

It is not good enough for the Government to defend a procedure by saying that it has been tried elsewhere. We need to know how it has worked where it has been tried. In connection with divorce reform, some of the measures that were brought forward were called terrific by the Government because they had been tried elsewhere, but we heard evidence from elsewhere that it was not working as well as the Government had hoped it would work here.

In fairness to future accused and in the desire for fair trials, we want to know how these measures have worked where they have been tried. Have they been beneficial, have they resulted in miscarriages of justice or have they resulted in decisions acceptable to the population, decisions that provided a deterrent to the community and showed that young people are being protected by the courts of the land? Have these measures shown that certain kinds of behaviour will be punished and that there is a greater risk than there had once been of this type of behaviour being found out and dealt with by the courts?

The final issue with which I would like to deal regarding the reduction of safeguards is the matter of prior sexual activity. In the areas of sexual assault and aggravated sexual assault, the former Government of which I was a part led a move away from evidence of prior sexual activity being brought forward to prejudice the court against a complaint in rape cases. All of us at the bar know that the development of the law had been so regrettable and unfortunate that a woman with a certain kind of prior sexual behaviour could never bring a complaint before a court. Nothing that was done to her of which she would complain would result in a conviction because of the prejudice created by her former sexual behaviour. That was an unacceptable development of the law and it was important to make a move that permitted anyone who was raped, whatever her prior sexual behaviour, to bring forward a complaint and to obtain justice in the courts of the land.

In the legislation before us, the Government is proposing in proposed Section 246.6 that no evidence shall be adduced by or on behalf of the accused concerning the sexual activity of the complainant with any person other than the accused. Again, I welcome this provision but I want to be certain that we will not be moving too far in a direction which will prevent relevant evidence from coming before the trier of fact so that he may deal with the question of its weight. How much can one safeguard the truth while still allowing for a wide latitude in the admissibility of evidence that is logically relevant?

There is a lot in this Bill. It is very important that we move it forward. It is important that there be tougher laws in this area designed to punish offenders who target young people and abuse them sexually. I hope that the process of Parliament will work quickly. I would like to assure the Minister of my co-operation. However, I must note that the Minister's predecessor had a very poor track record with the legislation that was brought forward.

I can name chapter and verse a number of the Bills that were brought through the House, and I would if the Minister were here, which have been struck down as violating the Charter. I believe it behooves all of us to take more care than the Government has taken to date of the Charter implications and the requirements of the Charter for fair trials, free speech and free access. We do not want to see the Government continue to abuse the Charter and the goal of the Charter which is to enhance the rights and freedoms of Canadians. That kind of concern which has not meant much to the Government so far must mean a great deal to the Opposition.

When we deal with legislation, as important as it is, we do not want to see the Conservative tendency which one also sees in the United States toward having pious declarations become legislation and particularly criminal legislation for which people may be convicted and serve time. We do not want to translate a public sentiment into a criminal statute. We do want to respond to a public sentiment and, within our traditions of fairness, free speech and all the other rights and freedoms we enjoy in Canada, we do want to try to advance society and protect young people and women, but at the same time we want to do this in a way that is consistent with the fundamental freedoms that make this a liberal democracy. However often Canadians rally for a drastic solution to a problem, when cases come before the courts as a result of drastic sentiments, they want the people who appear before the courts of Canada to have fair treatment.

Criminal Code

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in the debate on this very important piece of legislation, Bill C-15. It is important and long overdue legislation designed to deal with the hidden tragedy of child abuse.

• (1200)

It was in August of 1984 that the Badgley Commission submitted its report to the Government documenting what it termed "a national crisis" of the sexual abuse of young people. There has been debate and considerable discussion since that time as to the actual extent of child sexual abuse, and the extent to which it may be a phenomenon which is increasing in our society, or merely one which is being reported in increasing numbers. Nevertheless, no Member of this House can deny that we all have an obligation to deal quickly and effectively with this tragedy.

The Badgley Commission recommendations were tabled in August of 1984. Shortly after that I called upon the newly elected Government to move forward and take action to deal with the concerns that were raised by that commission, not necessarily to implement all of the recommendations chapter and verse by any means, but to recognize that a problem does exist and it is one that should be addressed. It took the Government over a year before it even began to respond to the recommendations of the Badgley Commission.

Approximately one year later, in August of 1985, the ministry embarked upon a series of consultations. These consultations were rushed so much that many of the groups consulted strongly protested the nature and the process of the consultations. They were also concerned that the Department of National Health and Welfare was not involved in those negotiations, and certainly should have been.

Following those consultations the Government introduced two Bills last June. This is once again a lag of almost another year. It is a matter of considerable regret that in the concern that was expressed, in my view quite properly with respect to the companion Bill C-114 on pornography, many of the important questions raised by the legislation on child sexual abuse were completely ignored.

Quite understandably, the press focused on the repressive and Neanderthal provisions of Bill C-114, the pornography legislation, and completely ignored many of the provisions dealing with child sexual abuse in Bill C-113. Much of the important focus and concern that had been raised at the time of the tabling of the Badgley Commission Report was lost in the publicity and the concern over pornography legislation.

I am pleased that the present Minister of Justice (Mr. Hnatyshyn) has decided to move forward with the child abuse legislation separate and apart from Bill C-114, the pornography legislation. If it is his intention to bring forward similar legislation to that brought forward by his colleague, the now Minister of Transport (Mr. Crosbie), I would suggest that he delay that as long as he possibly can because it certainly will meet with vigorous resistance from many Members in this House.

That is not to say that we in this Party believe that action is not necessary to deal with the present archaic laws in Canada on pornography. Clearly such action is needed, particularly in the area of violent pornography and pornography which is degrading. To suggest that we take the sweeping approach to stomping out any depiction of consensual adults sexual activity, as advocated by many of the Minister's colleagues, is surely an approach that we cannot accept.

I would suggest to all Members of this House that they go back two or three years and review the proceedings of the Standing Committee on Justice and Legal Affairs in dealing with similar legislation on pornography and sexual abuse of young people. That legislation was Bill C-53. The present Minister of Justice spoke at that time to the Justice Committee with considerable force and eloquence against the proposals of the previous Government in Bill C-53. I intend, in the course of the deliberations on this legislation before the Justice Committee, which I understand will be dealing with this legislation, to remind the Minister and his colleagues on that committee of the position that he took at that time on that legislation. I hope that perhaps, with that consistency for which he is so well known, he will in fact adopt a similar position in response to amendments that I intend to put forward to this legislation.

The Badgley Commission documented a very disturbing human tragedy involving young people in Canada. It is a largely hidden tragedy, as I indicated earlier. The scars of the sexual abuse of young people can be borne for a lifetime. Too often the abuse of young people is then in turn repeated, and that vicious cycle is continued. The Minister referred earlier to this. This is a cycle which we must make every possible effort to break. Clearly there can be debate as to the actual extent of child sexual abuse in Canada. There are those who argue that the estimates by the Badgley Commission are excessive and unreasonable. Whatever the extent, it is clear that this Parliament must take firm and effective action now to deal with that crisis.

Clearly changes in the law are required. There is no doubt about that. I intend to comment on the Minister's specific proposals.

I believe it is also essential that we recognize that changes in the law alone are totally inadequate to deal with this serious problem. Indeed, changes in the criminal law may in fact result in a significantly larger number of people coming into direct contact with the criminal justice system. If the additional resources are not put in place to deal with those individuals—here I speak both of victims and offenders—then we will be doing a disservice and not a service to the victims of sexual abuse.

There must be a clear recognition of the need for significantly enhanced resources both provincially and federally to deal with the problem of child sexual abuse. We have to look at the

prevention as well as the assisting of victims of child sexual abuse and resources to treat offenders, those who would abuse the children themselves sexually. I have spoken about the victims of child sexual abuse. It is important to note that there are also adult survivors who bear the scars of sexual abuse that they may have suffered as children. There must be resources to assist the adult survivors of sexual abuse to cope with those problems and overcome the scars and the pain which they have suffered. In short, we have to attempt to break that cycle of child sexual abuse which is so pervasive.

In this regard, it is essential to note that many of the resouces which should be in place are seriously lacking. Many of the legislative provisions at the provincial level are seriously lacking. I believe that there are only four provinces, four jurisdictions, which even include sexual abuse as part of their definition of children in need of protection in their child protection statutes. Clearly that must change. While we cannot rewrite provincial legislation, we can certainly send a strong signal of our concerns.

It is also important that we look at the enhanced provision of services for abused children. There are many omissions in this area. There is duplication of effort, the absence of effective co-ordination between service programs, and ineffective evaluation of whether policy initiatives, guidelines, and programs are actually working and benefiting children. Too often provincial jurisdictions are not putting the amount of money into this problem that they should be. Too often professionals that work in the field are not paying the type of attention that they should be.

In a paper in which Lorenne Clark did a critique of the Badgley Report she stated:

> —how is one to make sense of the fact that most jurisdictions do not even recognize sexual abuse of children as behaviour constituting a sufficient condition for declaring a child to be a child in need of protection, that the agencies dealing with the problem do not even know whether the guidelines they are following and the programs they have developed either work or benefit those for whom they are intended, and do not function either as major direct recipients of complaints or even as frequently utilized referrals, and that in two-thirds of the sexual abuse cases coming to them, they themselves may have contributed to that abuse because their belief in the importance of keeping the families of these victims intact led them to refrain from intervention when they already knew that sexual abuse had taken place?

We have illustrations from across Canada about the absence of resources. In Halifax, Children's Aid Society workers now deal with about 50 cases each. This is a far too heavy case load. There is a three month waiting period for psychological treatment of sexual abuse. Similar inadequacies have been documented across the country in the summary of the consultations prepared by Neville Avison of the federal Ministry of Justice. I should like to quote what I think Mr. Avison said very well in his report. He said:

• (1210)

> It was believed to be useless, or even worse than useless, for the federal Government to address the legal concerns without having—plans being implemented for the infrastructure of programs and services that would be required.

I strongly support that statement. We need resources at both provincial and federal levels. There must be an effective co-ordination of the involvement of the federal Government in this area. For that reason I very much regret that the Ministry of National Health and Welfare has not played a higher profile or a more active role in the whole question of dealing with child sexual abuse.

It was in June of this year that the Minister of National Health and Welfare (Mr. Epp) said that the Government would be announcing shortly the appointment of a special adviser on child sexual abuse. He said that there would be committees of regional advisers as well. One can debate whether there should be a special adviser reporting to the Minister or a commissioner reporting to the Prime Minister as Badgley recommended. However, what surely should be beyond debate is the suggestion that the Government should move quickly to ensure that there is an effective co-ordination of the response of the federal Government in this area. The Minister said in June of this year that the Government would be announcing shortly the appointment of this special adviser. It is now November and we are still waiting. Five months later and the Minister of National Health and Welfare, who is unable to join us in the debate this morning, has failed to act on the promise which he made to move forward with an effective co-ordinating body. I would hope the Minister would recognize his responsibilities and take action on this matter immediately.

As well, the Minister of National Health and Welfare announced with great fanfare that the Government intended to spend the sum of $20 million over five years to deal with the whole question of child sexual abuse. The evidence is clear that such an amount is a pittance and falls far short of what is necessary to respond effectively to the concerns of those who are active in the field of child sexual abuse. That $20 million is approximately half the amount the Government is wasting on the construction of a federal penitentiary at Port-Cartier in the Province of Quebec. The total amount the Government is prepared to commit to child sexual abuse is half the amount being wasted on the construction of a federal penitentiary in the riding of the Prime Minister (Mr. Mulroney). It is shameful that the Government is not prepared to spend more money or to put more resources into effectively dealing with the concerns surrounding child sexual abuse.

A former employee of the Department of National Health and Welfare, Dr. Susan Painter, who worked for that Department from 1981 to 1984 as director of an information service on family violence, has said that she does not understand why her former Department has not responded. She said:

> I don't see any excuse for the lack of action.

She is right, and it is about time the Minister of National Health and Welfare recognized his responsibility in this area and realized that a legal response is simply not good enough.

I would note, in closing on this particular point, that Mr. Neville Avison commented in his summary of the discussions following national consultations that those attending the

discussions regretted the absence of a National Health and Welfare representative from the discussion team. Once again we see the colleague of the Minister of Justice failing to fulfil his responsibilities to the children of Canada and failing to play an active role in this important area.

We must look at the whole question of social services, but we must recognize as well that there is a more fundamental and basic question which we as a society must address—the whole question of male socialization in society. It has been pointed out that over 98 per cent of the offenders in the area of child sexual abuse are males, are men. It is men who are the pimps. It is men who are overwhelmingly the consumers of pornography. It is men who are the customers of prostitutes. Until we can attack in a very fundamental way the socialization which leads to this phenomenon of men being the abusers, the users, and the customers, surely we will not have come to grips with the problem of child sexual abuse or discrimination against women and children.

Again it was Lorenne Clark who wrote very eloquently about this particular matter in the paper to which I referred earlier. I should like to note briefly her comments. She said:

> Sexual response is a learned behaviour, and until men can accept themselves as the equals rather than the superiors of women, and can learn new sexual responses appropriate to that status, most aspects of the problem will remain unchanged.

The Church Council on Justice and Corrections, in its brief to the Minister, noted that there was a societal problem in the socialization process of young males. Until recently women and children were considered to be subjected to the power and authority of their husbands and fathers, with very few rights of their own. Women have now acquired legal rights by law and are starting to have these rights respected, but to attribute rights to children is a very recent concept. It is still revolutionary to say that children are not the property of their fathers but are citizens with equal rights to respect and dignity. In that regard I note that it was the former Hon. Member for St. John's East who introduced a Bill into the House in 1978 proposing a Bill of rights for children. I introduced similar legislation, and I believe that approach is one at which we as Members should look with considerable care.

In looking at the whole question of the sexual abuse of young people and children, we recognize a serious concern in society. However, I believe it is very important that in focusing as we are today on the sexual abuse of young children, we not lose sight of other forms of abuse of children. There is a danger that if we as a society focus upon the sexual abuse of young people, we will not give the attention which is warranted to other forms of violence and abuse of children.

In 1959, Canada was one of the signatories to the United Nations Declaration of the Rights of the Child. That Declaration set out very clearly that the child shall enjoy special protection and shall be given opportunities and facilities, in law and by other means, to enable him to develop physically, mentally, morally, spiritually, and socially in a healthy and normal manner and in conditions of freedom and dignity. We as a society have fallen far short if that is to be our benchmark, as I suggest it should. We have not come to grips with the problem of physical abuse of children, and I am not speaking here of sexual abuse. We have not come to grips with the battering of children which was so clearly documented by the Standing Committee on Health, Welfare and Social Affairs in its 1981 report. We must recognize that that is a serious concern we must address. Surely we must ask ourselves whether it is really appropriate that we should in effect be tolerating child abuse explicitly in the provisions of the Criminal Code of Canada. In its 1981 report, in referring to Section 43 of the Criminal Code, the committee indicated:

> The Criminal Code as it now stands provides a legal framework for child abuse.

I remind Hon. Members that it is Section 43 of the Criminal Code which indicates explicitly that schoolteachers, parents, and those who stand in the place of parents can in fact use what is called "force" against children.

Why? Why is it that we as a society are prepared to tolerate the use of force against those who are the weakest and most helpless in society, when we will not allow the use of force against any other citizen in our community? It used to be that we would allow the use of force against women, who were seen as appendages or chattels of their husbands. Fortunately those days are gone, but we as a society still tolerate the use of force and violence against our children. I believe, and I speak now as an individual and not on behalf of my party, that the time has come for us to re-evaluate this question. We have to ask ourselves very seriously whether we should not be adopting a fundamentally different approach to the way we treat our children. In Sweden, following lengthy study and debate, the law was changed to prohibit use of physical punishment against children. The law now reads that a child may not be subjected to physical punishment or other injurious or humiliating treatment. The time has come for us to examine very carefully whether that is not an appropriate response for us as a society. After all, what is the dividing line between a spanking and a beating? Who makes that very important decision?

● (1220)

We also have to look at the extent of violence on television. The reality is that a child exposed to television over a number of years will probably have seen something like 18,000 deaths by the time he or she reaches the age of 18. Our movies are full of violence. Video games encourage children to kill as many creatures as possible, as quickly as possible. I am sure that leads to attitudes which can in turn generate violence.

Then there is the violence of poverty itself. The National Council on Child Welfare documented this problem very eloquently. We have the poverty and violence of hunger and cold. We have poverty and violence which leads to young native people drinking photocopier fluid and dying, as happened in Peerless Lake, Alberta. Surely we must not overlook these other forms of abuse and violence of our

children which leads to teenage suicides in record numbers in some of our provinces. As Jeffrey Wilson, an author who has written extensively about the position of young people in our society, said, too often the modern reality of Canadian childhood includes the shopping mall, the street corner, the teenage drug abuser, the child suicide, the AWOL kids, struggling in our cities to find a job, a fake ID and a warm place to sleep for the night. That is the reality of too many children in Canada today.

This legislation deals with a number of concerns in this area. It deals with evidentiary provisions which would make it easier to prosecute child sexual abuse in Canada. It would make it easier for children to give evidence. It deals with substantive law in the Criminal Code and there are provisions dealing with juvenile prostitution. Allow me to refer briefly to the clauses in the legislation dealing with juvenile prostitution.

In March of 1983, the Standing Committee on Justice and Solicitor General considered the whole area of prostitution. It did not agree on many things. In fact, there was only one issue on which all three Parties in this House agreed. That was, that the Criminal Code of Canada should be amended to provide sanctions explicitly against those who would attempt to purchase the sexual services of young people. We supported that suggestion in 1983. We have since advocated that the Government move on that suggestion. Certainly we are pleased to see the legislation before the House today incorporate that important provision. I am also pleased to note that the Government rejected the recommendations of the Badgley Commission in that respect.

I see the Hon. Member for Outremont (Mrs. Pépin) has just entered the House. She served with distinction as a member of the Badgley Commission. I say to her that while there were many important provisions in that report, the suggestion that young people be charged as criminals for engaging in acts of prostitution is one that I believe this Government quite properly rejected. However, the Government went on to deal with prostitution in a manner which many of us felt to be completely inappropriate, and Bill C-49 was adopted in the last session of this House despite the opposition of both opposition Parties. That Bill in effect made life even more difficult for young people on the street involved in acts of prostitution. It has driven them underground and in some cases has made them more dependent on pimps. David Dranchuk, who has worked extensively on the streets of Vancouver with juvenile prostitutes, pointed out that since this Bill was enacted the lot of juvenile prostitutes is worse than it was before. We warned the Government of that, and unfortunately the warning has turned into a harsh reality. I hope the Government recognizes that that approach was wrong. It flew in the face of the recommendations of the Fraser Committee and certainly it contributed to the expansion rather than the reduction of child sexual abuse.

Dealing with the two major areas of this Bill, I would like to touch on the evidentiary provisions. My friend from York Centre has already referred to a number of the proposed changes, as has the Minister himself. Surely the fundamental principle must be that we allow the child to tell his or her story clearly in court without any sense of intimidation. Does this Bill facilitate that objective? It would eliminate the present requirement for corroboration. We welcome that and we will support it in committee. It is quite unfair that under the present law, if a child cannot be sworn and there is no corroboration, the case must be thrown out of court. That has been a significant barrier to dealing effectively with child sexual abuse in the courts.

However, the provisions as presently drafted fall significantly short of what we believe should be the case. The governing principle should be to facilitate communication by the child. There should not be a test of sufficient intelligence, as proposed in this Bill. We have already seen that the interpretation of this test has led to unreasonable expectations. One judge said it is not good enough to have just average intelligence, the child must be above average in intelligence. Yet, it should not be the intelligence of the child that governs, it should be the ability of that child to communicate to the court that governs. Surely judges should be able to weigh the evidence.

I suggest as well that children be allowed to use devices which might assist them in communicating. A young child, for example, might wish to use an anatomically correct doll to explain exactly what has happened to him or her. I believe that should be permitted by the courts.

The provisions with respect to videotaping evidence are a step forward. The drafting of this provisions leaves something to be desired, however. I believe videotaping should be allowed not just shortly after the offence, because in some cases the child is afraid to speak and it is only after several weeks or months that it finally has the courage to speak out. I would suggest that shortly after the disclosure of the offence the videotaping should be permitted. Nor is it good enough just to permit videotaping. I suggest a record in another form, perhaps an audio recording, is appropriate as well. If this is to work effectively there must be the fundamental safeguard of allowing the accused to watch the evidence of the child and comment on it to his or her lawyer. There are obviously many parts of the country in which there are not adequate resources to facilitate such videotaping of evidence. I suggest that the federal Government should assist in providing those resources.

• (1230)

There are also concerns about the provisions with respect to decorum in the court room and the exclusion of the public from the court room. It may very well be that there should be provisions for the exclusion of the public at the discretion of the judge when a young person is testifying. There are a number of other evidentiary provisions which we will want to examine carefully in the course of committee study.

The Canadian Council on Children and Youth has made a number of important recommendations for changes, as has the Metropolitan Toronto Special Committee on Child Abuse. I

hope that they will be given an opportunity to appear before the committee and make representations in the area of the presentation of evidence. One area in this Bill which I would emphasize as being of fundamental importance, aside from the substantive offences which I will deal with shortly, is the question of evidence. We are concerned that the proposals fall dramatically short of what is appropriate for ensuring that children's evidence gets before the courts.

There are lawyers, particularly defence counsel, who have various concerns about these provisions. Harold Levy, the editor of the Criminal Lawyers Association Newsletter, has called these changes "incredibly dangerous". I have a great deal of respect for Harold Levy. He said:

> There seems to be a "believe-the-children movement" which is tied into the children's-rights issue. But they don't have the right to be believed just because they are children.

I fundamentally disagree with that. The fact is that under the law as it now stands children are disbelieved just because they are children. It is about time we recognized that children do have the right to be heard and we should be taking the necessary steps in law to facilitate that right.

The last portion of the Bill which I would like to address contains the substantive provisions of the legislation, the new offences which are created in this Bill. This is obviously an area of the law which is in serious need of overhaul. The Badgely Commission and the Fraser Commission documented offences which are not covered by the existing provisions of the Criminal Code. Similarly, there are other actions which are presently criminalized which should not be the subject of criminal sanction. I would like to address both of those areas in the few minutes I have remaining for making my remarks today.

There are some serious weaknesses and inequities in the substantive offence provisions of this Bill. The Bill refers to "sexual touching" and creates offences for that. Sexual touching is not defined in the legislation. I realize that it is difficult to define that with precision, but I suggest that the committee should try to formulate an appropriate definition of "sexual touching". If it does not, there is greater potential for abuse of this, particularly by law enforcement authorities who may define as "sexual touching" conduct which none of us in this House would reasonably believe should fall under that particular description.

The Bill would, as well, criminalize adolescent sexual behaviour which is currently not the subject of criminal sanctions. As the Canadian Council on Children and Youth has pointed out, under the present law we do not criminalize the acts of a 14-year old who may be necking and petting with a 13-year old or the actions of two 13-year olds who happen to be fooling around or engaging in sexual activity or experimentation. No one in the House is suggesting that we should take steps to indicate our approval of teenage sexual activity. However, the reality that young people under the age of 16 do engage in sexual experimentation must be faced. This Bill would criminalize that sexual experimentation amoung young people. I suggest that education at home, school, church and elsewhere is the best way for children to develop in a sexually healthy and mature fashion. We should not use the sledgehammer of criminal law against sexual experimentation and activity between adolescents.

The Bill is curious in that it would say that it is okay for a 13-year old and a 12-year old to engage in adolescent sexual experimentation. However, for a 14-year old and a 13-year old to engage in the same kind of sexual experimentation is a criminal offence. That makes no sense whatever. I suggest that we study very seriously the recommendations of the Canadian Council on Children and Youth in this area.

In addition, the Bill would single out for special treatment under the Criminal Code the offence of buggery. It would reduce the age from 21 to 18 but would maintain the offence of buggery for special treatment. The Special Committee on Equality Rights recommended that there should be a uniform age of consent for homosexual and heterosexual activity. I suggest that by retaining the offence of buggery and applying an age of consent of 18 to it, the Government continues to discriminate against young gays. I suggest that the committee may want to examine as well the term "buggery".

In reality, in dealing with the offence of buggery the Government is saying that two 17-year olds, including two 17-year olds of the same sex, for example, cannot engage in an act of anal intercourse but may engage in any other form of sexual activity. If the Government wants to justify this form of discrimination, surely it will have to demonstrate to the committee that this conduct is more harmful than heterosexual conduct or other homosexual conduct in the same age group. I suggest that in the absence of the ability to demonstrate that, the legislation should apply a uniform age of consent.

I note as well that the legislation attempts to lower the age of consent from 21 to 18 for buggery. However, at the same time there is a quite pejorative reference to consent by individuals who are "feeble-minded, insane, an idiot or imbecile". I suggest that maintaining that kind of language in the Criminal Code is quite inappropriate. I hope the committee would redraft that language if it is to be maintained at all. I suggest that in the absence of compelling evidence the committee should adopt the recommendation of a uniform age of consent.

In conclusion, I would like to emphasize that we in this Party recognize that this subject must be addressed with care and in depth by Parliament and, in particular, by the committee which will be established to consider the legislation. It requires careful study. We have co-operated in ensuring that the debate on second reading of this Bill came forward quickly. I hope that the Minister recognizes that there must be adequate time for those groups involved in this issue to be able to prepare their responses to the legislation and appear before the committee. I hope the Government will ensure that there are adequate resources to assist them in appearing before the committee.

The legislation before us is of fundamental importance. We in the New Democratic Party are prepared to give it very serious and responsible consideration. I hope the Government will recognize that the changes which I suggested would make this a better Bill which all members of the House could support.

• (1240)

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, first of all, I wish to congratulate the Minister of Justice (Mr. Hnatyshyn) on tabling this Bill so soon. I also wish to reiterate his request that all Canadians support the fight against child sexual abuse. This request was made earlier by the Minister to the Opposition parties, and I was happy to hear spokespersons for the two Opposition parties give the House the assurance it would have their full co-operation for speedy passage of these measures.

Mr. Speaker, the Minister sought this co-operation not only because he believes in these measures as the Minister of Justice of Canada, but also because two important committees made the same request previously. The Badgley Report and the Fraser Report both recognized that the problem was an urgent one and required a joint effort by all levels of government in Canada and by all other social agencies and organizations in our society. The Badgley Committee submitted a total of 52 recommendations addressed to all levels of government and to the private sector. They contain a wide range of approaches, including heightening the awareness of society, public education, improving public health and amendments to criminal law. The Badgley proposals specifically identify two preconditions. First of all, to deal effectively with the personal and social ills arising from child sexual abuse will require concerted action on the part of all levels of our society. Second, the Government of Canada must play a central role in this action. Consequently, it is only logical that the Canadian Government should use criminal law to fight against certain kinds of behaviour that cause considerable harm to others and that it should involve special social and educational measures in the process. While the federal Government can play a major role at the national level and continue to make the public aware of these issues, we must remember that under the Canadian Constitution, the responsibility for providing social and health services to Canadians lies with the provinces. The federal Government will therefore act as a catalyst in this area and seek the co-operation of the provinces in dealing with these issues.

The key to the success of this new program which is aimed at fighting child sexual abuse will be to obtain the co-operation of all levels of government and the private sector. These problems must therefore be addressed, first and foremost, at the local level, and we hope that in future, the provinces will help the federal Government to identify areas where concerted action could be taken. I am convinced that this Government also intends to maintain and even strengthen its close relationship with the many volunteer organizations involved in this field. Private sector participation is a must as well. We are aware that in many instances these organizations are in an ideal position to take quick and appropriate community action.

This Bill deals with several major issues, Mr. Speaker, but I am pleased that the Government has seen fit to dissociate it from the legislative measure on pornography. It would have been unfortunate had all these Criminal Code amendments been lumped together, for Bill C-15 would have lost its impact and the special consideration it deserves precisely because it excludes other measures related to pornography. As a matter of fact there is no doubt that within a few weeks— recently the Minister of Justice did express the hope that the Bill might be introduced before Christmas—the Bill on pornography will come up for reconsideration which will not include these provisions respecting sexual abuse of young children.

Among other points, Mr. Speaker, I intend to deal today with specific amendments related to the Canada Evidence Act.

As a criminal lawyer with over 15 years' experience I paid special attention to the amendments concerning corroboration, testimony by the spouse, failure of the accused to attend when a child gives evidence, in certain cases, admissibility of videotaped evidence, lack of recent complaint and extension of the limitation period.

This week, Mr. Speaker, I heard about and read certain articles dealing mainly with the question of corroboration. This rule, which is very familiar to judges and lawyers alike, caused many problems to prosecutors and much satisfaction to lawyers for the defense. In my opinion, this is an exceptional rule. Why require corroboration of the evidence of a child if you do not require the same corroboration in the case of evidence given by a very old person or someone whose evidence before the court is rather incoherent.

In such cases, the usual rules of evidence apply, which means that the evidence is judged on its own merits. Who is in a better position to evaluate evidence than the judge or members of the jury? Who could be in a better position than these twelve men and women to decide whether evidence should be believed totally, partly or not at all, whether it is given by a 40 year-old or a 10 year-old?

It seems to me that most jury members are Canadians with children of their own, and they are aware of the problems which can result when a child tells his own version of the facts. Parents are able to understand, judge and assess what a child has said and generallly to decide whether he should be believed completely, partly or not at all, just as jury members do in all cases before the courts in Canada by listening to the evidence of the witness, whoever he may be.

I am very happy about this new rule which removes the need for corroboration, and as a defence lawyer, it does not scare me. I am convinced that other defence lawyers will be able, through an appropriate cross-interrogation, that the judges will be able, thanks to their usual wisdom, and that the jury

members will be able, thanks to what they see happening before their eyes and their own common sense, to decide what credence should be given to the evidence of a child.

I am not worried at all. I have myself been much more concerned when I saw frightened young children give evidence not knowing whether they should say that they knew what the Bible was or what the nature of the oath was, not taking the oath and afterwards giving their evidence quite coherently and credibly, and when I then saw, because of this corroboration rule, the judge often say publicly at the hearing that, regretfully, he could not accept the evidence of these children because it had not been corroborated on an essential point involving the accused. Then, the accused was acquitted on a technicality. Canadians find this unacceptable. So do the parents of these young children. Generally, this is viewed as unacceptable by our society, where there have been some changes in attitudes that we should recognize today. Mr. Speaker, such corroboration is no longer necessary in 1986. Nowadays, it is replaced by the normal rules of evidence, which normally determine how you should judge evidence.

As a defence lawyer, I am not at all worried about the accused. They may not be acquitted on technicalities, but they can still be acquitted if they are able, by effective cross-interrogation or other evidence, to weaken or undermine the evidence of the child, as that of any other witness. This is the fair solution.

The presiding judge at a trial by jury will no longer have to advise the members of the jury to be careful before condemning an accused on the evidence of a child. This will no longer be necessary. However, in any trial by jury, the judge must explain thoroughly the nature of the evidence and what the jury members must do before deciding whether a witness should be believed completely, partly or not at all. He must explain this well. In any case, my personal experience has always been that the jury members' just as anyone else who follows a trial closely, make up their minds about the quality of a witness and of his evidence. There is therefore no reason for concern about this either.

By the way, I want to say that I am also delighted that the legislation should no longer discriminate between young girls and young boys. I think it is a very good change. This is indeed a practical application of the political speeches and promises made by the Prime Minister (Mr. Mulroney) in 1984, reiterated in the first Throne Speech, and reiterated again recently in the last Throne Speech. This is an example with practical application in our daily life. I suggest all Hon. Member should congratulate the Government for this new legislation.

There is also an amendment to the Canada Evidence Act which would now allow or even compel the spouse of an accused to testify when the victim is a child of the accused. That is normal. In many cases, that might be the only testimony. A mother might be aware of a fact and could not tell it to the judge, because of a particular provision in the legislation which generally made it possible for the accused to say: I do not want my wife to come and testify against me. This is a time honoured tradition which all Canadians will accept to break in the case of sexual offences against children.

Mr. Speaker, a provision of this Bill which will make it possible for the presiding judge or justice, under special circumstances and following an investigation, to exclude the accused during the testimony of a child, will certainly create a whole new jurisprudence. It obviously raises a number of practical problems, as in the case of an accused who would defend himself.

Clearly, the Legislative Committee will have to study this provision closely and consider its application to various cases. Yet, as counsel for the defence, I also put a lot of trust on the intelligence of the presiding judges who will be called upon to determine exactly when this very special provision should apply. I firmly believe, for instance, that in the case of an accused who is defending himself, the justice would appreciate and decide each case on its merit.

In my opinion, that videotaped evidence should become admissible is excellent. Of course, in our courts, it often happens that proceeding commence only several months, if not several years, following the alleged offence. How could we ask a ten-year old child, for instance, to remember all the details two or three years after the alleged offence.

In practice, we used to try and refresh the child's memory by using a previous statement. From now on, this legislation will allow the courts to refresh the child's memory publicly and openly, and if the child is able to recognize his or her previous statement, this videotaped evidence will become admissible as proof. Again, that is an excellent change. This applies also to recent complaints which have always caused serious problems before our courts. The absence of prescription is also a very good thing. In fact, such a prescription exists under the Criminal Code for all offences punishable on summary conviction. It continues to exist. For indictable offences—it did not exist for other indictable offences and I do not see why it should exist in the case of a sexual offence against a child. No distinction should be made. That is a measure which is therefore more equitable.

The existing criminal law provisions contained a number of restrictions and I will single out a few, Mr. Speaker. Young boys and girls did not enjoy equal protection under the law. In many cases the victim had to be a female and the accused a male.

Most offences related exclusively to vaginal sexual intercourse and did not cover the wide variety of sexual activities which can be described as abuse of children such as touching, masturbation and oral-genital contacts against which young boys and girls alike must be protected.

There was also the Criminal Code legal presumption whereby a boy under 14 was deemed unable to maintain an erection and have sexual intercourse. This flies in the face of today's biological reality, Mr. Speaker.

The age of sexual consent varies under the existing Criminal Code provisions, but this will be changed according to the sexual act involved and the sex of the participant.

Mr. Speaker, I see that my time is running out. I wanted to make these few remarks on the amendments and tell you that this Bill is one of the social justice measures unveiled by the Government in the Speech from the Throne delivered less than a month ago. I invite all Canadians to familiarize themselves with these new rules and abide by them. I urge all my colleagues in the House, regardless of their Party, to support this Government endeavour which goes a long way to meet the wishes of the members of the Badgley and Fraser committees, as well as those of Canadians and parents throughout this country.

Mr. Deputy Speaker: If the Hon. Member is in the House, there will be time for questions and comments after the oral questions period.

• (1250)

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PANEL OF CHAIRMEN

Mr. Deputy Speaker: I wish to advise the House at this time that, pursuant to Standing Order 92(5), the following Members have been appointed to the Panel of Chairmen: Robert Coates and Anthony Roman.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, yesterday, in answer to my second question concerning the closure of the Algonquin Radio Observatory located in Algonquin Park in eastern Ontario, the Minister of State for Science and Technology (Mr. Oberle) had the gall to say that I was an alarmist and that I was not being helpful to the morale of the employees. This is a new-found method of diverting blame and responsibility from the Government. It is a cheap tactic.

If the Minister is genuinely concerned about the morale of the employees, why did the director in charge of the observatory visit the site one week ago today and tell the employees that they should submit their resumés so that they would have an opportunity to apply for other jobs? How does the Minister think that affected morale? Instead of blaming the Opposition for asking pertinent questions about this incredible Government, why does the Minister of State for Science and Technology not admit that it is the unconscionable financial restraints imposed by his own Government that have caused this entire mess? It is the Minister who is creating the alarm, not the members of the Opposition.

I visited the employees last Sunday and I can tell the Minister that there was absolutely—

Mr. Speaker: Order, please. I regret that the Hon. Member's time has expired.

* * *

HOUSING

INCREASED RESIDENTIAL CONSTRUCTION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased to report that our residential building industry continues to boom. This is just one more sign that the economic objectives of the Government are right on track. As quoted in *The Globe and Mail* of today:

> Residential construction across Canada continues to outpace even the most optimistic forecasts—
>
> "The spectacular strength of new home building—is breath-taking—

Up to September of this year national housing starts number almost 125,000—a 26 per cent increase over the same period last year. The figures are equally impressive for the Province of Ontario where there is a 29 per cent increase over last year's starts. However, this building upsurge carries right across the country. For example, the Province of Nova Scotia is ahead by a spectacular 50 per cent.

In my riding of Niagara Falls and the surrounding area housing starts are 34 per cent ahead of last year. This is good news for Niagara Falls and good news for all of Canada.

* * *

REGIONAL DEVELOPMENT

CALL FOR ACCELERATION OF MANITOBA PROJECTS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, Manitobans of all political stripes feel that a great injustice has been committed against our province. In the days and weeks ahead the Government will have ample opportunity to

address that injustice by making good on other decisions that will beneficially affect the Manitoba economy.

Specifically, the Government should act as soon as possible to implement the remaining two-thirds of the box-car rehabilitation program in Transcona; decide to build, and to build in Winnipeg, the new light-weight hopper-cars; proceed with the VIA Rail shop in Winnipeg; order the new transcontinental equipment for VIA; review its cancellation of the manufacturing technology centre; live up to its commitments to Churchill; reverse the shift of IRDP funds to central Canada; and reverse the cut-backs in federal transfer payments to the provinces, such as Manitoba, which are hardest hit.

In addition, the Government should also be looking for ways to prevent the unravelling of the aerospace industry in Winnipeg—a process begun by the Liberals a long time ago when they transferred the Air Canada overhaul base in Winnipeg to Montreal—instead of helping to unravel that industry further as it did last week.

* * *

• (1405)

VOLUNTARY ORGANIZATIONS

GOVERNMENT'S RECOGNITION OF WORK OF VOLUNTEERS

Mr. Allan Pietz (Welland): Mr. Speaker, the work of volunteers in our society has enriched the lives of those who participate in such services as well as the lives of those they help. The dedication of workers like Margaret Corbett, Helen Fennell, and Don MacLean from the riding of Welland has contributed greatly to the communities of South St. Catharines and Thorold.

Mr. MacLean has worked for many years organizing recreational sports. Mrs. Fennell has contributed years of work to the Canadian Cancer Society. Mrs. Corbett has been very active on behalf of severely mentally handicapped children. The two women were among 71 people across Canada to be awarded the Canada Volunteer Award Certificate of Merit this year.

I was pleased to hear in the Speech from the Throne that the Government plans further support for the growth of volunteer service in society. Recognition of the value of volunteers should be a priority of every level of government and of all Canadians.

* * *

THE ADMINISTRATION

PARKER COMMISSION—PAYMENT OF FORMER MINISTER'S LEGAL EXPENSES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I object to the Government's authorization of a payment of up to $350,000 for the legal fees of the Hon. Member for York—Peel (Mr. Stevens) who is defending himself on violations of conflict of interest guidelines. I believe it is fair for the Government to pay the bills of a Minister who is defending the way he did his job and his behaviour as a Minister. However, in this case the allegations are that the Minister in effect engaged in moonlighting while he was a Minister.

I submit that it is not fair for a person who is defending himself on allegations of moonlighting to have his bills paid by the Government of Canada. There is no precedent for this of which I am aware, and I tried to find one. Any official of the Government who must defend his own conduct before a commission should have his fees paid, but not for doing things extraneous to the job.

* * *

POLITICAL PARTIES

RESULT OF PEMBINA BY-ELECTION

Mr. Walter Van de Walle (Pembina): Mr. Speaker, the by-election in the Pembina riding held on September 29 was history in the making. The electors of Pembina demonstrated once again their confidence in the Progressive Conservative Party, the one most competent and best equipped to administer the affairs of our great country.

The by-election was a personal victory for me and I can assure my colleagues in this House that I will live up to the trust that has been placed in me.

The residents of the Pembina constituency have been disastrously affected by the dramatic drop in the world prices of oil and grain. I will be concentrating my efforts on the areas of agriculture, small business, and energy, areas which are so vital to the economy of the Province of Alberta.

Some Hon. Members: Hear, hear!

* * *

ADMINISTRATION OF JUSTICE

PAROLE SUPERVISION PRIVATIZATION PROPOSAL

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Department of the Solicitor General has recently privatized, without consultation, parole supervision for 250 parolees in Toronto to the John Howard Society. The mission of the Correctional Service to help offenders become law-abiding citizens is demeaned by shoving aside a professional workforce of highly skilled and deeply committed workers in favour of the employees of a largely voluntary organization. This change does no service to parolees and it does no service to the people of Canada who demand a professional supervision service.

Not only is the whole system of parole put into question by this ill-conceived move so too is the John Howard Society's role as one of the most important prisoner service organizations in Canada. Indeed, there is internal division on this question.

I call upon the Solicitor General (Mr. Kelleher) to halt this mindless proposal immediately and to allow the Justice Committee to hold full hearings on it. As well, I would hope that the Government would ensure that there would be no reprisals against those public servants who had the courage to speak out against this senseless move toward privatization in the Correctional Service of Canada.

* * *

[*Translation*]

RESEARCH

CONSEQUENCES OF GOVERNMENT CUT-BACKS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, today I should like to read in this House a letter sent to the Prime Minister of Canada by one of my constituents and I quote:

I have been an employee of the CNRC for six years. During that period, I have filed 14 industrial copyright applications for which permits have been purchased by three Canadian companies. I have also written 46 scientific papers and an internationally renowned book. I mention this to show that I am an above-average researcher in Canada as elsewhere.

Due to the recent climate of uncertainty for applied research in this country, I am now considering going to work abroad. Unless conditions change drastically in the near future, the best scientific engineers will soon do likewise. The federal Government should act as soon as possible to prevent such an exodus which would have long-term disastrous effects.

Mr. Speaker, the Government should put an end to its cut-backs and encourage our young scientists to stay in this country.

* * *

• (1410)

[*English*]

AIRPORTS

CALL FOR REACTIVATION OF ARCTIC AIRPORTS PROGRAM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, despite recommendations of the House of Commons Standing Committee on Transport, the Canadian Aviation Safety Board, and many others, the Arctic Airports Program still remains in limbo. The Prime Minister (Mr. Mulroney) is on record as acknowledging the need for proper airstrips in remote areas, both for safety and economic reasons. Manicouagan has already been the beneficiary of his vision. However, about 11 identified locations exist in the Territories where airstrips are either rudimentary and unsafe, or non-existent. The Arctic Airports Program, which was allowed to expire by the previous Government, must be reactivated if northerners are to travel in safety.

* * *

CANADA POST CORPORATION

LETTING OF CLEANING CONTRACTS—EFFECT ON EMPLOYEES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, Canada Post in letting out its new contracts for cleaning has robbed the lowest paid workers of their collectively negotiated rights by asking them to take a 50 per cent pay cut. Canada Post is taking advantage of the fact that labour law does not protect those people and their collectively negotiated settlement.

I call upon the Minister to meet with the workers in order to resolve this conflict and prevent a further deterioration in labour-management relations at Canada Post, which could threaten postal service in our country. Will the Minister take some action so that Canada Post cannot take advantage of the lowest paid workers who are being asked to take a 50 per cent wage cut?

* * *

[*Translation*]

QUALITY OF LIFE

IMPORTANCE OF FIGHT AGAINST DRUG ABUSE

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, the recent report by the CUM Public Security Commission states that the fight against drug trafficking must be supported by political will.

I am proud that this Conservative Government already has recognized this and taken the steps needed. The Solicitor General has stressed once more his determination to set up a national strategy to reduce both the demand and supply of drugs.

Drug consumption is a problem that goes far beyond criminal acts and health hazards. Too often, it opens the door to criminal habits such as stealing, receiving, and sometimes even prostitution, all of which arise out of the need for drugs. The problem however is not exclusively a criminal one. It is an educational and a social problem. This is why the Minister of National Health and Welfare (Mr. Epp), the Minister of Justice (Mr. Hnatyshyn) and the Solicitor General (Mr. Kelleher) are joining efforts to find a solution. This is a national problem that requires a concerted effort on the part of all Canadian. This Government is doing its share, and all Canadian men and women should welcome this.

Oral Questions

ENERGY

INCREASE IN PRICE OF GASOLINE DECREED BY ULTRAMAR

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, there were bad news for Quebecers today. The Ultramar Corporation has announced an increase of close to 2 cents a litre on gasoline at the pump.

Mr. Speaker, we all remember that nine months ago, this Conservative Government approved the purchase by Ultramar of the Gulf refinery and other facilities, so that it could shut down the Montreal East End refinery, reduce competition, secure a monopolistic position and increase fuel prices at the pump.

It is my hope that this Conservative Government and the Minister of Energy, Mines and Resources (Mr. Masse) will ask Petro-Canada not to follow the bad example set up by Ultramar. And I am inviting all Quebecers to boycott Ultramar and to fill up at other stations where they can have cheaper gasoline.

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[*English*]

THE PRESS

IMPORTANCE OF WEEKLY NEWSPAPERS—NECESSITY TO RETAIN SPECIAL POSTAL RATES

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the first newspaper which I ever read was a community weekly newspaper. Like many Canadians, I continue to read such newspapers literally from cover to cover. For many of us who either grew up in rural communities or continue to live in rural communities, the weekly newspaper was and still is an important and sometimes the only source of information. Moreover, the weekly newspaper was and is a unifying factor, a source of local pride, and the personification of the community itself.

Due to the vastness of Canada, and the degree of isolation which exists in many of our rural communities, Governments historically have recognized the need to subsidize postal rates for many of our special interest publications, including weekly community newspapers.

• (1415)

Unfortunately Canada Post officials are now threatening to absolish those special postal rates. The end result, tragically, would be the demise of some local newspapers due to an insufficient number of subscribers and advertisers.

In light of the historic and continuing role of weeklies as community builders and supporters, I urge Canada Post officials and the Minister responsible to continue the policy of concessionary rates to this industry.

ORAL QUESTION PERIOD

[*English*]

CANADIAN NATIONAL RAILWAYS

MONCTON SHOPS—PROPOSED SALE TO CANADIAN GENERAL ELECTRIC

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. He knows that the CN shops in Moncton are the largest industrial employer in the Atlantic provinces. He also should know that the Deputy Prime Minister promised that there would never be any massive lay-offs at those shops. He indicated at one time that there was no prospect of a sale. Of course there have been negotiations for a sale, and now we learn from Canadian General Electric that the sale has either been cancelled or suspended. Why does the Government not fulfil its promises to the people of New Brunswick? What is the Government doing to try to save the CN shops at Moncton?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Leader of the Opposition might keep in mind that during the period from 1980 to 1984 average employment with CN declined by 8,000 persons. We wonder where he was while that was happening.

To deal with the position at Moncton, the proposed sale of part of the main shops at Moncton, which was arranged by CN, to CGE, is not cancelled. CN is still prepared to meet with the unions concerned to see if the matter can be resolved. Two of the seven unions have refused to agree to what they call contracting out so that the present employees of CN can continue to do the same work for CGE at those shops—maintenance work on Bombardier locomotives. It is still prepared to meet with them and hope that agreement can still be reached, so the matter is not yet concluded.

CN and the Government will do everything possible to see that the 303 persons who would have jobs in the CGE operation get that opportunity and that Moncton has the opportunity for that kind of industrial development.

[*Translation*]

NECESSITY THAT CN SHOPS IN MONCTON NOT BE CLOSED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Moncton shops used to employ 1,200 workers, but only half of them are left now. As the Minister would know, the Moncton CN shops are one of the mainstays of the economy of the Atlantic Provinces. The Deputy Prime Minister had promised they would remain open.

Why is the Government attempting to shirk its responsibility? Why is the Government failing to live up to its promises to New Brunswickers? Why is the Government failing to live up to the promises it made in the Speech from the Throne? Why is the Government abandoning the men and women who work in the Moncton CN shops? These are facts.

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, let me say that the Government is fulfilling its responsibilities and that CN is doing its best to meet the responsibilities it accepts, and to be a model employer. I will refer to the 1,022 employees affected by the fact that the CN shops in Moncton had to be closed. They had to be closed because CN must operate productively and efficiently, as directed by the Government of 1978. The Liberal administration of Canada then directed that they had to stand on their own feet.

Of the 1,022 employees, CGE hopefully would employ 303; 150 are transferred to CN's Gordon Yard; 132 will be taken care of in other aspects of CN work; 200 have options to move to other shops in the system; and 237 will be offered comprehensive benefit programs and retraining assistance. We and CN set up a special $4 million fund to help in the industrial development of Moncton. The Government has met every ounce of its responsibilities and will continue to do so.

• (1420)

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, those words will not give any comfort to the workers of Moncton and the Minister knows it. The Prime Minister, when he was in New Brunswick this summer, told the people of that province, "I won't give you the finger, I will give you the time of day". I do not know what the Prime Minister has given the people of Moncton but it certainly is not the time of day. Now that it is five to midnight for the people of Moncton and the workers in those shops, cut out the subterfuge and tell us what the Government is really going to do about it.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, if the right hon. gentleman wanted to be helpful and not just try to take partisan advantage of an unfortunate situation he would be urging the two unions concerned to drop this ideological fixation on contracting out and permit their Moncton members to go ahead so CGE can set up a locomotive manufacturing establishment in Moncton. The only thing stopping that now is the refusal of two of seven unions to permit this to happen so that the employees doing this work now can do it in the future. That is where he could be helpful.

FUTURE OF SHOPS—MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the Minister of Transport knows CGE has suspended its plans to buy the railway shops in Moncton. He also knows that CN said it would close the shops if the deal with CGE did not go through. It seems that deal is quite remote at this moment. Is the Minister going to stand idly by and allow CN to shut down the shops, or is he going to save the shops as the previous Minister of Transport promised the people of Moncton?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, if the hon. gentleman wanted to be helpful he would be side by side with the Hon. Member for Moncton who met yesterday, and is meeting today, with CN to try to resolve the situation and persuade the union to drop this restriction so that this manufacturing enterprise can go ahead. That is what he would be doing rather than doing everything he can to stop it, which is all he has done in the past.

Mr. Robichaud: Mr. Speaker, I will not be a party to union busting. Never once has that Government come out on the side of the Moncton workers.

REQUEST THAT MINISTER INTERVENE WITH CANADIAN NATIONAL

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I ask the Minister when he will intervene and instruct CN to take a second look and come up with a deal acceptable to the workers and the community of Moncton? We cannot afford to lose 1,000 jobs.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the friends of the Moncton workers have been hard at work attempting to save the 1,100 jobs or see that adequate training, retraining, and other help is given, or see that 303 of them work in the CGE manufacturing facility in Moncton. The Minister of Labour appointed a mediator to help reach an agreement. An agreement was reached with the seven unions on October 13 which the internationals have turned down out of callous disregard for their members who live in Moncton. He should be trying to persuade those internationals to help free the workers in Moncton to take those jobs.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER INTERVENE WITH CANADIAN GENERAL ELECTRIC

Mr. Les Benjamin (Regina West): Mr. Speaker, I have never heard such unmitigated nonsense from a Transport Minister before, and I have been through eight of them. Ministers of Transport are going through a revolving door around here. He knows that the Canadian machinists and Canadian pipe fitters voted nationally across Canada not to accept contracting out after the bitter experience of post office workers. We all know that CGE has not burned all its bridges although there is an element of blackmail and holding to ransom by that company. Will the Minister assure the House that he will ask CGE to show some understanding, compassion and patience, let the collective bargaining process take its course, and assist in getting the parties concerned back to the bargaining table?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I would remind the hon. gentleman that five of the seven unions involved, that is in excess of 50 per cent, five out of seven, agreed to allow contracting out under the conditions set down, that it would not be a precedent for national labour negotiations and the like. The hon. gentleman could have a

persuasive effect on those other two unions if he would stir his stumps and try to do something other than criticizing everything that everyone else tries to do.

• (1425)

Mr. Benjamin: Mr. Speaker, the Minister keeps running away from the facts and his responsibilities. That is a national contract. It is not a contract only for Moncton. The Minister damn well knows it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I would ask the Hon. Member to put his question and leave out some of the words.

Some Hon. Members: Oh, oh!

POSSIBLE REOPENING OF NEGOTIATIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, will the Minister now tell us what action he has taken, if any, or will take, to get CGE to keep its mouth shut and get the two parties concerned back to the bargaining table? One vote does not close out a contract or a deal. There needs to be further bargaining and the Minister knows that. Will he assist in that process and will he get it going as quickly as possible?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, when the hon. gentleman leaves the rhetoric behind he starts to make sense.

Some Hon. Members: Oh, oh!

Mr. de Jong: Listen to that.

Mr. Riis: You try that.

Mr. Broadbent: Yeah, you try it.

Mr. Crosbie: I retract. He doesn't make sense, Mr. Speaker.

Mr. Guilbault (Saint-Jacques): You should try to make sense.

Mr. Crosbie: My office has been in the touch with the president of CN constantly. CN is ready to meet with the unions involved again and to do anything humanly possible to get them to see the virtues, merits, and lack of danger of the course which is being suggested. Canadian General Electric is doing just what the hon. gentleman suggested. It is keeping its mouth shut and waiting to see. It is not going to pull out prematurely either. We all want 303 jobs and a manufacturing industry established in Moncton.

Mr. Robichaud: We want 1,000 jobs, not 300.

Mr. Crosbie: That is what those who are keeping their mouths shut want, but not some of those who are not keeping their mouths shut.

REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION MODERNIZATION PROJECT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Earlier this year the federal Government made a commitment to the Province of Nova Scotia to fund the modernization of Sydney Steel Corporation. Now the Premier of Nova Scotia says that the federal Government has retained Arthur D. Little of Toronto to do a marketing study of Sydney Steel Corporation. Could the Prime Minister tell me why the federal Government is reneging on its commitment to the Sydney Steel Corporation and the Province of Nova Scotia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the federal Government is co-operating completely with the Government of Nova Scotia with regard to this very important matter for the people of Nova Scotia, and it will continue to do that.

Mr. Dingwall: He doesn't know his file.

PREPARATION OF MARKETING STUDY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, if the federal Government is keeping its commitment, why is this maketing study necessary at this particular time? Why is the Premier of Nova Scotia saying that an unfavourable result of this marketing study could result in the federal Government pulling away its commitment to funding for the modernization of Sydney Steel Corporation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose one would have to ask the Premier for his answer to that. We are of the view that the project, as set out originally, which required federal and provincial commitment, is a valuable and valid one and we continue to work with the provincial Government in that regard.

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NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. The Algonquin Radio Observatory has a world-class reputation, having gained respect in virtually every country in the world. Regrettably, due to government cut-backs, it has had to curtail a $6 million expansion. On Friday the head of the Herzberg Institute wrote all the employees directly involved telling them that the facility at Algonquin was going to be shut down. Given the Prime Minister's commitment to double research and development spending in Canada, how could his Government sabotage such a worthwhile scientific endeavour?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I was sitting here I was reading some of my mail. I have a letter here signed by the Director whom the Hon. Leader of the NDP mentioned, Mr. Donald Morton. He says that no final decision has been made. This is a letter dated November 3 to: "All staff of the Herzberg Institute of Astrophysics". It states: "No final decision has been made on the future of the Observatory".

• (1430)

FUTURE OF EMPLOYEES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the House will have noted the date on the letter. All of us would like to see copies of it.

Perhaps the Minister can explain how two things happened yesterday. First, he announced that no final decision had been made, notwithstanding what had been said on Friday. It was also announced yesterday that 90 per cent of the positions currently occupied in the observatory were going to be abolished. It is a logical problem to many of us how an observatory can be run without any employees. Will the Minister explain that?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the information given to us by the Leader of the New Democratic Party is again erroneous. Not 90 per cent of the positions have been affected.

Mr. Broadbent: How many?

Mr. Oberle: I want to tell the Hon. Leader of the NDP that there is an urgent and pressing need for us to develop a new national strategy that will take us into the 21st century. Changes will have to be made, including changes that will eliminate some irrelevance that is in the community, to make sure that all of our programs and all the instruments available to the federal Government are focused properly on a set of new priorities that are urging us toward the next century.

Mr. Broadbent: One way that you do not improve R and D is to destroy a world-class operation. That is what the Government is doing.

COST OF OPERATING OBSERVATORY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister. He spoke eloquently about this subject during the campaign. That facility presently costs between $40 million and $50 million. That is what the Algonquin facility is worth. Can the Prime Minister explain how the Government is performing rationally by shutting it down completely or mothballing it in order to save $1 million in needed funds now? Does it make sense not to provide that necessary $1 million and continue to destroy that facility? Why does the Prime Minister not live up to his commitment to expand research and development facilities instead of destroying them?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, that is precisely what the Government is doing. It is expanding on the Government's and the nation's capacity to do research and science related activities. Let me provide the Hon. Leader of the NDP with the facts. I will gladly send him a copy of the letter. It says that there will be no reduction in the service during the winter of 1986-87—"during which time a number of options for providing the necessary facilities to the Canadian Astronomical Community will be investigated". This is what I have said consistently and what the President of the NRC said when he held a press conference three weeks ago. The facts are here. Why would the Leader of the NDP wish to distort them?

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REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. On December 28, 1985, the former Minister of Regional Industrial Expansion said in Sydney: "I am here to tell you that it is going. The Sysco agreement is there. There should be no doubt now concerning the future of Sysco". Will the Prime Minister explain to the House why this new market information was not requested in early 1985, or is the Sysco modernization another broken promise by an untrustworthy Government?

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): With respect to the Sysco modernization program, Mr. Speaker, the engineering contract has already been awarded, the engineering project got under way last October 1, and the work is expected to be completed within six to eight months. Such activities indicate to me and to the people of Cape Breton that the Government is following up on its program to help Cape Breton and Sysco. We are not backtracking. On the contrary, we are moving ahead and making good time.

[*English*]

INITIATION OF MARKETING STUDY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the Minister. I say with great sincerity that the Minister is not on top of the file. Who is responsible for the request for additional market information? Is it the Government of Canada, is it the Government of Nova Scotia, or is it both parties participating in an unconscionable act on a people who have been disgusted by the Government?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, when I look at the action

the Government has taken on behalf of Cape Breton, I do not believe that rhetoric holds true at all.

An Hon. Member: Answer the question.

Mr. Valcourt: The actions taken by the Government with respect to Sysco modernization are in line with what had been planned. We are doing whatever is necessary to ensure that this works, and works properly.

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SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—ABILITY OF CANADAIR TO PERFORM WORK

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the President of the Treasury Board. The Minister must be aware of stories that Canadair does not have the necessary and expensive technology needed for the maintenance of the CF-18. Was the Government aware of this fact? Does the Government have any cost estimates with regard to how much this could cost Canadair and, if so, who will pay that extra cost?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): As I have stated repeatedly, Mr. Speaker, we were dealing with two excellent groups of companies which were deemed fully competent technologically to do the work. As a matter of fact, the current exercise is the reason why we have favoured Canadair as a company which can manufacture airplanes and ensure their maintenance. We had a greater possibility to ensure the transfer of technology which will occur over the next few years and that is the reason why, in the common interest, we decided to award the contract to the Canadair group rather than to the other consortium, both being excellent.

[*English*]

REQUEST THAT CONTRACT BE REFERRED TO AUDITOR GENERAL

Mr. Rod Murphy (Churchill): Mr. Speaker, I asked the Minister three specific questions and he did not answer any of them. Since the integrity of the Government is in question with regard to its decision-making process, will he agree to the request made by the Hon. Member for Winnipeg North Centre on Friday afternoon and ensure that all the papers necessary to look into the Government's decision-making process in this matter are referred to the Auditor General?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, when a Government acts in the national interest, I doubt sincerely that its integrity could be questioned. We have made a difficult decision based on complex criteria in the common interest which we pursue as a Government. For that matter, Mr. Speaker, we will have to make other difficult decisions, but always in the best interest of Canadians from coast to coast.

[*English*]

COST OF TECHNOLOGY TRANSFER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is also directed to the President of the Treasury Board. Since he apparently did not hear the previous questions, I will pose them again. Litton, Bendix, and Garrett, which were three sub-contractors in the Bristol consortium, have said that they will no longer transfer technology that they possess for free as they had intended. It will now cost an extra $30 million, which means $30 million on top of the $104 million Canadair bid. Will the President of the Treasury Board state whether that was taken into account and whether the Government will sudsidize Canadair? Is this not a good reason for reassessing that decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I, and I am sure the Hon. Member, have taken notice of a press release that was put out at approximately 11.30 this morning in which a study, apparently, was made public by the Government of Manitoba, alleging that this amount of money would be required to ensure the completion of the contract. I am sure my hon. colleague would grant me the time to look at these allegations in more detail before answering the House more fully.

Mr. Axworthy: The Government has had two years to do its homework.

TOTAL COST OF CONTRACT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, will the Minister tell us that all the negotiations have been completed with McDonnell Douglas and all the sub-contractors? Are all the costs in or is there, in fact, an outstanding $30 million cost that will be added to the bid of Canadair which will require some form of subsidy by the Government of Canada?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): In my opinion, Mr. Speaker, that would be quite surprising. We have said over the past... A team of some 75 very competent officials from three departments had been set up to carry out a technical assessment. I feel they have examined all the relevant factors. When we announced our decision, we made public the findings of this public assessment and we are going to continue making public all the information which are not commercially confidential to try and reassure all our hon. colleagues that the decision was truly made to promote an increased transfer of technology through Canadair.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY MR. PAUL BIYA, PRESIDENT OF THE REPUBLIC OF CAMEROON

Mr. Speaker: Order, please! I wish to draw to the attention of Hon. Members the presence in our gallery of His Excellency Paul Biya, President of the Republic of Cameroon.

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• (1440)

[*English*]

EDUCATION

STUDENT LOAN PROGRAM—REQUEST FOR CONSIDERATION OF BURSARY PROGRAM

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Secretary of State. He will know that students have higher and higher debts to bear. Some are starting their working lives with debts of $8,000, $10,000 and, indeed, $20,000. Will the Secretary of State not agree this is deplorable and that the Canadian Student Loan Program is not adequate to meet the needs of students? Would he consider a bursary program instead of or in addition to the current loan program?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the Hon. Member is quite correct, this is a very, very important matter. Indeed, I will be discussing that very topic with the provincial Ministers of Education at our next meeting.

MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, why has the Secretary of State not published any annual reports on the Canadian Student Loan Program since his Party came into Government? Why is he covering up a situation which he must know is getting worse, and what action will he take?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the Ministers of Education for the provinces met in mid-September. They asked if I would join them in a consultative committee. I have indicated my desire to do so. We are meeting within weeks. At the conclusion of that meeting, of course I will be happy to meet with the Hon. Member and other Hon. Members of the House to deal with the situation.

[*Translation*]

SHIPYARDS

DELAY IN RESTRUCTURING INDUSTRY IN QUEBEC—REQUEST FOR EXPLANATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, my question is directed to the Right Hon. Prime Minister and concerns the crisis in Quebec shipyards. On October 10, the Minister promised, for the umpteenth time, that on October 24 work would start on the super ferry Caribou II, seeing this as the answer to the 5,000 jobs lost as a result of the sale of Versatile's Lauzon and Montreal operations to Marine Industries. Could the Prime Minister inform the House whether it is true that this transaction has been delayed and no jobs have been created because of a disagreement between the Government and the company on the restructuring of the TRUMP program?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am indeed aware of this Government's efforts and success in this area, in which it has joined forces with the Province of Quebec and the private sector to reach an agreement on restructuring the industry in Quebec. As for the information the Hon. Member is requesting, namely, the reasons for the delay, I am not in a position to confirm there has been a delay, but I certainly shall consider his question and give him an answer as soon as possible.

REQUEST FOR CLARIFICATION CONCERNING FRIGATES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): I have a supplementary, Mr. Speaker. Could the Minister check . . . This will be the fifth time the Minister informs shipyards from Lauzon to Quebec City that the ferry Caribou II will be built. There have been a lot of promises, but nothing concrete. Considering the problems being encountered by the company in Saint-Jean, where a delay of five or six months are expected, could the Minister give the House the assurance that the frigates that were promised the Sorel shipyards on February 2 will be built within the time-frame previously promised by the Government?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, first of all, I would like to point out that the Hon. Member's insinuations that there has been a delay in the frigate program at Saint-Jean has no basis in fact. As for the other issues he is raising, we will also give him that information, and I hope that when construction starts on the Caribou, he will rise in the House to applaud the Government.

[*English*]

MINES AND MINING

FUTURE OF ALGOMA ORE MINE AT WAWA

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, my question is directed to the Minister of State for Forestry and Mines. It concerns a problem in the community of Wawa in my riding. It is of grave concern that there have been some massive lay-offs in Wawa during the last several months. We are now faced with possibly a complete closure of the Algoma Ore mine in that locality. Closure is unthinkable as it would bring economic chaos not only to Wawa but to the whole area. Will the Minister please tell this House, and through this House the residents of Wawa, what is being done to circumvent this closure?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, I am sure we all share the Hon. Member's concern with regard to the potential loss of jobs in Algoma's Wawa operation. I guess it is no secret that for a long period of time that particular company has had a very difficult time in remaining competitive. The company has put forward a package, if you will, of potential solutions which would require perhaps assistance or concessions from labour, utilities, the province, and from the federal Government. That package is under consideration and we will try to respond as soon as possible.

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AGRICULTURE

FARM DEBT REVIEW BOARDS—HANDLING OF CASES IN SASKATCHEWAN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. In the first two months of operation the Federal Farm Debt Review Boards have received over 1,200 Notices of Intention to foreclose family farms. Six hundred and seventy of these Notices of Intention were filed in Saskatchewan. The present debt review board structure cannot properly handle the hundreds of cases before it in Saskatchewan. How does the Minister intend to alleviate this serious and unworkable situation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think we have to appreciate the fact we are breaking new ground. There have been some rather minor difficulties in the start-up process. However, if we find that numbers continue to grow and it develops into a major problem, the Hon. Member may recall that under the legislation it is possible for us as a Government to establish more than one debt review board for each province.

FAMILY FARM SITUATION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the number of Notices of Intention filed indicate the extent of the real crisis in farm financing and show as well the inadequacy of the Government's actions to date. Does the Government have any plans to stem this attack on the family farm?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member wants to examine the record since day one, he will find many major initiatives which have been taken by the Government—

Mr. Fulton: Name one.

Mr. Wise: —to ensure the continuation of the family farm.

Mr. Fulton: Name one.

Mr. Wise: That's where we were yesterday, that is where we are today, and we will be there tomorrow.

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IMMIGRATION

AWARDING OF MINISTERIAL SPECIAL ENTRY PERMIT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. Media reports today confirmed that the Minister awarded a special ministerial permit to an individual with a record of over 20 criminal convictions, a man the Minister lobbied for as a backbench Member of Parliament. Given that this outrageous decision goes against his own departmental advice and the position taken by three former Ministers of Immigration, on what grounds does the Minister base a special entry into Canada for this individual? Can he clarify if any of his staff or officials helped in the drafting of the rehabilitation letter, signed by this individual, to his Department and Cabinet?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we have a family which has been with us in Canada since 1979. It is well established, well thought of, and has many supporters. There was a technical obstacle to other Ministers making a recommendation to the Governor in Council. The individual removed the obstacle by admitting he was the man in the conviction. It was then I was able to make a recommendation to the Minister of Employment and Immigration.

Mr. Marchi: Mr. Speaker, that answer is a slap in the face to the thousands of legitimate immigrants who cannot get into this country, and makes a mockery of the process.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER REVOKE DECISION

Mr. Sergio Marchi (York West): Mr. Speaker, I ask the Minister again why an individual with over 20 criminal convictions gets awarded a special admission into this country when thousands of Canadians cannot even be reunited with their families abroad? Is it not time to revoke this very regressive decision immediately and retain some credibility and fairness in the system?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the man had a right since 1981 to rehabilitate himself under the provisions of the Immigration Act. He came forward this year and signed a declaration. If formal approval is granted, steps will be taken to grant permanent resident status to the man and his family. This person has no criminal conviction in Canada. I ask the Member—

• (1450)

Some Hon. Members: Oh, oh!

* * *

NARCOTICS

DRUG TESTING IN WORKPLACE—POLICY OF AMERICAN MOTORS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Right Hon. Prime Minister. It concerns drug testing. The Prime Minister is aware that mandatory drug testing in the workplace is common in the United States but very uncommon in Canada. Is the Prime Minister aware that American Motors is now insisting that, as a condition of employment, some 3,000 employees in the process of being hired in Bramalea and Brampton are required to take a urine test for drugs? Is the Prime Minister aware of this policy of American Motors? Does he support such a policy in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to examine the specifics of the question set out by my hon. friend. Some weeks ago I had the occasion to describe the drug situation in Canada as I saw it and felt it to be at that time. I am delighted to see that most Canadians agree with that.

POSITION OF PERSONS SEEKING JOBS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, since the federal Government put some $60.5 million through the DRIE program into the American Motors plant, what advice does the Prime Minister now have for job-seekers who have to take this urine test for drugs when the Government has no clear policy on the issue, and when the Canadian Medical Association and the Canadian Bar Association are still reviewing the issue of compulsory urine testing for drugs?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the Minister of National Health and Welfare is at a federal-provincial Health Ministers' conference. I will take the question as notice.

May I remind the Hon. Member that the Government has taken the lead nationally and internationally in many areas related to the use of drugs, particularly in the area of sports. I will be delighted to deal with the other part of the question when the Minister of National Health and Welfare returns.

* * *

PENSIONS

PROTECTION OF PENSION PLAN FUNDS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of State for Finance. What action or what legislation is being proposed to protect the contributions made to pension funds so that those funds will be secure, safe from creditors and abuse, and available to pensioners on retirement?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I wish to thank my hon. friend for his important question. I think the Hon. Member knows that on the bankruptcy of a plan sponsor the pension plan is normally wound up. When that happens the Pension Benefits Standards Act provides that no funds can be paid out for the benefit of the employer until all benefits provided under the plan have been fully secured. In that case, I should tell the Hon. Member, the Department of Insurance very carefully monitors this situation. Under amendments to the Pension Benefits Standards Act to be introduced in January, further powers to strengthen that provision will also be put in place.

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NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is for the Minister of State for Science and Technology. In reply to one of my questions yesterday the Minister stated that there had been no decision to close the Algonquin Radio Observatory. If the observatory is not to be closed will the Minister explain why, one week ago today, the director of the observatory asked the employees for their resumés so that they could apply for jobs elsewhere? Was this just a matter of creating better morale among the employees?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I will send to the Hon. Member a copy of the letter signed by Donald Morton, Director of the Herzberg Institute.

I would like to remind the Hon. Member that I have said consistently that there is a modification plan to the program,

something which the Council decided to do. Some employees will perhaps be looking for placements in other laboratories of the Government, or even in the private sector or in universities. That may have been the reason the director took this initiative.

FUNDING FOR OBSERVATORY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I refer the Minister to the final paragraph of Dr. Morton's letter dated October 31, which is in opposition to what the Minister read out today.

The director stated that if the observatory is not kept at its present level and present funding it will have to be closed down. How can the Minister stand up and say that some people will go but the observatory will stay? He is in direct conflict with his own director. Will the Minister explain that to the House?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I did say that I would undertake to send the Hon. Member a copy of the letter which states no such thing. The letter, which I will read from again, states that no final decision has been made as to the long-term future of the observatory. This letter is as late as November 3, 1986. They are not my words; I am using the words of the director who made the decision.

* * *

REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION MODERNIZATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. It refers back to the issue of the Sysco modernization Phase II. Is the Prime Minister still convinced that this is a viable project? Is he prepared to keep the promise with respect to the over $100 million in federal funding for this project?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is nothing I can add to my earlier response.

FUTURE OF EMPLOYMENT IN PLANT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the question of viability was what the Prime Minister neglected to talk about in his earlier response. Is the Prime Minister not aware that a shut-down of this plant, or a marked reduction in its activities, will cost up to 1,200 jobs in a devastated part of the country which has already had far too many economic blows from this and other Governments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are in the process of attempting to create jobs in Nova Scotia and across the country. We have tried to avert shut-downs and to create new employment opportunities across Canada. From time to time there are predictions made by members of the Party of the Hon. Member, and others, which indicate that certain government policies could result in a loss of jobs. I think that my hon. friend will agree that there has been a very significant increase in job creation across Canada since the Government came to office, something in the neighbourhood of 600,000 jobs. I think that is quite a considerable accomplishment.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

TELEVISING OF NORDIQUES HOCKEY GAMES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is for the Minister of Communications. Last Saturday evening, the Québec Nordiques hockey team was playing against another NHL team, the Hartford Whalers, but the only game available to Quebecers was between the Washington Capitals and the Calgary Flames. Why is it that Quebecers cannot watch the games of the best hockey players in Canada, the Nordiques, on Radio-Canada?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I understand quite well why the Hon. Member is raising this important question. I believe that Radio-Canada has not obtained the broadcasting rights to the Nordiques games from the NHL. However, I shall refer the matter to the CBC to see whether a solution can be found to the problem.

* * *

[*English*]

THE ADMINISTRATION

PARKER COMMISSION—PAYMENT OF FORMER MINISTER'S LEGAL EXPENSES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Prime Minister. It concerns the decision of Cabinet to pay the legal fees of the former Minister of Regional Industrial Expansion in the amount of $350,000—or over $1,700 per day. Will the Prime Minister explain to the taxpayers of Canada why they should be forced to pay the former Minister's legal bills when the average taxpayer has to pay his own legal fees whether they be for a divorce or to fight a speeding ticket?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know that the Hon. Member knows that this is a public inquiry. The Hon. member for York—Peel is central to the inquiry. It was considered essential that he be there and that he have legal counsel. It was the decision of the Government to assist him with his legal fees.

• (1500)

Mr. Nunziata: Mr. Speaker, the Deputy Prime Minister knows that the Government was not under any legal obligation to pay the legal fees and in effect the Government is prejudging the case.

Some Hon. Members: Oh, oh!

REQUEST THAT DECISION BE REVOKED

Mr. John Nunziata (York South—Weston): Mr. Speaker, is the Prime Minister prepared to revoke that inappropriate decision, and would he not agree that Cabinet should not be in business to provide legal aid to its buddies?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Government made a decision to assist the Hon. Member for York—Peel in this particular case. If I am correct, I believe there were cabinet Ministers of previous Governments who, under certain conditions, received similar kinds of relief. I am amazed that the Hon. Member would suggest that there should be a double standard in this case.

* * *

SPORTS

ORGANIZATIONS' DIFFICULTIES IN SECURING INSURANCE COVERAGE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Fitness and Amateur Sport. He will be aware of the pending crisis facing every YM and YWCA across the country. We learned today that the one in Kamloops has been forced to put all of its programs on hold pending a resolution of the crisis it faces in securing comprehensive insurance. Would the Minister explain to the House what he is doing personally to ensure that YM and YWCAs across the country, as well as other groups, including the Red Cross, Boy Scouts and other charitable organizations, stay in business and continue to provide services by obtaining insurance at affordable rates?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, as the Hon. Member knows, this is a global problem. Regarding the YW and YMCAs as well as sports in general, I am a step ahead of the Hon. Member. Over a year ago I appointed a commission to look into the situation and to bring forward specific recommendations. That commission has worked diligently over the past six months and has brought forward recommendations which are under review. We will be in a position to begin to implement them in the very near future.

[*Translation*]

MOTION TO ADJOURN UNDER S.O. 29

REQUEST FOR ADJOURNMENT—MR. SPEAKER'S RULING

Mr. Speaker: I indicated this morning that I intended to reserve my ruling on the request of the Hon. Member for Westmorland—Kent (Mr. Robichaud) to hold an emergency debate under Standing Order 29.

The matter raised by the Hon. Member is certainly very important. However, the conditions set down in Standing Order 29 are quite strict. While the situation in Moncton is serious, I have to refuse this request because it does not meet the criteria established under Standing Order 29.

[*English*]

I would like to say to the Hon. Member that the refusal to accept an application for an emergency debate must in no way be taken as an indication from the Chair that the matter is not in itself very important. I want all Hon. Members to understand that and I thank the Hon. Member for raising the matter.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE AND CANADA EVIDENCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, be read the second time and referred to a legislative committee.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would have liked to ask a question to my Conservative colleague about his statement in the House this morning, but as he is absent, I believe I shall just go on.

Mr. Speaker: Order, please. May I ask the Hon. Member whether she wanted to ask a question or to make a speech?

[*English*]

Mr. Lewis: Mr. Speaker, I rise on a point of order. Are we in the period of questions and comments following the speech of an Hon. Member? If I could have the name of the Hon. Member, we will do what we can to assist the Chair.

Mr. Speaker: I think I can assist all Hon. Members. When the House rose, the Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin) had completed his speech. I do not think that the Hon. Member is in the Chamber. If it is the wish of the House to wait a moment for the return of the Hon. Member, I would think that that would be an appropriate response, and then I could recognize the Hon. Member for Outremont (Mrs. Pépin).

Mr. Lewis: Mr. Speaker, on the same point of order. For the time being, we are unable to locate the Hon. Member who spoke. I would suggest, if it meets the favour of my hon. colleague opposite, that you stand down the period for questions and comments and we will do what we can to get the Hon. Member back into the Chamber.

Mr. Speaker: The Hon. Parliamentary Secretary is asking that this matter be put over for a few minutes. Is it for one minute or for five minutes? Under the circumstances—

Mr. Lewis: After the next speech?

Mr. Speaker: Is that the disposition of the House?

Mr. Gauthier: Mr. Speaker, just to make it as clear as possible, I do not think it has been our practice to allow questions and comments to be put off for a while. I think it would be difficult to do so. I see the Hon. Member has just walked in so perhaps he will take questions now.

[*Translation*]

Mr. Speaker: The Hon. Parliamentary Secretary to the Minister of Justice and Attorney General of Canada (Mr. Gérin) has the floor.

Has the Parliamentary Secretary concluded his speech?

Mr. Gérin: Yes, Mr. Speaker, I am ready for the questions and comments if there are any.

Mrs. Pépin: Mr. Speaker, I would like—

[*English*]

Mr. Speaker: Order. Hon. Members will know that following a speech on debate, there is a question and comment period of 10 minutes. The Hon. Member who had completed his speech just before the noon adjournment is now back in the Chamber. The Hon. Member for Outremont (Mrs. Pépin) wishes to ask that Hon. Member some questions. That Hon. Member will listen to the questions and, no doubt, will give a reply. Now I believe everyone is satisfied and we are back on track.

[*Translation*]

Mrs. Pépin: Mr. Speaker, the Hon. Member suggested it was easy for a 10-year old child to come forward and take the stand in court, before a jury of 12 people. I would like him to amplify his point, because when I was sitting on the Badgley Commission, we heard several representations indicating that a child 10-year old or younger felt very nervous in the presence of a jury.

The groups that presented submissions really insisted that, in order for a child to be able to give evidence, the evidence should be taken as true, and no jury should be there. Otherwise the child will be frightened.

Mr. Gérin: I thank the Hon. Member for her question, which is relevant. Clearly, an 8-or-10-year old cannot have the self-assurance of an adult before a court of justice. It is quite a shock for any person to appear as a witness before a court of justice.

But this should be balanced against the right of the accused to be tried before a jury. And if the accused were to be deprived of that basic right, this would greatly prejudice any Canadian who is facing a serious charge.

But, I must say, in the light of my personal experience before the courts, that there are alternatives for a judge presiding in a case before a jury, like hearing witnesses *in camera* for instance. He may reduce the court staff. He may allow a child's mother or father to be in attendance during the testimony, and above all there is now a provision in this Bill that would allow the judge to ask that the accused himself be excluded. So who would remain in the court? The judge, perhaps a stenographer or a clerk. There would remain counsel for each side and 12 members of the jury, and this is much less frightening than what we now have considering that usually the courtrooms are generally filled with people.

This means that those new facilities made avaible to the courts by this legislation are reassuring in my view as to child testimony.

And may I add that, to my knowledge, the Badgley Report did not deal with 8-, 9-, or 10-year old children, because they are not the ones generally who are severely shocked, but rather teenagers aged 15, 16 and 17 who will have to tell of a sexual experience for instance, something they are not used to. So they are reluctant to tell about it. Whether there is a jury or not, I do not think this will change anything. And this is where understanding is needed from the judges, the counsels and everyone for that matter.

Mrs. Pépin: I would like some further clarification. When the Hon. Member says that a child can suffer some trauma or more trauma than he would otherwise if he is 10 years old, does he mean that the child can be more or less intimidated? From his own experience, can a child be more or less traumatized depending on his age? Also, the Hon. Member emphasized the need for the accused to be there to defend himself, but we must remember that, in the case of sexual assault, the accused is often a relative. In most cases, it is the father, the stepfather, an uncle or other relative. I come back to my question. In that case, why did the Government not accept the recommendation of most of those who made submissions to the Badgley Commission, that is that children should be able to give evidence in a different atmosphere, without having the accused and the jury present?

Mr. Gérin: There are two ways of making a charge. It can be done either by summary procedure, without a jury, or by indictment, which generally gives the accused the right to a trial by jury. The prosecutor, with the police officers who have prepared the charge, and probably the parents in this case since the rights of the victims must be protected and the parents are entitled to be present at such preliminary proceedings, decide together what type of procedure is appropriate in that particular case. This partly replies to the question.

However, if after this preliminary work, because of the seriousness of the charge, it is decided to proceed by indictment, in the case of an offence punishable by 14 years of imprisonment, for instance, if it is decided to bring a serious charge which can result in a serious sanction or sentence, I do not think that we can forget the rights of the accused, as he is facing a rather serious interference with his freedom. He is told that he could lose 14 years of freedom. I do not see how the accused in such a case could lose such a basic right as that of being judged by his peers, that is to a trial by jury.

I think that this Bill allows some flexibility. For certain charges, probably the majority, I imagine that the accused will be charged by summary procedure. He will therefore be facing a judge without a jury.

In very serious cases, when the freedom of an individual accused of a serious offense is involved, it will be possible to have a trial by jury, but there are other provisions which allow a judge to decide to exclude the accused from the court room when the witness gives evidence. This goes a long way toward protecting the child. I am personally convinced that this measure will have excellent results.

• (1510)

[*English*]

Mr. Robinson: Mr. Speaker, I have listened with care to the remarks of the Hon. Member. Could the Hon. Member explain the delay in the decision of the Government to appoint a special adviser on child abuse? Last June the Minister of National Health and Welfare (Mr. Epp) promised that he would be, as an urgent matter, appointing a special adviser to co-ordinate the federal Government's activity in this important area. Yet, five months later a special adviser has not been appointed. Can he explain the reason for this lengthy delay?

[*Translation*]

Mr. Gérin: Mr. Speaker, I believe the Badgley Report as such dates back to September 1984. A great many representations have been made since then. There has also been the Fraser Committee; a great number of groups have made representations to the Government. It is not surprising, therefore, that there was a certain delay which was necessary to introduce this Bill and obtain the consensus that will be required of all Canadians to address all these serious problems which have existed for decades and which the Government has had to face. I realize too that this two-year delay since the Badgley Report may appear long on the face of it, and the delay my hon. friend is referring to may also appear to be long. Yet, it touches on essential and extremely fundamental issues. All the groups wanted to be heard. As far as this Bill is concerned, I think that most recommendations have been accepted and are reflected in this legislation. I am convinced that in the very near future, with the cooperation of the provinces and other voluntary organizations in Canada, the still undecided issues, including that referred to by my hon. colleague, will be addressed.

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) has the floor for a very short question.

Mr. Robinson: Mr. Speaker, of course the Hon. Member did not answer the question, but my supplementary is this: In this Bill, why does the Government continue to discriminate on the basis of sexual orientation, given the fact that age of consent is 18 with respect to certains acts and 14 with respect to others? Why such discrimination?

Mr. Gérin: You will admit that we must set . . . There is no discrimination, that is not the way I see it. We have to draw the line somewhere. Where is it? In the case of a child is it age 13 and a half, 14 and a half, 15?

Mr. Robinson: But why two lines?

Mr. Gérin: Why two lines? I too have children and I make a distinction between the one who is 13 and the other who is 17 and a half. All parents know this, it is not the same thing. Personally I do not think my little 13-year-old girl is in the same situation as my boy who is 17 and a half. A distinction has to be made between a child and an adolescent. The Government has decided it is going to be between ages 14 and 18. I think it is extremely logical, extremely fair. The old act referred to another category, 16-year-olds, and people were utterly confused. Now we are setting two lines: under 18 and under 14. First we do not change anything to the legal age, which is 12, then we say that people aged 18 or more have reached majority and will have to assume their responsibilities since the other majority age of 21 will be abolished. It is a definite improvement and I fail to see what else could have been done. All children under 18 cannot be treated on the same basis. There is a major change, a major distinction to be made with respect to children aged 13, 15 or 18 for example.

Mr. Deputy Speaker: Debate. The Hon. Member for Outremont (Mrs Pépin).

• (1520)

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the purpose of this new Bill, Bill C-15, is basically to protect children against sexual abuse and exploitation. Following a study of the Badgley Report, it was felt that amendments were needed to deal with sexual offences against children.

The amendments being proposed to provide increased protection for children may be summarized as follows: provisions for receiving unsworn evidence from children who are victims of sexual offences, without the need for corroboration; permission to videotape statements by a person under the age of eighteen in which he describes the acts complained of (the tape being admissible as evidence); provisions imposing severe sentences on persons who seek the sexual services of persons under the age of eighteen (up to five years imprisonment); provisions that raise the term of imprisonment from ten to fourteen years for those who live on the avails of prostitution of young persons under the age of eighteen.

Mr. Speaker, I believe that the amendments provided in Bill C-15 will give children more effective protection against sexual abuse. In fact, this Bill draws heavily from recommendations contained in the Badgley Report, published in August 1984. I shall now give a more detailed assessment of some of the legal provisions included in this Bill.

I agree with Section 139 which provides that consent is no defence when the complainant is under fourteen. The fact is that even behaviour that does not resort to force or to the threat of such force or to misrepresentation or the exercise of authority can still be such as to unduly persuade a person under the age of eighteen to consent to the commission of a sexual offence, whatever it may be. In fact, the provisions of the new Section 139 are a direct reflection of Recommendation 13 of the Badgley Report.

As for the new sub-section 139(2) which provides that: "it is not a defence that the complainant consented to the activity that forms the subject-matter of the charge unless the accused (*a*) is aged twelve or thirteen years; (*b*) is less than three years older than the complainant; and (*c*) is neither in a position of trust or authority towards the complainant nor is a person with whom the complainant is in a relationship of dependency." I am somewhat puzzled, because it has been proven that young victims are as likely to be exposed to threats of force on the part of persons whose age is relatively close to theirs as they are to threats by those who are older, as far as participating in sexual acts is concerned. Assuming that the complainant is thirteen, the accused could be fifteen and thus avail himself of the provisions included in subsection 139(2). I would suggest that a 15-year-old adolescent is stronger than a 13-year-old adolescent and can therefore handle his younger brother and take advantage of him for sexual purposes.

Concerning clause 140 on sexual interference, I would like to see it amended along the lines of Badgley report recommendation No. 7 which reads as follows:

"Every person who, for sexual purposes, touches the genital or anal region of a young person with any part of the body or with any object is guilty of an indictable offence and liable to: (i) imprisonment for a term not exceeding 14 years if the complainant is under age 14, or (ii) imprisonment for 10 years if the complainant is between ages 14 and 16.

In this section, "young person" means a person under age 16.

The fact that the young person may have agreed to the activity which is the object of the charge, or that the accused may have thought the young person to be 16 years of age or older does not constitute a defence to a charge."

Again I would like new clause 154 on buggery to be amended along the lines of Badgley report recommendation No. 5 which reads as follows:

"Every male person who commits buggery on a female person who is not his wife and who is under age 18, or on a male person under age 18, is guilty of an indictable offence and liable to: (i) imprisonment for a term not exceeding 14 years, if the person with whom the act was committed is under age 14; or (ii) imprisonment for five years if the person with whom the act was committed is between the ages of 14 and 18."

Similarly, new clause 155 on bestiality should be amended to take into account the Badgley report recommendation.

As to clauses 166 and 167 respectively, first the parent or guardian procuring sexual activity, and second the householder permitting sexual activity, I think the new text of law is appropriate.

In my judgment, however, the provisions concerning exposure and contained in section 169 should read as follows: "Every person who, for a sexual purpose, exposes his genital organs to a young person, is guilty of an offence punishable on summary declaration of guilt; in this section, "young person" means a person who is or, in the absence of evidence to the contrary, appears to be under the age of 16."

I agree with new section 195 concerning juvenile prostitution. The wording of subsections (2), (3) and (4) would seem adequate to protect children against this terrible scourge of our society.

As for the section which does away with the need for corroboration of a child's evidence, I agree with the provision that such corroboration is not necessary in order to convict a person accused of a sexual offence against a child.

I would like to see Recommendation 19 of the Badgley Report fully reflected in this Bill, because I think this particular recommendation was overlooked.

Finally, my concluding remarks concern the evidence of children who have been victims of a sexual offence. The new Bill remains silent in this respect. I feel that fundamental changes must be made in the legislation to enable children to testify on their own behalf in the course of judicial proceedings.

Although the testimony of victims of sexual offences is now considered with less scepticism than it was previously, the legislation is still very wary about evidence given by children. I think there should be no special provisions in this respect. The evidence given by a child should be heard and considered in the same way as that given by an adult. According to studies made for the Badgley Report, there is a very little basis in fact for assumptions that question the truthfulness of evidence given by children and their ability to clearly remember the facts of a sexual offence.

We can therefore say that young children are not more inclined to give vague descriptions to the police than are older children.

Consequently, I would like to see Recommendation 18 of the Badgley Report made part of the new Bill.

Finally, I would like to express my approval of a new provision in the Bill authorizing the presiding judge to exclude

the accused from the courtroom during the testimony of the complainant, if he is of the opinion that exclusion is necessary to obtain a full and candid account of the acts complained of from the complainant.

On the whole, I must admit this is a satisfactory Bill, but there are still many amendments to be made to the legislation, and I hope to have the opportunity of debating these amendments in committee. I also hope that enough time will be allowed for persons or groups wishing to make representations before the committee, so that everyone will be able to contribute.

I can assure you I will be taking an active part in the proceedings of this committee, but I still think a great deal remains to be done.

Mr. Deputy Speaker: Order, please. Are there any questions or comments about the intervention of the Hon. Member? If not, we shall continue the debate with the Hon. Member for Charlesbourg (Mrs. Tardif).

• (1530)

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in response to the serious problem of sexually abused children, the Government has now introduced in second reading Bill C-15, an Act to amend both the Criminal Code and the Canada Evidence Act.

The new provisions contained in this Bill will provide better protection for children because they will give more flexibility and strength to our legal system.

Obviously, the changes in the present legislation will have immediate effects on health and welfare programs. First, the new legislation will allow the authorities to institute proceedings against a greater number of offenders, and it is virtually certain that this will result in a greater number of charges and convictions.

Mr. Speaker, these offenders, and there have already been references to the Badgley Report and other studies on this subject, are nearly always men. Often, they are also the fathers, brothers or uncles of their young victims, and this constitutes a challenge to the legislators, as well as to the professionals, psychologists, psychiatrists, social workers, and all the others who must prepare the families to face the legal process and live with the consequences.

Also, the fact that these children will be able to give evidence before the court either on videotape or in person, will require special training for those who are in charge of these interviews so that they can carry them out not only in a way that will be legally acceptable, but also to avoid any psychological trauma for the child.

The judicial system as well as the social and health systems will have therefore to work hand in hand, not only in the particular cases which I have just mentioned, but also in other cases which I should like to review quickly.

As everybody certainly knows, it is with a pluridisciplinary outlook that the Government announced on June 10 last a series of initiatives which was to include not only this bill under review, but also a major package of social legislation. From that moment, Hon. Jake Epp was designated as responsible Minister and undertook to set up in his Department a secretariat to coordinate all federal measures in his own Department and in all other departments concerned.

An interdepartmental committee has just been established to promote this coordination. This committee is made up of representatives from the Secretary of State, the Departments of Indian Affairs and Northern Development, of the Solicitor General, of Justice, of National Defence, and Status of Women Canada.

This new Secretariat will complete a wide range of programs already implemented by the Department of National Health and Welfare since 1978, including mainly a National Information Centre on Family Violence and the funding of numerous research and demonstration projects.

Mr. Speaker, all these years of work in the area of child abuse have given the Department a working experience and a global perspective on this issue, a perspective which places the current legal reforms in a quite unique social context.

Like any social or medical problem that arises suddenly and unexpectedly, sexual abuse has left us helpless as a modern society. Helpless first because the fact, as reported in the Badgley Report in 1984, that in a major survey, 50 per cent of women and 40 per cent of men did recognize that they had experienced undesired sexual acts before age 16.

Those who answered were people of all ages, that is 30-40-60-year olds who remembered their childhood in the 1920's and 1930's.

In that half or so of Canadian men and women, there are still people who have been severely shocked and to-day they are the parents, the offenders or the teachers perhaps of our children.

For one reason or another, a large number of those people need help either themselves to be good parents, or because they are subject to persistent personal anxiety or to dangerous and hard to control behaviours.

Given that tragic problem, let me refer briefly to the approach and the measures that will be considered by the department over the next five years.

As you already know, $20 million have been earmarked for a program to help prevent and solve that problem. We must look at the issue, in a comprehensive and multidisciplinary way, about which do I need to stress, experts consistently agree. As in any family violence problem, whether children or battered wives are involved, the question must be addressed by all professions and at every level of society. In other words, it is not for governments alone to deal with sexual abuse. Professional associations, national non-government groups, school

systems, benevole societies, people in general, everyone in both the private and public sectors has a specific role to play.

In almost all cases, the youth protection service remains the co-ordinating agency; sometimes task forces in hospitals play that role, that is they invite to a common table physicians, police officers, teachers and all sorts of experts to draw up guidelines to ensure a responsible and co-ordinated intervention.

One could ask what is the use of passing legislation to control criminal behaviour if the victims go unnoticed by the experts, if these experts have not learned to work with the police to set up well-documented files, if there is a lack of co-ordination between child welfare services, family courts and criminal courts before all of which the family has to appear?

The department will seek the co-operation of all sectors and disciplines. In its working context, Mr. Speaker, the department will have to always remain aware of the fact that the provinces are to be the first to intervene in cases of sexual abuses and provide with necessary follow-up services for the victims, the families, and the offenders. However, the federal Government has an important contribution to make by supporting the provinces in this work. The department is very much aware that all parties involved with the problems are overwhelmed by the frightening number of former and recent victims who report to the authorities day after day. It is essential to find long-term and short-term solutions which are both inexpensive and effective.

One solution of particular interest to the Department is to support systems whose contribution has not always been readily recognized and ask them to join in the task of educating the public and protecting and following up problem cases. I am thinking, for instance, of the churches which have played a supportive role for families, especially in rural areas. The job environment is also an excellent way to reach a large number of parents and make them aware of the issue of child abuse, while at the same time we could also increase their awareness of violence generally in the family.

Mr. Speaker, I would like to take a few minutes to consider the family context and the problem of violence in the home. Preliminary research has pointed out that abuse is often related to other problems existing in the family. For instance, a study in Alberta supports the results of research carried out in the United States which show that children who followed their mother to a shelter after the mother was abused by the husband or partner, were far more likely to suffer sexual abuse than children in the general population.

Studies have also shown there is a cycle of violence that goes on from generation to generation. In other words, girls who have been sexually or otherwise abused as children are more likely to become victims of abuse once they are adults, while boys who suffered sexual abuse are likely to repeat their experience by acting as the aggressor once they have become teenagers or adults.

The important thing to remember is that the problem of sexual abuse must be considered within the perspective of the family. This brings us to another very important aspect, namely, prevention. Considering the so-called cycle of violence, it is imperative to start prevention programs in order to persuade the general public to reject value systems that promote violence and sexual exploitation in particular.

Our knowledge of the way the public can be educated is still very basic, and much remains to be done to find out how we can inculcate more acceptable values. Long-term prevention is probably the best way to eradicate the problems of sexual abuse.

Mr. Speaker, we may be overwhelmed by the increasing number of cases being reported to provincial offices and police stations, and by the continuing shortage of services from agencies that are already working to full capacity, but it is also a fact that although the problem has been recognized, science has not yet had time to collect, examine and verify its various working assumptions.

We still have a long way to go before ascertaining which types of treatment are successful and which are ineffective. Were surgical science at the same point as sexual abuse is now, few of us would agree to an intervention. And still, given the numerous descriptions of recent and past victims, social and mental services must overcome uncertainties and help victims. Therefore the federal Government will fund research and demonstration projects to establish a sound basis for the treatment of victims and assailants alike. All the initiatives I have just mentioned will help professional staff deal directly with families and will have to be taken after consultation with experts in the field and the provincial Governments which are responsible for looking after the people involved, in a multidiscipline perspective.

To ensure success the Department is preparing a consultation for next fall to promote a concerted approach aimed at a national strategy in which all parties involved will participate, including the private and public sectors as well as the victims themselves. All Government levels will be represented: the federal Government, provincial and territorial administrations, municipalities and small communities. The preparatory work done this year and the results of next fall's meeting will be the basis of the program for the next four years. Without the participation of major Canadian institutions we would not even consider setting up prevention, research and general education programs, or preparing professional staff and the public at large to come to grips with this urgent problem. Mr. Speaker, we are seeking a national commitment.

• (1540)

[*English*]

Mr. Deputy Speaker: Are there any questions or comments? There being none, I will recognize the Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased to rise to speak generally in support of Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, which deals particularly with the very serious issue of child abuse. We support this Bill in principle. We are pleased that the Government brought it forward separately from other sections of the Bill which was presented in the last Session of Parliament. We had serious concerns about many of the sections dealing with pornography in that Bill. Although we want some amendments to this Bill, we support it generally in principle.

The portions of this Bill concerning juvenile prostitution and sexual abuse of children are of deep concern to me and my constituents, as I know they are to all members of the House. In Vancouver East we have had and still have very many young people on the streets involved in juvenile prostitution who were victims of sexual abuse as young children. I will speak about that a little later.

It is a great tragedy that the lives of so many young people are being ruined as a result of early sexual abuse. Unless there is some kind of treatment or intervention, very often their lives continue to be disfunctional in many ways as they become adults. My colleagues and I spoke very strongly in the debate on Bill C-49 on the need for stricter sanctions against the customers of juvenile prostitutes. I am pleased that there are some tougher sanctions applying to that contained in this Bill. This is, of course, only one aspect of dealing with the issue of juvenile prostitution. We need a multifaceted approach to dealing with young people on the streets.

My colleague, the Hon. Member for Burnaby (Mr. Robinson), very ably analysed the concerns which we have about this Bill from a legislative point of view in his remarks this morning. I hope these matters can be improved through amendments. These are also concerns of the Canadian Council on Children and Youth. I refer Members to its analysis which is based on research and refers to concerns of the Badgely and Fraser Reports as well.

I would like to briefly summarize these concerns. First, under this Act a judge would be given the power to determine whether a child is capable of giving evidence. We find this to be far too subjective. I do not think it is fair to put judges in this position either. We believe that attention must be given to that section of the Bill. Second, there is the problem of whether the accused should be in court while a child is giving testimony. This Bill says that the accused may be in court. Surely this is a very intimidating experience for a young child who is being asked to testify against the person who has abused, frightened and damaged him or her and who may be sitting very close by in the court room. We do not feel that this is appropriate. It should not be allowed.

Third, we approve of the use of videotapes for taking evidence from a child. However, we do not feel there should be any time limit on this. I am sure that provision can be amended. It is obvious that we cannot just sit a child down and say that we are now going to talk about this terrible thing which happened. A child must have time to disclose information which is very painful and may be repressed. They must be in a very comfortable situation with people whom they trust. It is much better to do this at the appropriate time. I do not see why information obtained later should not be included on videotapes as well. It is certainly a better way of obtaining the information than in a very painful, formal and frightening situation.

Fourth, we are happy that the Bill does not require corroboration of a child's evidence. I have a very interesting article by June Callwood to which I refer members. She quotes an authority which states that children at about the age of six are able to make mature judgments on many matters, are able to speak for themselves and should be allowed to do so. The article to which I refer was in *The Globe and Mail* in October.

This Bill discriminates on the basis of sexual orientation. We believe there should be a consistent age of consent for both men and women. I believe that is practical and reasonable. This was recommended by the Special Committee on Equality Rights as well. Finally, it is quite unreasonable that the penalties prescribed in the Bill for beastiality exceed those for abuse of a child by a person of trust. Surely that should be changed.

I do not want to go into greater depth on the legislative issues which my colleague covered so ably this morning. Rather, as the critic for social policy, I would like to concentrate on some of the social aspects and implications of child abuse and the need for a much broader approach than is presented in this Bill. I believe very strongly that this is an obligation of the federal Government as well as provincial Governments.

In my earlier remarks I said that my colleagues and I are very concerned that so many young people are homeless and on the streets. There are young people from all over Canada on the streets of my riding. It is a real tragedy, not only that these young people are homeless but that they are involved in prostitution and drug abuse and often other illegal pursuits such as breaking and entering and other activities which are destructive to themselves as well as society. The case histories of many of these young people frequently reveal that they have been abused as younger children, often by people in their family such as a relative or friend who is a trusted person. If the abuse continues, this is extremely destructive to the child's personality.

• (1550)

These are the children who are withdrawn and anxious in school and have very low self worth. Often their teachers do not go beyond these symptoms to recognize that there is a very serious underlying family problem. They do not try to get help for the child but they have an obligation, as we all do, to do something about it.

I have also heard of cases of children who have gone to a doctor suffering from physical abuse. I saw a case on television

involving a child with anal bleeding for which the doctor prescribed a diet of bran. The fact that this was a symptom of serious child abuse was not recognized. Medical and other professionals are reluctant to recognize child abuse, just as they are reluctant to recognize family violence and the battering of women. They are reluctant to intervene in family situations because it still seems to be part of our training that we do not interfere. However, it is extremely important to the protection of a child that we recognize what may be happening and intervene in such situations.

Furthermore, social workers often have little training in this field. In Vancouver, for example, unfortunately the Department of Human Resources had to retire, or fire, a sexual abuse team which consisted of the most skilled specialists in this field. They were recognized right across Canada and this team was very important as a resource to help train social workers and school personnel. That team was eliminated. During this time of restraint the Government also fired child care workers who were required to work on a one-to-one basis with children who had been abused, had family problems, and needed much help to recover.

I want to return to my remarks concerning young people on the street. Many of them are involved in prostitution. I have here a very realistic and moving article entitled "Street Youth in Vancouver", which was written by a youth worker, David Dranchuk. He has worked with young people on the streets for the past six years and is employed by the Anglican Church of Canada. I want to read from this because I believe he gives a very eloquent account of his personal and hurtful experience of what is happening to young people and what little we are doing about it. He says that Vancouver is the runaway capital of Canada. Some of the children are as young as 12, but most are around 15 or 16. These children come from all over Canada. He goes on to say:

> Most of the children I find on the streets have a history of running. Often they are from unstable home situations or have already been removed and made wards of a child protection authority. Very often there is a history of abuse—physical, emotional or sexual; especially sexual abuse.
>
> When I take a closer look, I find that these children have a lot more in common. They tend to have a very poor self imagine; perhaps the result of abuse. Not surprisingly, they have a profound distrust of adults in authority. Many are emotionally disturbed and don't feel wanted or accepted. For acceptance, they will do almost anything.
>
> This need for acceptance is very significant. Because the street community is a very accepting one, they gravitate to the streets.

He goes on to say:

> Before too long, the young runaway learns an important axiom of street life. Nothing comes for nothing. You have to pay. And because they have no money, sex becomes the common token of exchange. This is particularly true of girls who have been sexually abused at home.
>
> If this child is not diverted from the streets and its sordid activity, he or she becomes entrenched into street life. It is not a good life. It is self destructive. I sometimes call it death on the installment plan.
>
> Drugs are a big part of street life.
>
> Drugs help to numb the pain of living. Drug overdoses are common. Sometimes the overdose is fatal. What a senseless waste of a young life!

He goes to note that there are practically no services that are relevant or usable by these young people. They are unable to stay in foster homes and landlords will not rent to them. Therefore, they end up on the streets. Employers will not hire them so they turn to drug trafficking, shoplifting and various forms of break and entering, theft, and prostitution. Wherever they go they seem to get repeated confirmation of their own lack of personal worth.

I know that where there are young people on the streets in my riding, people in the neighbourhood tend to abuse them and do not want to have anything to do with these kids. They do not even want a youth centre in the area. It is a very sad situation.

Mr. Dranchuk went on to say that many services are needed. I would appeal to the Government, particularly the Minister of Justice (Mr. Hnatyshyn) in co-operation with the Minister of National Health and Welfare (Mr. Epp), to ensure that there are funds available and special projects are developed that will provide some of these services. Mr. Dranchuk states that they need more street workers because there are only three street workers in Vancouver for literally hundreds of kids. They must be special people who, themselves, can live on the streets and be accepted by street people. He goes on to say:

> Also needed is a Youth Services Centre open seven days a week until about three in the morning. Besides trained counsellors, such a Centre should have emergency food along with laundry and shower facilities.

There are only one or two training programs that supposedly help young people but usually are not relevant at all. Once the bureaucratic screening and selection procedure is completed, young people who might begin to be interested simply drop out. If they happen to be lucky enough to get a job or into a job-training program, they are usually paid minimum wage so they often end up back on the streets because they do not have enough to live on.

Mr. Dranchuk also states that another needed facility is a "safe house" where street kids can stay for up to three days. These are suggestions by people who have experience with what can be done. The important point is that there is no funding available to provide these specialized services now and I urge the Ministers who are directly involved in this area to give some attention not just to imposing penalties through the law which, of course, must be done as far as customers are concerned, but to provide an alternative for these young kids who are on the streets for a reason.

There is also a need for prevention. We hear much about programs that have been initiated in some schools that are helping children to be more aware of potentially unsavoury relationships. One program in particular teaches children to say no if there is sexual touching that is likely to lead to sexual abuse. This is a progressive approach and I think many parents who are very anxious also need such programs to learn how to deal with this problem in an educational, relaxed way so that they are not over-anxious and creating an unhealthy situation for their children.

The legitimate concerns about child abuse are certainly much more open as a result of many public programs dealing with it. However, I hope that this approach to more awareness does not lead to over anxiety and near hysteria. I believe that is happening in some areas. In British Columbia there have been incidents of child abuse by teachers. This has caused a general backlash against the whole profession of teaching, which is grossly unfair. I think it is also very unfortunate if good teachers, or care givers of any kind, cannot show the normal kind of warm affection and responses which are important to children and to the relationship between a child and an adult.

• (1600)

I believe we have to do positive things in both prevention and treatment as well as through the laws, such as in the Bill before us, and we must ensure there is not a great hysteria. In our hearings on child care we are finding that parents are very reluctant to hire male child care workers in daycare centres, for example, which is very unfortunate. This again is because of reports of perhaps just one or two situations where there has been some child abuse. It is very important that we have male child care givers in our centres because so many of the youngsters do not have other male adults in their home environment.

Finally, I would like to take a moment to refer to many women who have been victims of sexual abuse or other forms of family violence and who may be in transition houses. There have been studies which show that women who have been abused often marry wife batterers and their children in turn may suffer from family violence. I recommend to all Hon. Members, and to the Committee on Justice, that they review a film which we showed very recently called "Breaking Silence". It is available from Women in Focus, a group in my riding of Vancouver. This film very eloquently shows many examples of women who have been victims of abuse and the terrible trauma which still remains with them as adults, affecting their lives, and the great importance of treatment and prevention for both adults and children.

I say once again that I am pleased to support this Bill, along with my colleagues. We think there are amendments needed, as well as a whole program which will deal with children and young people who have been abused.

Mr. Thacker: Mr. Speaker, I have a question to put to the Hon. Member for Vancouver East (Ms. Mitchell). I am glad her Party agrees in principle with the Bill. The section with respect to an accused being in court or being excluded from court is a permissive section in that the judge "may" exclude an accused. If I understood the Hon. Member correctly, she said it should be mandatory, that the accused "shall" be excluded from the court while a child is giving his or her evidence. Throughout the long history of criminal law, it developed that the accused had to be in court to protect his interests and rights. If there is a mandatory exclusion, how would the New Democratic Party handle a situation where a man or woman represented themselves rather than be represented by a lawyer?

Ms. Mitchell: Mr. Speaker, I thank the Hon. Member for his question. I think this is a matter which surely should be dealt with in committee, with witnesses. I am not a lawyer. Probably the Hon. Member knows better than I the legal aspects. However, I am sure the Hon. Member would find it very difficult if his own child or a young child he knew was in the position of having the person who abused them sitting in court while they were giving testimony. As a social worker, I find that quite unacceptable, but I would leave it to the committee to decide on the details of the law.

Mr. Thacker: If I understood the Hon. Member correctly, as a question of principle she feels the accused should be excluded with the word "shall". I wonder if it would not be wiser to leave it to the judge as the Bill provides?

Ms. Mitchell: Mr. Speaker, as my colleague has indicated, there may be some circumstances where the accused perhaps should not be excluded. I would suggest to my hon. friend that we leave this to the committee, which will have witnesses before it. I think it is important that there be a time period for witnesses to prepare and be familiar with the Bill. I think that is something that the Canadian Council on Children and Youth have particularly advocated.

Mr. Deputy Speaker: There being no further questions or comments, we shall resume debate.

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased to join with my colleagues today in the debate on Bill C-15 which deals with amendments to the Criminal Code with respect to sexual abuse of children. I am pleased to hear from my colleagues on all sides of the House that there is agreement about the importance of these legislative changes and the fact that they have been long awaited throughout the land.

I would like to review the situation and some of the background of which I am aware. We know, of course, of the excellent work done by the Badgley Commission. Its report was released in 1984. Perhaps, on the Canadian scene, this was the first time that the myths of child sexual abuse had been exploded. Up to that time people had been afraid to talk about the subject. We are now aware that it has been going on for many years. It is something which happened in secret and there had not been a great deal of public discussion.

I recall the first time I really became aware of how widespread it was is when I lived in Campbell River in the early 1980s. A very courageous young woman, who had been the victim of sexual abuse herself, finally spoke out and started a self-help group in the community. At that time there was no funding. She would go to various service clubs and groups to raise a little money here and a little money there for a telephone service or answering line. I sat in on some of those discussions and was amazed at just how shocked people were to even think that these things were happening. In this case,

the woman had been sexually abused by her father. We could not believe this existed in a quiet and pleasant town. We became very aware of the impact the number of incidents of abuse had on that particular woman's life. Since those days there have been many different stories and books published on the subject.

When the Badgley Report was released, we were shocked as well by the statistics it presented, that at some time during their lives one in two females and one in three males have been victims of one or more unwanted sexual acts, that four in five of these unwanted sexual acts had first been committed against these persons when they were children or youths, that three in five sexually abused children have been threatened or physically coerced by their assailants and that one in four assailants is a family member or a person in a position of trust. About half are friends or acquaintances and only about one in six is a stranger. I think it is very sad and shocking to us all to find those kinds of things going on in our society.

We are very aware, of course, that this has been happening for centuries and statistics show that it is most generally women who as children have been the victims of sexual abuse and have been afraid to speak out. There is an interesting anthology published in 1983 entitled "I Never Told Anyone". It is writings by women survivors of child sexual abuse. It is this kind of book, along with others, which has brought this issue to the fore and have enabled women who have been victimized to speak out. I would like to read from the Preface by Louise Thornton:

> This collection of women's voices speaks out about what is seldom said, seldom told, seldom acknowledged—the sexual violation of children. It is about the silence of nights spent holding in screams, holding back tears, holding in one's very self. And it is about the stillness of days when all of a young girl's resources are used up in keeping the secret from everyone, sometimes even herself. The women in this anthology are breaking this silence. Whether by whispers or cries or shouts or screams, they will continue to shatter it with the power of their own voices, their own words.

There are some very moving stories in this anthology. I think what is important is that over the last few years there has been a recognition of how important it is to speak out, and now we are beginning to help our children understand that.

• (1610)

I saw a television documentary last week which I believe was entitled, *A Violent Secret*. It depicted a young girl about 11 or 12 years of age who had been subjected to some unwanted sexual advances in a small town. She kept the issue a secret for a long time. The program depicted how her behaviour had been affected in terms of her friends and family because she felt so demeaned. I know the type of experiences young people go through because they do not understand what has happened to them and how destructive these experiences can be to their self image. This particular story had a happy ending in that the young girl was finally able to tell her parents and the perpetrator of the crime was brought to trial.

A National Film Board film entitled, *Feeling Yes, Feeling No*, is being shown in schools across the country. It is important that we begin to educate our young people about child sexual abuse. It is important for them to know that they do not have to take it and that if something happens to them they must tell someone whom they trust.

The legislation before us today is an important weapon in the fight against child sexual abuse. It deals with the legal framework. Other Hon. Members have mentioned today that we recognize this is only part of what we need to do. The rest has to be done through educational programs and support programs in communities. I am pleased to see that the federal Government, primarily through the Minister of National Health and Welfare (Mr. Epp), is initiating programs in this area, as well as the Solicitor General (Mr. Kelleher) through his missing children initiatives.

Often there is a connection. Many of the children who go missing have often been victims of some type of unwanted sexual abuse in their early days. Obviously, all of these matters tie together. What the communities are asking for is a stronger legislative framework which will more clearly enunciate the crimes involved and send a clear message to members of society that we will not condone the sexual abuse of children under any circumstances. The legislation before us is an important part of that process. There will be other legislation coming forward in terms of amendments to the Criminal Code which will deal with child pornography.

In terms of this legislation, I wish to pay recognition to the tremendous work that groups in communities across the land have undertaken. In this regard I think of my own riding of Capilano and, in particular, a woman in my riding, Mrs. Olive Wyatt, who has been personally dedicated to this issue for years. For some time she has been visiting different community groups to raise the issue and to appeal to these organizations. She has worked with the churches and is personally involved with the stores in my area in terms of getting them to take child pornography off the shelves. She has been consistent and persistent in her efforts. It is as a result of the efforts of such women, and others across the country, who have helped to raise public conscience and outrage with respect to this issue that has resulted in the Badgley Report and the Fraser Report, as well as the legislation which is before us today.

As has been said earlier, this legislation deals with several different areas. It makes provision for some new offences. A problem which existed before was that offences were not comprehensive enough to deal with the real situation. Included in the legislation is the new offence of sexual interference, which is an important one. Once the legislation is enacted, it will be an offence to touch anyone under the age of 14 years for a sexual purpose with any part of the body or an object. Sexual purpose is defined as one directed to the sexual arousal or gratification of the individual initiating the activity. I am pleased to see that this offence will be applied equally to boys and girls, which is something the equality committee recommended.

The second offence with which I wish to deal is the offence of invitation to sexual touching. This will go a long way toward dealing with a problem that existed before and which could not be dealt with effectively in criminal law. It will now be an offence for a person to invite or urge a child under the age of 14 years to touch another person in a sexual way. Often when we are dealing with children six years of age and under we find that they have been urged or invited to partake in such activity. They do not know that what they are doing is wrong and that it will cause trauma to them. The person who is making the invitation is the perpetrator of the offence and should be dealt with in a harsh way by the law.

The third new offence of sexual exploitation will add sections to the Criminal Code to protect young persons between the ages of 14 and 18 years from sexual abuse committed by persons in positions of trust or authority. As I mentioned before, it is a sad reality that much of the sexual abuse of children is carried out by persons in positions of trust, that is, relatives, friends, people whom the children know and of whom they have no reason to be afraid. Yet in such circumstances an incident can occur.

This legislation will prohibit a person in a position of trust from touching a child between the ages of 14 and 18 for a sexual purpose or from inviting them to touch any part of their own bodies or another person's body for a sexual purpose. These new offences which form the core of the amendments will be successful in laying charges in a number of instances in which it has not before been possible.

In terms of the presentation of evidence, we have heard a great deal about the subject in the past. It is very difficult for children to go into a courtroom situation, something which has been designed for adults. They are already traumatized by the events which have occurred to them. We are introducing provisions which will allow for the videotaping of evidence soon after an event has occurred which can be used as evidence at trial. Corroboration of a child's evidence will not be required since, in many cases, that is just not possible.

In certain circumstances a child will be allowed to give evidence without the accused being present. It can be a very humiliating experience for a child to give evidence in front of the accused. We know that what has happened in the past is that someone has known about a situation of child sexual abuse and yet has been unwilling to bring the offender to trial because of the former provisions involving the child and the giving of evidence. In those cases the family sometimes did not want to go through with it. What we are now saying is that it is an obligation to do this because the person who has committed the offence should not be allowed to continue in the same manner. We have to bring them to court and to punish them.

Another area with which the legislation deals is the important area of child prostitution. A new offence is created, that is, to be a customer of juvenile prostitution under any circumstances. A much heavier sentence is provided. There are increased penalties with respect to living off the avails of prostitution when a juvenile, either male or female under the age of 18 years, is involved. Sentences of up to 14 years have been provided for in these circumstances.

We know the tragedy of child prostitution. We know that in many cases juveniles, the children involved in prostitution, have come from circumstances in which they were either sexually abused or were the victims of other types of abuse in their own homes and that they have a very low sense of self-esteem. They do not have the support systems of their own families or friends and often they take to prostitution because they have been offered some type of friendship by a pimp or by other people. They think that that is the answer. Of course we know that it is not. In the circumstances in which they find themselves, the potential for violence and disease is even worse.

• (1620)

We need the laws. As my colleagues have said, we need the programs as well in order that we may provide alternatives for young people who have entered into prostitution. We should provide safe homes and training programs so that these people have other opportunities beyond prostitution.

We know from the evidnece that quite often, young women and men go into prostitution because they think it is an easy way to earn money. If they have no training, they feel that they have no other way of making money. We would suggest in those circumstances that there be other training options and opportunities for these people to earn money so they are not left on the streets.

There is a great deal that needs to be done yet. Personally, I am very pleased to see the initiatives the Government is taking in this legislation and in other ways. For example, the Minister of National Health and Welfare (Mr. Epp) has established the office of a special adviser on child sexual abuse. This office will provide a co-ordinating point and there will be an inter-departmental committee of senior officials from all Departments involved including Health and Welfare, Justice, Secretary of State, Solicitor General and Indian and Northern Affairs. This committee will help co-ordinate our approach.

Of course, it is not just the federal Government alone that can help in these circumstances. We need to work with the provinces and the territories, with community groups and with volunteer organizations that have an interest in these issues as well. We in the federal Government are taking the initiative and are providing this leadership role. Although we know we will not eradicate the problem, we will raise public consciousness through these kinds of initiatives. We will be able to deal with these offences, we will be able to provide options and opportunities for young people and children who have suffered abuse and we will be able to provide a better life for them.

I look forward to the discussion in committee where we will deal with some of the specific issues in the Bill. I look forward as well to early passage of this legislation so that its provisions may come into effect.

Mr. Gauthier: Mr. Speaker, I congratulate the Hon. Member for her speech. I appreciated it. Of course, we have

approved of the Bill and its principle is a good one. As the Hon. Member said at the end of her remarks, we will be looking at the Bill very attentively in committee to make sure the amendments to the Criminal Code are good and proper ones to make.

I have a brief question to ask the Hon. Member. She mentioned that the sexual exploitation part of the Bill applied to children between the ages of 14 and 18. I would like it to be clear in my mind that I understand the Bill as she does. I believe the clause in question indicates that that part of the Bill applies to children up to the age of 18. This means that it applies to those who are still 17 but not to those who have reached 18. I would like to make sure that the Hon. Member understands the Bill as I do. Perhaps the Hon. Member would correct her remarks on that small detail and agree with me that it refers to children up to the age of 18 and not the age of 18.

Mrs. Collins: Mr. Speaker, I thank my colleague for pointing that out. Terminology in Bills always causes me great difficulty. Once one reaches the age of 18, one is an adult. Ordinarily, this and other legislation does not apply. That is my understanding of this legislation as well.

Mr. Robinson: Mr. Speaker, I listened with great interest and care to the speech of the Hon. Member for Capilano (Mrs. Collins). She is a colleague of mine from British Columbia and a former colleague from the Special Committee on Equality Rights. One of the unanimous recommendations made by that committee was for a uniform age of consent for sexual activity. In view of her support for that recommendation of the Equality Rights Committee and as a member of that committee, could the Hon. Member indicate if she intends to attend Justice Committee meetings and support amendments which would ensure that that principle is included in this legislation as well?

As the Bill is now worded, there is no uniform age of consent. There is an age of consent of 14 in most circumstances but an age of consent of 18 in the case of buggery. Could the Hon. Member confirm that indeed she does believe that there should be a uniform age of consent and that she will do her best to ensure that that principle is enshrined in this particular legislation?

Mrs. Collins: Mr. Speaker, I suppose one could imply from the legislation that 14 is the age of consent although there are provisions such as the one for sexual exploitation that apply after the age of 14 and up to the age of 18. There are some exceptions to that general rule.

As the Hon. Member knows, I am not presently a member of the Justice Committee. I would be pleased to look at the Bill in some detail and if I find that there are provisions that are inconsistent, I would be pleased to discuss them with the Hon. Member.

Mr. Fretz: Mr. Speaker, I appreciated the speech made by the Hon. Member for Capilano (Mrs. Collins). I wonder if she would share with the House her opinion on what effect the circulation of explicit child pornography has on the increased number of cases of child molestation. Perhaps she could tell us how important it is in her opinion to curtail the distribution of that kind of material.

Mrs. Collins: Mr. Speaker, I thank my hon. colleague for his questions. As he knows, later in the Session we will be dealing with amendments to the Criminal Code dealing with pornography. The Bill which was previously before the House contained special clauses dealing with child pornography.

I am not an expert on this and I cannot honestly say what kind of linkage there is. There is the perception that there is a linkage between child pornography and potential incidents of sexual abuse of children. I have read reports that go one way and the other on that so I cannot comment categorically on the true linkage. In my own opinion, child pornography is heinous and we should take very strong measures to ensure that it is eradicated from the shelves of supermarkets and from video cassettes.

Child pornography is degrading. Earlier, we talked of some of the consequences of sexual abuse. In some instances, the sexual abuse may be unwanted fondling or kissing but even that is degrading to someone who does not want to be touched or offended in that manner. It is particularly important for women to build their independence because women have often been the victims of this kind of pornography and abuse. I think it is important that it is made very clear that we do not accept that, whether it is in video cassettes, in magazines or in actual life. We need laws that deal very sternly and effectively with all of that.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for London East (Mr. Jepson) Bankruptcies—Suppliers' right to repossess goods; the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano)—Canada Post—(a) Plan to promote postal rate increases. (b) Utilization of human and material resources—Request for explanation; the Hon. Member for Willowdale (Mr. Oostrom)—Abortion—Collection of statistics.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE AND CANADA EVIDENCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, be read the second time and referred to a legislative committee.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in part, I am happy to be able to participate in this debate. I am happy that there is all-party consent to move ahead with these very positive amendments contained in Bill C-15, but I must also point out that I am a little unhappy because most of the people who have chosen to speak on this issue in the House have been women. I know some of the men have spoken out. Certainly we have heard from a spokesman from each Party. It is unfortunate that in the main the parliamentary push tends to come from women to deal with issues such as child abuse, pornography, and issues which affect the fabric of family life.

• (1630)

I would like to return for a moment to some of the practical applications not only of this Bill but of the whole issue of prosecution in child abuse cases. I had the privilege of serving as a Member of the Ontario Legislature on the Social Development Committee, which produced two reports on child abuse. This Committee travelled to a number of communities across Ontario.

One thing that came out loud and clear in the course of those hearings on child abuse was that notwithstanding very positive changes in the Criminal Code, or any efforts that we might make as parliamentarians, until child abuse as an issue comes out of the closet, there will continue to be children who will be molested, and families who harbour the molestation of children. Certainly those children whose families have the courage to confront the aggressor through the criminal justice system more often than not are spurned and have an experience which frankly would lead people away from reporting.

On a couple of occasions when we as Members of the Ontario Legislature investigated, a well-meaning parent or relative who became aware of the situation of child abuse had convinced the child to come forward. In some cases the child was of an age where they were able to testify under the old rules. Yet, because of the court process and the extremely complicated and lengthy jurisprudence involved in following up a child abuse case, in many instances the abused child had to go into court and repeat over and over the allegations. In many cases an acquittal resulted simply because of the insufficiency of the laws and the insufficiency of the uncorroborated testimony.

Although a number of these changes will serve to encourage people to report and get to the root of the cause of child abuse, it is my fear that unless we as a society and as a Parliament start speaking out more strongly on issues like child abuse and are prepared to talk about them, not only in the context of Parliament, but also in the work that we do on a daily basis across the country, too many child abuse cases will remain closet cases.

There was a case in my community where an acquittal resulted simply because the current cumbersome criminal justice system does not serve our children well. There are some positive changes. Certainly one is in the announcement by the Minister of Justice (Mr. Hnatyshyn) where he talks about the possibility of having videotaped testimony. I recognize the inherent dangers that this might present in terms of civil liberties and being able to confront your accuser.

If you talk to experts in the field, for example people from the Toronto Sick Children's Hospital, which has a division specializing in investigating cases of child abuse from a medical and psychological point of view, they will tell you that it is extremely important when dealing with the evidence and the testimony of a child of a certain age to telescope the number of interviews, interventions, and the number of adults who are involved in questioning a child who has been potentially subjected to child abuse. With every subsequent interview and court appearance, the notion that that child somehow is guilty of the offence is reinforced.

This is something that the changes in the law will serve to modify. They are recognizing the fact that a child who is not over the age of 14 can provide testimony which is uncorroborated and that the onus is upon the defendant, not upon the child and the child's lawyer, to make sure that that child is not capable of providing witness in a courtroom.

There are some other issues which have to be addressed. The Government chose to tread rather lightly in light of having been burned in the last session of Parliament on some of the rather wide-ranging and unacceptable changes to the pornography law, and wisely decided to break up the issue dealing specifically with child abuse from the general over-all issue of pornography. But at the same time there is an element in the question of pornography which deserves to be dealt with in very short order. That is the issue of child pornography. It falls into the same category as the type of Bill that we are looking at today. There will hardly be a parliamentarian in the House who says that they do not support a move which will get tougher with child abusers. It is accepted that all Members of Parliament welcome the changes and would prefer that they become part of the Criminal Code as quickly as possible so that these people who are perpetrating heinous acts on young children will be punished.

The same sense of disgust and urgency appears when we deal with the issue of child pornography. At this point there has been no specific legislation in the House dealing with a curb on child pornography. What we have seen and what the Government is going to have to take some of the blame for is the cut-back on border enforcement. The Prime Minister (Mr. Mulroney) made a comment in the House today about the crisis epidemic in drug abuse. It is fine to talk about the

epidemic in drug abuse. At the same time you cannot have the Government talking about an increase in child pornography, the difficulties of child abuse, the increase in drug abuse, and then cutting back on the people who are policing our borders to make sure that this type of garbage does not get into our country.

In the City of London, the Customs and Excise union has been told that for administrative reasons they are going to be down-sizing to almost half of the 99 employees as part of the Government's cut-backs. The employees in the administrative division of Customs and Excise in London have been told that they may get their walking papers.

On the one hand we have the Government making a commitment in the context of this Bill to say that it will amend the Criminal Code; "Yes, we are prepared to amend the Criminal Code". However, when it comes time to fund the agencies and the organizations that are involved with enforcing the flood of pornography entering this country, primarily from other countries—most of it is not made in Canada, most of it is filmed or photographed elsewhere—the Government cuts back on Customs and Excise officers and eliminates whole departments, as in the case of the City of London, without a squeak or a murmur, without a word spoken by the area Members of Parliament from the City of London who were approached on the issue of the down-sizing of the Customs and Exise office in the City of London.

The Government does bear some responsibility to ensure that not only do we move with the Criminal Code amendments, but recognize that Criminal Code amendments must be coupled with proper enforcement. If the tools are not in place through our Customs officers to ensure that pornograpy and drugs are not getting into the country, then frankly some of the Government's commitments ring a little hollow. It is prepared to change the law when it does not cost any money. As soon as it starts to cost some money, not only is it not interested, but it will in fact use the border as one area where there can be cut-backs to reduce the deficit. Unfortunately, this lack of financial commitment is endemic in this Government's policy toward families.

I was pleased to see that in the upcoming issue of *Maclean's* Magazine there is a special article devoted to the issue of early childhood education and some of the work that is being done on the parliamentary committee. This does have a bearing on questions of child abuse. More often than not if a child is in a secure, controlled, and well-supervised environment in the very early years, the chances are that they are going to be less prone to being subjected to incidences of abuse from within their own family, or from other sources.

• (1640)

In many cases early childhood education centres offer an early warning system. In some instances the system can expose a case of child abuse before it reaches the point of no return, before the child is so irreparably damaged that there is no possibility of rehabilitation.

When Katie Cooke's report came out, it made some specific recommendations dealing with the universal right of children to proper care. When we talk about universal accessibility to day care, we are talking about the right of all children under the age of five—those children in the zero to four age range, which are most critical years—to proper supervision, to be properly looked after. I do not think any Canadian would deny the fact that an investment in children at that young age will pay off very well in the future.

If we continue to allow the crisis in day care, the rather *ad hoc* situation of the moment, to exist in an uncontrolled and unlicensed fashion, we will find that those children who become victims of child abuse at a very young age will continue to face that abuse, undetected in some cases for years. We have heard the horror stories of children who have been subjected to abuse from within their own families, from friends, relatives or other people. Oftentimes it would be beneficial if these children were involved with an organization which was taught early detection, the warning signals or the danger signals. Such organizations could be taught to look for bruises or for the vocabulary of a little child being far beyond what could be expected. These are the danger signals which professionals in the field can sometimes ferret out and in fact curb or cut off child abuse before it reaches epidemic proportions.

Unfortunately we as a society seem to see all these things in isolation. We do not look at a global family policy. We look at whether we can bring in a Criminal Code amendment which will not cost money. Certainly it will increase the work-load of the courts, but if it does not have any effect upon the federal deficit, everyone would support it. If it does not cost any money, of course we will support it; that goes without saying.

This particular piece of legislation contains a number of positive elements, including the closing of loopholes which were in fact somewhat sexist. In the olden days we did not think of the possibility of a young boy being raped. I think it is a reality today. In the past we talked only about vaginal sexual intercourse. That is being dealt with in this legislation, and it is positive.

We are also dealing with the invitation to sexual activity. In other words, it becomes a crime for one not only to engage in sexual activity with a young person under the age of 14 years, but also to invite them. In a sense it is the child version of solicitation. For heaven's sake, if we are prepared to convict an adult for solicitation of another adult, it stands to reason that we should be prepared, at the very minimum, to proceed against someone who invites a young child to participate in sexual activity before reaching the age of 14 years. That is also positive.

The decision to differentiate for people who are in positions of trust is another positive element. It will now be illegal for an adult in a position of trust with a male or female young person under the age of 18 years, as was pointed out by the Hon. Member for Capilano (Mrs. Collins), to touch or invite touching of the offender or another young person's body. That

is a plus; that is a positive thing. There is a number of positive changes in this piece of legislation.

[*Translation*]

Mr. Speaker, if we really want a family policy, it is not enough simply to talk about changes to the Criminal Code, because such changes do not cost us anything. However, what would be useful in addition to these amendments, which are valid and which will have the support of everyone in the House in my opinion, would be to do something about pornography, for instance. We know that, because of the new cutbacks at the excise division offices, where the Government has reduced the number of employees, we are admitting to Canada a much greater volume of pornographic material, involving both adults and children.

I think that it is important for the Government to reassert that we should not only protect our children, but also do what we must to pay the cost, because it will cost something to give all children under the age of four the right to child care services in Canada. From birth to the age of four, all children should have access to child care provided either by the parents, by sitters at home or by other people.

A long time ago, it would probably have been heresy to believe that everyone in Canada had the right to a high-school or even a university education. This was not a given right in the 20s, 30s, 40s, 50s or 60s. Canadians did not have a given right to post-secondary education. They now have this right because, in Canada, equality is a precious gift.

Mr. Speaker, I believe that the principle of equality must apply first and foremost to our young children. Anyone who has studied psychology knows that children are psychologically and developmentally affected the most deeply by what happens to them between birth and the age of three. These are the findings of psychologists who have carried out numerous studies on children.

If we forego the responsibility in the case of single parent families or families where both parents work outside the home and provide no assistance for child care, it is obvious that all children will not be treated equally.

Mr. Speaker, if we support this Bill, which deals directly with changes to the Criminal Code in cases of child abuse, we should also urge the Government to introduce in the House a comprehensive family policy which would deal not only with the criminals brought before the Courts, but also with a strategy to reinforce the examination of pornographic material from abroad.

The Prime Minister (Mr. Mulroney) reminded us again today in the House of the drug problem which affects many young people and which leads a lot of them to prostitution, for instance, to support their drug habits. It is not good enough to speak against these things, and the Government should have also a policy which would make it possible to hire more personnel for border enforcement in order to prevent any pornographic material involving children from coming to this country, just as we stop drugs from entering this country.

What we are doing here is good and does not cost anything. I think it would be good for the Canadian people to be aware that the House is willing and ready, not only to amend the Criminal Code, but also to allocate funds to develop a family policy which would encompass such issues as day care centres, pornography, the family council, etc. Those are very significant issues for Canada, and I think that we are taking today a major step forward. However, if we do not want to take two steps backward, we will have to back our policies with a decision to provide funds for this project; failing which, those would remain empty promises which cost nothing.

[*English*]

Mr. Deputy Speaker: Are there any questions or comments? If not, resuming debate with the Hon. Member for Lethbridge—Foothills (Mr. Thacker).

• (1650)

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I know the Hon. Member for Kamloops—Shuswap (Mr. Riis) is the last speaker for the NDP and he will be returning from his office shortly to take part in this debate. Perhaps in the meantime I could say a word or two on the Bill.

We need to see Bill C-15 as another major step in the modernization of our Criminal Code, which is now almost 100 years old. Our society has changed rather dramatically over the last 90 some years, so it is clearly time for a major restructuring of the Code. Members will remember Bill C-18 from the first session of this Parliament where we made dramatic changes to the drunk driving sections of the Criminal Code. As a result, the number of accidents and deaths on the highway dropped precipitously.

As well, in 1979, before your time, Mr. Speaker, the then Minister of Justice, now Senator Jacques Flynn, under the leadership of Prime Minister Joe Clark, started a process involving the renewal of our Criminal Code. The Law Reform Commission looked at the entire Criminal Code. Now, very likely this month, we will be tabling in the House a first draft of the new model Criminal Code which will deal with substantive sections. Later on there will be a proposal with respect to procedure in the Criminal Code. As Members know, a commission dealing with sentencing will shortly be reporting.

It is my hope, as chairman of the Standing Committee on Justice and Solicitor General, that Parliament will come together either with the committee, a subcommittee or indeed a special committee to take up these three streams of criminal law reform and pull them together so that by the centenary of our existing Criminal Code, which I think is 1992, we will have passed and proclaimed a brand new and modern Criminal Code which will take us into the 21st century.

I would like to first deal with the comments made by the Hon. Member for Vancouver East (Ms. Mitchell). I do not know that she was speaking officially for the NDP, but there is a provision in the law which says an accused may be excluded from the court while the allegedly abused child is giving his or

her evidence. That seems sensible. We all know there can be continuing intimidation by someone in a position of power and authority over a young child. Yet we do not want to forget the principle of criminal law which says that the accused has the right to be present in court and to hear his accusers and hear the evidence against him or her. The judge, under this Bill, will have the discretion to exclude the accused.

If I understand the NDP position, and I may not, they want the Code amended so that the accused shall be excluded when the evidence of the child is being given. I would very much argue against that in principle. I believe we should leave that decision to a judge. For example, assume the accused is defending him or herself. How would you physically handle that? If the Code says they "shall" be excluded, then they shall be excluded. It seems to me there has to be some discretionary power here and I hope the NDP will review its position on that point.

I am sure that most Members will appreciate that this Bill provides a two-pronged approach to dealing with the rather alarming incidents of child sexual abuse by creating three new offences to protect children from sexual abuse. At the same time it amends the Canada Evidence Act to enable more children to testify in court. The Badgley Commission reported an alarming incidence of child sexual abuse but I will not go into the figures which were placed on the record by my colleague from Capilano. Suffice it to say that it is a problem which is at least being reported.

I am not sure that there is any more sexual abuse today than there ever has been, but it may be that there is an increase as a result of family breakups. In any case, it is clearly acknowledged today that there is a vast number of young people who have been sexually abused. I guess the real tragedy is that it is often done by someone in a position of trust, whether it be a parent, uncle, aunt or other relative. Obviously we need speedy passage of this Bill so that our children, who we all agree represent the future of this country, can grow up to be strong, straight and normal human beings.

With respect to the three new criminal offences, they are sexual interference, sexual exploitation and invitation to sexual touching. This would ensure that children under 14 years of age are protected almost absolutely from all manner of sexual contact, while children up to the age of 18 years would be protected from sexual exploitation by anyone in a position of trust or authority or on whom the child is dependant. At the age of 18 the young person would have full sexual autonomy and no longer receive special protection. The offence of sexual interference would protect both boys and girls under 14 from all manner of sexual contact.

This new offence would cover a range of activities from fondling of the child's genitals to full acts of vaginal or anal intercourse. Children 14 to 18 years of age could consent, as they are able to now, to all forms of sexual activity not otherwise prohibited by law, an example being buggery. However, the same child would be protected from sexual exploitation by a person in authority or in a position of trust or a person on whom the child is dependant.

• (1700)

I see that my friend, the Member for Kamloops—Shuswap, is now back in the House. Since I will have the opportunity to deal with this Bill for hours and hours at committee, I will now stand down in order that he might rise.

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member? There being none, I will recognize the Hon. Member for Kamloops—Shuswap (Mr. Riis) for debate.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I must thank my very good friend, the Member for Lethbridge—Foothills (Mr. Thacker), for allowing me the opportunity to make a few remarks on Bill C-15. As he has indicated, as a member of the committee he will have an opportunity to comment during the committee hearings as well as at third reading stage. I appreciate the opportunity which he has provided to me today.

This Bill is an Act to amend the Criminal Code and the Canada Evidence Act. It provides for amendments to the Criminal Code to protect young people from sexual abuse and exploitation. Parliament is taking a very important and long overdue step today which deals with the tragedy of child sexual abuse. I am sure that every Member of this House believes that it is a tragedy that such a growing number of young people in our country are caught up in this disastrous situation. As responsible Members of Parliament, we have an obligation to deal with child sexual abuse as quickly and effectively as possible as one step toward bringing an end to this very serious tragedy.

The tragedy associated with child sexual abuse was reported on extensively by the Badgely Committee. That report identified the present situation of child sexual abuse in Canada as a hidden tragedy. The report called it a hidden tragedy because for so many years its widespread nature was not well known or understood. It is now coming more and more into the public eye. I am told that in Kamloops approximately six or seven cases of child sexual abuse are reported to the authorities every week. Those are only the cases which are reported. I suspect that, as with so many other things, for every case which is reported there are many more which are unreported and remain part of this hidden tragedy. Of course, that is to say nothing of the hundreds of young boys and girls in my constituency of Kamloops—Shuswap who are in what social workers call "care", meaning that they have been forced to leave their normal homes and are being cared for in one context or another.

The Badgely Commission uncovered an almost unbelievable level of child sexual abuse and exploitation. It referred to the cyclical nature of child sexual abuse. That, of course, refers to the fact that those who abuse young people sexually today were themselves victims of child sexual abuse earlier in their

lives. The challenge is for us to do whatever is necessary to bring an end to this vicious and hideous cycle of child sexual abuse.

In its report the Badgely Commission suggested that we must strengthen the Criminal Code to deal more effectively with child sexual abuse. I am sure that all Members of Parliament are often visited in their constituency offices by parents, and particularly by mothers, who report a fear for the lives of their children. They are shocked by events which become public in their own neighbourhoods. The Members for Vancouver Kingsway (Mr. Waddell) and Burnaby (Mr. Robinson) have spoken of the tragedy of young people on the streets of so many Canadian cities who have fallen victim to sexual abuse and exploitation of one kind or another. In our constituency offices we are informed of individual tragedies and urged to do whatever we can to bring an end to this very serious situation.

We New Democrats will do everything possible to expedite the passage of this Bill in order to bring it into effect as quickly as possible. We regret, however, that we could have been dealing with this matter much earlier. The Badgely Commission tabled its report in August of 1984. It is only today, more than two years later, that the Government has decided to introduce Bill C-15 which attempts to implement through law a number of the recommendations of the Badgely Commission. Therefore, while we are pleased to be finally dealing with this, it is unfortunate that it was not dealt with much earlier.

As I said, we New Democrats are very serious about this matter and will do whatever we can to facilitate the early passage of this legislation. We have some concerns and would like to make some suggestions to make the Bill more effective. When the Bill is referred to the Justice Committee, we will certainly make a number of suggestions in that regard. We will call for a number of groups and organizations to appear as witnesses to provide suggestions as to how this legislation can be made more effective. We will also seek suggestions of other ways in which we might deal with child sexual abuse.

The Bill before us protects children from sexual touching. It protects young people from those who might take advantage of their position of authority, trust and dependency. I need not recount reports which have become public over the past number of months of people who have taken advantage, in a sexual way, of their positions of authority, trust or dependency. This tragedy is often hidden because it often involves parents, other people in the home, members of an extended family or close friends, which makes the situation all the more hideous.

As well, this legislation addresses the exploitation of children as prostitutes, both in terms of the users of child prostitutes and those living off the avails of child prostitution. This is a most serious situation. Young people who become part of the community known as street people in our cities are often forced to prostitute themselves on our streets because the existing facilities and agencies are unable to meet their needs.

I am pleased that this legislation is a step toward dealing with those who exploit these tragic young people. Those who are living off the avails of prostitution will be dealt with in an especially harsh way. It is open to discussion whether the measures are harsh enough and such discussion will take place in committee. However, I cannot imagine that we could be too harsh on people who take advantage of the plight of young people and exploit them sexually. Of course, the problem in the past has often been the insufficient number of cases that actually get to court. This legislation attempts to give new definitions of what is to be considered unacceptable behaviour when it comes to child sexual abuse, and a new definition of persons in authority in an effort to more closely identify who they are.

• (1710)

The Bill also calls for the judge to utilize the information that is provided by young girls and boys. There is some concern that these young people need to be above average intelligence before the judge or jury can use the information and evidence that they provide. We have some concerns that this above average intelligence test case situation, by definition, would probably eliminate half the children. I suggest we should use children who are able to provide appropriate, adequate evidence, regardless of what we might think about their level of intelligence. I believe it would be relatively easy for a judge or jury to determine that intelligence.

I am pleased that the Bill includes the admission of videotape evidence taken shortly after the offence. My hon. colleague, the Member for Burnaby, has indicated that this could also include audiotape evidence, particularly in those areas where it is difficult to obtain videotape, such as rural areas. This is another matter that can be developed more thoroughly in committee.

Furthermore, the Bill provides an opportunity for the judge and jury to view the body language of the child as the child is providing evidence. Those of us who are parents often know that we can often tell more about our children by their body language and facial expressions than by what they are saying. Therefore, I believe videotape evidence will be a useful new approach.

It is possible for three to five years to pass from the time of the incident to a judge actually delivering a decision. Such an interval can cause problems, particularly when the videotape evidence was given shortly after the offence. We may want to take advantage of using that type of evidence after the young boy or girl has had an opportunity to deal with the tragic event in their own way and perhaps provide further evidence later.

I believe this is the first time it has been proposed to exclude the accused from the courtroom. Since a young boy or girl may feel intimidated if the accused person was before them in the courtroom when they were providing evidence, I believe this is a major step forward. However, there are a number of concerns which must be examined in the committee.

While I am pleased that we are dealing with amendments to the Criminal Code dealing with child sexual abuse, it is important that we recognize that it is simply one small step toward eliminating child sexual abuse in Canada. There are a number of other federal, provincial, and local government initiatives that should be taken, particularly by providing the resources to assist in the counselling of victims of child sexual abuse. Too often there are not enough adequate resources to provide proper counselling to the hundreds of thousands of young people who are exposed to sexual exploitation. This aids and abets the child sexual abuse cycle to which I referred earlier, to say nothing about adults who seek counselling or legal means to deal with sexual abuse they experienced as children.

We should also recognize that the offenders who are involved must be treated. It is not appropriate to ignore people who have committed or been convicted of child sexual abuse, knowing full well it will be a matter of months or years before they are on the streets of Canada again. It is in the best interests of our society to deal with these offenders by treating them through proper counselling.

The existing programs must be better co-ordinated. The Hon. Member for Burnaby indicated that most provinces today do not recognize child sexual abuse as a definition of behaviour requiring child protection in provincial jurisdiction. Not only must this be changed, it is an example of so many problems that need co-ordination in order to maximize their effectiveness.

The case overload for those professionals dealing with child sexual abuse or violence associated with young people is becoming normal. I have many friends in my constituency who are social workers. They have described their caseloads to me and I cannot imagine how they can begin to deal effectively with any of the cases when they are so overworked and the demand on the system is so horrendous. If the Government is serious about dealing with the abuse of children, it should take the opportunity to provide the professionals and the support systems with resources to do the job that is required.

Let me point out to the House that in June, 1986, the Minister of National Health and Welfare (Mr. Epp) promised the people of Canada that he would appoint a special adviser to co-ordinate the Government's response to child sexual abuse. I remind the House, particularly members of the Cabinet who are here today, that five months have passed since that announcement. I cannot imagine a more welcome appointment, particularly with the introduction of this legislation, and I hope the Minister makes that announcement soon.

Let us examine the degree to which the Government is concerned about child sexual abuse. The Bill is a step in the right direction and we have heard some very thoughtful speeches in the House of Commons today. However, let us consider what the Government is spending to deal with child sexual abuse. It recently announced that it plans to spend $20 million over five years. That is probably what it spends in one year for brandy and cigars during entertainment parties. The expenditure of $20 million over five years to combat child sexual abuse in Canada is simply inadequate and inappropriate. The Government can show its concern and commitment to deal effectively with eliminating child sexual abuse by providing the adequate resources and funds to ensure that the appropriate programs, agencies, organizations and individuals are mobilized to combat this tragedy.

In closing, I suggest we must carefully consider what we do as Members of Parliament. I want to refer to Section 43 of the Criminal Code which essentially legalizes violence against children, whether that is in the schools through corporal punishment or by spanking. It is legalized in our Criminal Code and I believe that when we are concerned about violence, violence against children in this case, we should recognize that we ought to remove that section from the Criminal Code.

We must also recognize the violence and abuse associated with poverty in our country. All Hon. Members have spoken about the increasing levels of poverty in Canada. We know that many children in our constituencies come from very poor families and we are aware of the abuse in their lives as a result of that poverty. We in the New Democratic Party will support this Bill in principle and will work to improve it.

• (1720)

I want to conclude by suggesting that if we are concerned about child sexual abuse, the exploitation of children, and violence against children in one form or another, we should take a second look at the kind of entertainment we provide through television and the kind of toys sold in our stores. The Rambo-style doll, the violence and killing shown on television and the violent games on the video machines young people involve themselves with, I suppose, makes it an extension of a young person's life to kill indirectly through television or the video screen perhaps thousands and thousands of people. They see it often glorified in the Rambo-style entertainment. That is something which is topic for another discussion, but in my opinion, when we talk about ways and means of ridding our country of child sexual abuse and violence, it is something we should keep in mind.

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Hon. Parliamentary Secretary to Minister of Justice (Mr. Gérin) has the floor.

Mr. Gérin: Mr. Speaker, I thank the Hon. Member for offering to cooperate with the Government and indicating her party's intention to support this Bill. I think this goes along the line of the Badgley and Fraser Commission reports which were asking all Canadians, all political parties, all people interested in this matter to set aside all political bias and to move forward in the best interest of Canadian children. My hon. colleague's co-operation, therefore, is consistent with these views.

Now, I have listened attentively to her recommendations concerning Section 43 of the Criminal Code, and I suggest

they should be carefully looked into. For that matter, this Bill is based on a concept which is somewhat new, that is to say a relationship of trust and dependency to which we are not really accustomed in our legislation and which, I think, may provide a solution to many problems.

This dependency which is stated at the outset of this Bill and establishes quite clearly that when a person is in a situation of authority towards another, or when a child is in a relationship of dependency towards an adult or another person, such a person would be guilty of an indictable offence and liable to more severe penalties, and could not use as a defence the consent of the victimized child.

These new provisions, I think, are consistent with what my hon. colleague has suggested under Section 43, and I should like to hear her comments concerning this new concept of authority in the light of her suggestion about Section 43 of the Criminal Code.

[*English*]

Mr. Riis: Mr. Speaker, I appreciate the comments of the Hon. Member. I simply want to reiterate that since we are at second reading stage of the Bill and discussing its principle, I cannot express strongly enough how much my party and I support the principle of the Bill. It is long overdue. I wish we would have had the opportunity two years ago to debate this Bill with the new Government. I wish we would have had the opportunity to debate the Bill many years ago with the previous Government. However, we are debating it today and we appreciate that.

Protecting young people from those who might take advantage of them, those in positions of authority, trust and dependency, is a most appropriate part of the Bill. There have been many examples made public recently of people in positions of authority—I think they are well known and publicized so I will not refer to specific cases—and members of the family, fathers, uncles, and so on. Individuals who exploit special situations where people are dependent upon them must be dealt with severely. The Bill attempts to define more carefully what these positions are, and the definitions associated with them, in the hope of being able to deal more effectively in the courts with people who find themselves falling within the definition of "authority and trust".

It is important to recognize that when dealing with this very fundamental and basic question, some very startling figures come to mind. Ninety-eight per cent of people who use and abuse customers who are children, young boys and girls, are men. Men are the consumers, the customers and, unfortunately, they are pimps who are involved in the business associated with child sexual abuse. These people must be dealt with. We have to recognize that sexual responses in today's society are certainly by and large a learned behaviour, particularly in the kinds of situations with which we are dealing in this legislation. It is time that we as a society and as Members of Parliament do what we can to get away from this macho image of sexuality where the male is the dominant superior participant and deal with sex on a completely different basis, where there is no master, no superior participant. In the socialization of our society this is a clear model and is something we must all do what we can to eliminate and change.

To react directly to the points made by the Hon. Member, this is a very important piece of legislation and while we will co-operate and act as expeditiously as is reasonable, we feel it should receive debate and discussion. Quite frankly, I have heard some of the most valuable and thoughtful presentations today in the House from all sides. I think we have struck a chord. We are dealing with an issue, a tragedy, about which all of us feel very strongly and we are pleased to be making an effort today, at least as a first step, to remove and eliminate child sexual abuse in Canada.

Mr. Gauthier: Mr. Speaker, I just have a very brief question in the spirit of co-operation. I am quite impressed with the quality of the speeches. I do think we have a message to give to the public and that is we indeed want their input. We are asking them to be present at the committee stage so we will have an overview of the situation as it applies to the problem at hand.

I believe I may have heard the Hon. Member badly or not clearly—

Mr. Prud'homme: No, you heard him well.

Mr. Gauthier: —when he said that the previous Government had done nothing to study this problem. I think he will remember that in 1978, at least from my memory, the Law Reform Commission tabled some recommendations dealing with the child sexual abuse problems. Indeed, there was a Bill presented to the House which was very contentious and gave rise to the Badgley Commission which, as we all know, reported here in August of 1984. Therefore, there has been a very intense debate for eight years with Canadians on the one aspect of this whole problem, that is sexual abuse of children. I do think that Parliamentarians as a whole take a very active interest in this problem and would like to be supported and receive the benefit of suggestions from those groups which do have something to say about it.

• (1730)

Does the Hon. Member not agree that the input of the various groups which deal with both the accused and, more importantly, the children, would be important to a debate which we all feel is important? Sometimes we are accused of not grabbing the attention of the public and that on certain topics there has only been one day of debate. Some people say that we have not debated the Bill long enough in order to draw their attention to it. The point is how do we get members of the public to work with us to solve these problems?

Mr. Riis: Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) poses, as usual, a thoughtful interjection. I want to recognize that it was his Government which

initiated the Fraser and Badgley Commissions. I do this to give recognition where it is due.

In terms of the points made by the Hon. Member, we are indeed anxious to seek as much public input as is possible and reasonable under the circumstances. That is why we all feel that we do not want to move hastily with this Bill, that people who have been watching and listening today would have found it a most useful debate. I think a few more contributors would simply add to the educational process, especially in terms of alerting the public to what is involved.

I do not want to suggest that we hurry with this legislation but that we deal with it thoughtfully and expeditiously.

Mr. Thacker: Mr. Speaker, I would like to make a comment first. I hope the Hon. Member does not want us to go back and have the testimony of the witnesses who came before the Badgley and Fraser Commissions repeated. These commissions consulted with virtually hundreds and hundreds of people. The time for discussion is over. There is a piece of legislation before us and we ought to deal with it quickly and promptly at the legislative committee stage.

I seek my friend's advice with respect to how he feels criminal law can become involved at any point in time *vis-à-vis* professional associations. For example in the case of a doctor accused *vis-à-vis* his patient we find that in a certain sense the professional association will protect the doctor. In the province of the Hon. Member there were the cases of male teachers involved with a large number of young men. In a sense the professional association had to protect their union members. The same is true in the case of lawyers.

Will the Hon. Member share his views with us concerning teachers, since they are truly in trust relationships with young children? Does the Hon. Member think that teachers' associations should have different types of laws, almost criminal-type laws, or does he think we parliamentarians should provide some sort of law which would get beyond the corporate protection these associations and societies provide to their members?

Mr. Riis: Mr. Speaker, the Hon. Member asks an appropriate question. Professional associations, and teachers' associations in particular, certainly ought to be more open in terms of monitoring different situations and in terms of having more of an opportunity to render discipline within their organizations. This would have ensured that the problems that we experienced in British Columbia over the last two or three years would never have occurred. However, I think it is within the professional associations themselves where this vigilance ought to occur. Through the proper procedures and openness, an accounting more or less of individual members, this can be achieved. This might be something more appropriately dealt with during the hearings of the committee by witnesses who are knowledgeable in these areas.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased to be able to make a few comments with respect to Bill C-15 which deals with amendments to the Criminal Code and amendments to the Canada Evidence Act. Specifically, it deals with the subject of child sexual abuse and exploitation.

I can tell Hon. Members that legislation of this type is welcome throughout the country. I know it will be welcomed by my constituents in Niagara Falls who applaud the Government and the House for moving forward with legislation in this area. One thing we should do with a law of this type is put it into context in terms of what we as a Government have tried to do with the Criminal Code. My colleague, the Hon. Member for Lethbridge—Foothills (Mr. Thacker), has indicated that we are approaching the one-hundredth anniversary of the Criminal Code. It is certainly my opinion, and one shared by many of my colleagues in the Government and other Members of the House, that many revisions have been necessary to the Criminal Code. Some of them have been made already and, obviously, there will be more to come. I put those amendments in this context as well.

I believe that the provisions of this legislation fit in well with other moves taken by the Government which have tried to take better care and show more concern for the victims of crime. In terms of the legislation which is before us the victims, of course, are children. Other moves that we have taken have provided protection for all Canadians. This is a good and valid point, and something with which the House has had to deal. The Criminal Code, as well as the interpretation of it, has for too long and in too many instances been not enough concerned with victims' rights. This was made clear to me when the House was recalled during the summer to pass the legislation dealing with dangerous offenders.

After that legislation was passed, someone from the press said that there was criticism being expressed in the country that we are not concerned enough with the rehabilitation of criminals. I replied quite honestly. I said that the people who sent me from Niagara Falls to this House are law-abiding people. They are people who have something to say and who want to be protected by the Criminal Code. For too long and in too many cases their rights and concerns have not been expressed.

I can tell Hon. Members that I am proud to be a member of the Standing Committee on Justice and Legal Affairs. It has been a very active committee. I will not go so far as to say that it is the most active since someone may correct me on that point. However, I will say it is as active and as busy a committee as we have seen in the Thirty-third Parliament.

Our committee has dealt with a number of issues. Hon. Members will remember that shortly after our election a decision came down from the Supreme Court of Canada which struck down the Criminal Code provisions with respect to the importation of hard-core pornography. I was pleased that we did not wait two or three years to do something about that decision. We did not hum and haw and say that that is the way things go, that the garbage will now come across the border into our country. Within 10 days the then Solicitor General tabled legislation in the House making it illegal to import

hard-core pornography into the country. That is one example of the Government's worry about those who are exploited by hard-core pornography and how we protect the values which we as Canadians hold. What the Government has done is to move toward protecting in a more responsible way the victims of crime. The Speech from the Throne reiterated our commitment to family values. I believe this is something on which the people of Canada count. Our record with respect to justice matters bears that out.

We had the whole subject of prostitution and, in particular, street soliciting before the Standing Committee on Justice and Legal Affairs in the form of Bill C-49. Those of my colleagues who sat with me on that committee and those who watched the debates in the House of Commons were told again and again by the critics of the Bill all the dire, terrible things that would happen. We were told that all we would have to do is wave at someone and we would find ourselves in jail. In fact, what has happened in the last few months since the Bill's passage is that we have seen a beneficial effect for a great number of people in the country. In my riding of Niagara Falls where this has been a particular problem, I have been told again and again by the merchants and by those who are responsible for enforcing the law that it is working. The situation has been controlled.

• (1740)

I was very interested to read a comment made by a woman who had been engaged in prostitution in the City of Ottawa. She said that the way things were going, she would have to get out of the business. There are many members of my party and I am sure of the other parties in the House who would welcome that. That is not the kind of profession in which we wish to see people. That move away from prostitution was one of the by-products of Bill C-49. We made the point very clearly in that legislation and we are making it in this legislation as well.

An interesting comment was made by an Hon. Member concerning the entire subject of sexual abuse and the role to be played by all of us in society. She mentioned specifically the early warning signs that can be seen by child care workers. It has been my privilege these last few months to be a member of the Special Committee on Child Care, a special committee very ably chaired by my colleague, the Hon. Member for Lincoln (Mrs. Martin), who has done an outstanding job in organizing and co-ordinating the Government's investigation into that subject. We heard that child care workers across the country are in a unique position to observe the effects of and to detect child abuse. It is so important to detect such a thing at that age because of the pernicious nature of child sexual abuse and the damage it can do to children. It is incumbent upon all of us to deal with this problem as early as possible. Many times, a child's first exposure to the outside world takes place in a daycare centre or a family child care centre.

Without prejudging what the committee will do, it was made clear to us that we must impress upon those who deal with children at a very early age the importance of recognizing the signs of child abuse. We as a society must encourage the detection of child abuse. People told us that they were afraid to speak up. Perhaps they suspected something was wrong but they were afraid to come forward. They thought that they might somehow be liable or subjects of reprisals. We as a society must encourage people again and again. We must tell them about the different signs for which they should look and remind them of their obligations to children and to Canadian society as a whole.

The fight against child sexual abuse is not confined only to daycare centres. The responsibility to do something about human exploitation rests on all of us as a society. In the last few years, how many of us have entered neighbourhood candy stores and video rental stores to see some of the hard-core pornography and kiddy porn that is on the shelves? I believe we have a responsibility to do something about this.

Simply expecting the Government to do something seems to be a Canadian disease. Everyone thinks that if there is a problem in Canada, Ottawa had better do something about it and spend money on it. However, I believe it is the responsibility of all of us. When we go into corner candy stores and see garbage on the shelves that is offensive to us and our children, we have the obligation to speak up and say that that is not the kind of thing we want to see on the shelves.

When I went to candy stores 25 years ago, comic books were being sold. I remember people saying that I should not be reading comic books because they were not good for me and would hurt my development in the English language, the one in which I was brought up. I think most parents would say now that if only comic books were in the corner candy stores, they could accept that. Now, however, many corner candy stores carry what is in my opinion hard-core pornography. I believe we must do something about that.

Earlier in this Session, I posed a question to the Minister of Justice (Mr. Hnatyshyn). I told him that I, the people of Niagara Falls and many of my colleagues would welcome new legislation designed to deal with violent and hard-core pornography. I received an assurance from the Minister of Justice that something would be done and I welcomed that assurance just as I welcome this law.

There are many aspects to this law. I am particularly pleased that we will deal with the problems of sexual interference and invitation to sexual touching. The new Criminal Code provisions will make it an offence to touch anyone under the age of 14 for a sexual purpose. As well, the new legislation will make it an offence to invite or urge a child under 14 to touch another person in a sexual way. As several of my colleagues have pointed out, we have concluded that the age of sexual autonomy for most purposes will be the age of 18, and I believe that is valid. We as a society have an obligation to protect children under the age of 18 in the way outlined in this piece of legislation.

Among other things, this legislation deals with the problem of sexual exploitation and attempts to protect children under

the age of 18 from that. A number of people have pointed out that this is a very serious problem. I believe it was the Hon. Member for Kamloops-Shuswap (Mr. Riis) who said that it is a hidden crime and I must agree with him. For too long, this sort of thing has gone on.

I have referred to some of the bad things that have happened to Canadian society in terms of tolerance of pornography, but I can say that there is a growing awareness of the problems faced by children and other persons who are in a position to be exploited by persons in positions of trust. I will be very pleased to see that matter referred to the committee for discussion.

As well, this legislation deals with the subject of prostitution. It provides that a customer who seeks to obtain the sexual services of an individual under the age of 18 is liable to five years in prison. I believe that that is a tremendous provision. That is one of the reasons Bill C-49, the law on street soliciting, works. It goes after the customers as well. There is nothing that will clean up juvenile prostitution or prostitution in general quicker than to get at the customers. When the customers are afraid to get involved, it becomes possible for those who want to get out of this business to do so, to get on with their lives in a way I think most people would think proper.

I am pleased that those who live off the avails of juvenile prostitution, the pimps, have been dealt with in this legislation as well. The penalties for that crime have been increased from 10 years to 14 years imprisonment and that is good as well.

I see I have only a few moments left, Mr. Speaker. I would like to make some comments about changes to the Canada Evidence Act. One of the clauses in the Bill deals with the problems involved when children take oaths. This can be a frustrating and difficult part of a case involving child sexual abuse.

I was in court one day as counsel and was able to observe what happened with respect to a child who was accusing a young man of sexual abuse. I believe the child was eight or nine years old. As you are aware, Mr. Speaker, under the Canada Evidence Act, the judge has to make inquiries as to whether or not the complainant understands the nature and quality of an oath. In that particular case, the judge could have ruled either way. I do not think the child understood the oath in the traditional way, the way I was brought up to understand it.

If it is decided that a child does not understand an oath, the consequences are that the child's evidence must be corroborated. The combination of the two can be fatal. If the child does not understand the nature and quality of an oath and if there is no corroboration, there generally is no case. In most cases of child sexual abuse there are no witnesses. It is done in an alley or in someone's basement. It is done away from other people or witnesses. The changes are very good. I am encouraged to see that improvement.

• (1750)

I also notice that videotaped statements are now permitted where a child claims sexual abuse. That videotaped evidence is to be taken very soon after the complaint is made. One of the problems is that it becomes an excruciatingly difficult and trying time for the child who has made this accusation. They are questioned again and again. Mr. Speaker, you are aware of the legal process in this country. Generally, it is many months before a preliminary hearing. It may be a couple of years before the trial.

There are a number of things by which all of us can be very encouraged. The Government is to be commended. This is the type of legislation that Canadians want and deserve. It fits in with the other positive moves made in the Criminal Code. I welcome them. I would urge my colleagues to get this to the committee stage as quickly as possible, so that this very soon can become the law of the land.

Mr. Robinson: I have listened with interest to the comments of my colleague from Niagara Falls (Mr. Nicholson) who is a member of the Standing Committee on Justice and Solicitor General. He was recently elected as the vice-chairman of that committee. I congratulate him in the House on his election to that lofty position.

I would like to ask the Hon. Member a question with respect to the evidentiary provisions of the legislation. One of the concerns that has been raised about the Bill as it is presently drafted is that children should be able to communicate their concerns and position with respect to possible child abuse and sexual abuse to the courts without any intervention or any type of intelligence test.

The Bill as it is now drafted would require that the judge determine that the child in question is of sufficient intelligence before that child could tell his or her story to the court. This provision has been criticized by a number of organizations, including the Canadian Council on Children and Youth. I know that the member is a fair-minded member who approaches this legislation on the basis of its merits. I would like to ask the Hon. Member whether he, as a member of the committee, recognizes that this is a concern with the legislation. Hopefully we could, rather than insisting that judges impose some sort of intelligence test on children before they can testify, recognize that the primary concern is whether or not that child is able to communicate.

Mr. Nicholson (Niagara Falls): I thank the Hon. Member for that question. The law as it is presently drafted did not come about by accident. All of us are very concerned about the rights of the accused. Many times it is very devastating, particularly to an individual accused of a sexual crime. I have previously spoken in the House on my opinion that those who are charged with sexual offences should not have their names published in the newspaper until there is a conviction. The reason for that is that it is devastating to a person who is charged with an offence like that. In the end it did not make

any difference whether they were cleared of that charge, or the charges were withdrawn.

I conclude by saying that it is valid to say that the child has to be sufficiently intelligent to understand what he or she is saying because of the dire consequences it can be for an individual charged with the offence. I would be very pleased to deal with these matters more explicitly and in more detail when they reach the committee stage.

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor.

Mr. Prud'homme: Very briefly, Mr. Speaker, because I know my colleague and friend the Hon. Member from Montreal—Mercier (Mrs. Jacques) definitely wants to rise in the debate. So I would say that all speeches in my view have been clear and specific. We all want this legislation to be passed as soon as possible. I support this legislation. I wanted to be here to prove it, but I would like the Minister to listen closely.

[*English*]

I wish the Minister would listen very attentively. We have passed this resolution in one day. I hope that the Minister and my colleague who spoke before me will agree that in view of its importance and to show that we want to protect our youth as they should be protected, it would be wise to call witnesses. I know that it will be up to the committee to decide, but I hope we will have the Minister's approval to call witnesses. I will look at his face and I will understand if he says yes. Then I will say publicly that the Minister indicates that yes, indeed, he is in favour of us calling some witnesses. You approve of that, I am sure, Mr. Minister. You can look at me and indicate if you do.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I would like to make sure that some progress is made in this matter. There is at least one other Hon. Member who would like to address a few remarks. I hope that she will not be prevented from doing this today. Perhaps she will have an opportunity of speaking tomorrow.

In connection with the whole question, I know that the committee will give this matter serious attention. As far as I am concerned, there is no problem in having a reasonable examination so that the matter may be resolved on a proper basis. I know that the Hon. Member would not want me to intrude as a representative of the Government with my views as to how long the deliberations should take. Knowing the people involved in the legislative committee, I know that they will give this matter serious attention and will hear appropriate witnesses.

Mr. Prud'homme: Good.

[*Translation*]

Mr. Deputy Speaker: Debate. The Hon. Member for Montreal—Mercier (Mrs. Jacques).

Adjournment Debate

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, over the last two decades we have seen an increase in the incidence of sexual violence against children, especially child prostitution. The concerns raised in that respect and a better understanding of their nature are the reasons for the important amendments to the legislation and to social programs as proposed by this Government. This is why today the Minister of Justice and the Solicitor General of Canada (Mr. Hnatyshyn) tabled in Parliament the amendments to the Criminal Code and to the Canada Evidence Act that are aimed at protecting children against sexual abuse and exploitation. Those amendments were first tabled in June last, following the tabling of the Badgley Committee Report on sexual offences against children. Those measures at the time met with strong support from Parliament and the whole society. The Minister of National Health and Welfare (Mr. Epp) was appointed as the federal minister in charge of co-ordinating the social and educational measures connected with it. Since then, he has confirmed the decision to appoint a special council on the sexual exploitation of children and a regional advisor, and indicated that the Secretariat for children that are victims of sexual violence in Health and Welfare Canada has held consultations with federal and provincial departments and the non-government sector.

In the last Throne Speech, Mr. Speaker, the Government confirmed its intention to re-introduce those amendments as soon as possible, and this is what we have done today. So I urge the House, Mr. Speaker, to pass this legislation as soon as possible in order to protect our young Canadians.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Hnatyshyn seconded by Mr. McKnight, moves that Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, be read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

BANKRUPTCIES—SUPPLIERS' RIGHT TO REPOSSESS GOODS

Mr. Jim Jepson (London East): Mr. Speaker, on October 15 I directed a question to the Minister of Consumer and

Corporate Affairs (Mr. Andre) with respect to the Government's upcoming legislation on bankruptcy as it will pertain to suppliers' rights to repossess goods for which they were not paid. The Minister assured me that the Government would hopefully bring forward recommendations for change to the Bankruptcy Act in the near future.

• (1800)

As indeed most Members of the House are aware, there are many shortcomings in the existing bankruptcy legislation. I commend the Minister for addressing this matter which has been overlooked for too long. However, it is imperative that I indicate to the Minister the dangers of leaving unattended the inadequacies contained within the Bankruptcy Act, as they fail to pertain to the protection of the Canadian supplier and wage-earner. One has only to look around in Canadian society at the problems caused by the failure of the Act to protect the Canadian supplier and wage-earner.

As the Minister is well aware, Parliament passed the Bankruptcy Act in 1949. However, since then there have been increasing problems with the legislation. This is amply illustrated by the fact that there have been six unsuccessful attempts to change its provisions over the past few years.

Under current law no special consideration is given to suppliers in bankruptcy situations. For example, a supplier could deliver goods to a business on a Friday and the business could be closed or bankrupt by the Saturday, and the supplier is unprotected. Of course this points out a very grave shortcoming. I ask the Minister to consider a measure taken in Quebec some time ago giving the suppliers of bankrupt businesses 30 days after the appointment of a trustee in bankruptcy in which to repossess goods for which they had not been paid.

As well, wage-earners have received the short end of the stick in bankruptcy legislation for far too long. It is time that wage-earners be suitably protected with new bankruptcy laws up to a limit of $2,000. They should be given priority to secured creditors, namely, banks, Crown corporations and Crown agencies. These men and women have rightfully earned the wages and rely upon them as their sole means of sustenance.

The matter has been neglected far too long. It is not only wage-earners, but those persons employed on a commission basis in the area of sales. Sales commissions and expenses should also be considered in the same manner as wages. Salesmen who were on the road and incurred expenses can be left high and dry under the current law.

Once again I urge the Minister to reconsider changing the Bankruptcy Act and to ensure that suppliers of goods, wage-earners, and sales people on commission receive priority treatment ahead of secured creditors such as banks, Crown corporations, Crown agencies, Revenue Canada, sales tax departments, and so on. It is long overdue. These people should get what is rightfully theirs.

Again I commend the Minister on his initiative, but I also say to him that it is time to redress a grave injustice to many Canadians.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to provide additional information to the answer given by the Minister of Consumer and Corporate Affairs (Mr. Andre) to a question put on October 15, 1986 by the Hon. Member for London East (Mr. Jepson). That question dealt with the status of suppliers of goods in the proposed amendments to the Bankruptcy Act. The Hon. Member was hoping that provisions would be introduced to allow an unpaid supplier to repossess the goods delivered to an insolvent debtor. He was referring to the system in effect in Quebec, under which suppliers of goods enjoy that right in that province.

As indicated by the Minister, the issue of unpaid suppliers is now under consideration by him. I must stress however that a decision has been made to review the Bankruptcy Act by stages.

Over the past 16 years, 6 attempts at completely remodelling the Bankruptcy Act have failed. For that reason, a list of questions to be dealt with has been compiled, and it has been decided that the most urgent would be adressed as a priority. The five issues identified as having top priority are: the protection of wage earners; provisions with respect to the activities of secured creditors and receivers; provisions to promote financial reorganizations; provisions dealing with bankruptcies and consumer offers; and, finally, the Crown's preference as a creditor. At the same time, a number of amendments of a rather technical nature, aimed at improving the efficiency of the bankruptcy system, will be tabled.

Although the importance of the problem of suppliers of goods is fully recognized, the aforementioned issues have been identified as the most urgent and ready to be solved. On the other hand, I am in a position to assure the House that the Minister intends to address the matter of suppliers in a later stage of that review.

The matter of unpaid suppliers is still under consideration. Incidentally, the possibility of using a system similar to that in Quebec has been considered, but as yet no decision has been made.

• (1805)

[*English*]

I think it would be useful to clarify the extent to which unpaid suppliers enjoy a right to repossess under the Quebec Civil Code. The Hon. Member should be aware that this right in Quebec applies only under certain conditions, namely that the goods delivered have not been sold to a third party, that those goods were in the same condition as when sold, and only if the request for repossession is made within 30 days following delivery of the goods.

Earlier this year, the Government passed a law to help farmers experiencing financial difficulty. I am of course referring to the Farm Debt Review Act. This was the first element of a series of measures intended to improve federal bankruptcy legislation.

Hopefully, the Government will be able to introduce the next, and second element soon. That would be the package of amendments I referred to earlier. Following that, it is intended that additional outstanding issues, including the status of unpaid suppliers, be addressed as expeditiously as possible.

[*Translation*]

CANADA POST—PLAN TO PROMOTE POSTAL RATE INCREASES—UTILIZATION OF HUMAN AND MATERIAL RESOURCES—REQUEST FOR EXPLANATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): This evening, Mr. Speaker, I should like to refer to a question I directed to the Minister responsible for Canada Post last October 28. We had just learned that Canada Post had prepared a communication plan, a rather thick document, in an attempt to manipulate Canadians and sell them on the forthcoming postal rate increase.

A few days later, Mr. Speaker, we learned through the postal workers' own paper—with a circulation of 60,000 copies— that a rather expensive advertising campaign had been launched to explain the new home delivery system through community boxes.

Indeed here is the question I put to the Minister: How can he allow Canada Post to devote so much energy and so many human and material resources to sell Canadians on a postal rate increase they do not want and a delivery system which they never did and never will accept? If they were to accept this, if the community box delivery system were to become the Government's permanent policy as of tomorrow, we would be creating second class citizens. In other words, people go to the trouble of investing and buying new houses which spur the construction industry and create jobs, yet these people will be penalized, Mr. Speaker, because they will not be getting home delivery like all other Canadians do. I think that it is a social injustice that this Government is creating.

Mr. Speaker, I should like to refer to Recommendation No. 8 of the Marchment Report which stated, and I quote:

> Communities in urban areas which do not enjoy daily door-to-door delivery be consulted with a view to offering the choice between alternate day letter carrier service or daily mail service through the use of group, community or post office boxes.

There was no proper consultation, Mr. Speaker. Also, the same report had recommended that another five years be granted to Canada Post to get rid of its deficit. Here is what the Minister of Finance (Mr. Wilson) announced on February 26, 1986, and I should like to quote from page 8 of his Budget's speech:

> The Marchment Committee has recommended another five years to reach the break-even point. This is not acceptable.
>
> Following discussions with the President of Canada Post, the Government has requested a new operating plan to improve productivity at Canada Post so that the Corporation will reduce its operating deficit to zero by the end of fiscal 1987-88. The Government is confident that by taking further steps to improve productivity and efficiency, Canada Post and its workers can meet the objctive of self-sufficiency while improving reliability of service to the people of Canada.

Mr. Speaker, the Government has obviously decided to go completely against these two recommendations of the Marchment Commission, and we know that Canada Post wants now to increase by 2 cents the cost of stamps for first class mail.

Mr. Speaker, I should like to use the short time remaining at my disposal to mention also that this is the second increase in the cost of stamps since the Progressive Conservative Party came to power. As a matter of fact, when the former Minister responsible for Canada Post announced on June 20, 1985, that the Government was giving the green light to Post Canada to increase by 2 cents the cost of stamps, he said, and I quote in English, Mr. Speaker:

• (1810)

[*English*]

> Mr. Beatty said that, before future rate increases are considered by the federal government, Cabinet will expect Canada Post to implement new measures to improve productivity.

Canadians do not believe that any new measures have been implemented to improve productivity. The only thing which was implemented was community boxes. People in new homes in Canada are not receiving home delivery. Therefore, the Government and the Canada Post Corporation is discriminating against Canadians and creating second-class citizens. Perhaps tomorrow Canadians will learn the truth. All Canadians await the so-called postal business plan which the Government is supposed to announce to indicate how we will receive our mail in the future. We hope that tomorrow we will still have only one class of citizen in Canada.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, in my judgment in the past two years Canada Post has shown a remarkable capacity and ability to do more with less. As the Hon. Member indicated, tomorrow at three o'clock in this Chamber the Minister will be tabling the corporate plan for Canada Post. We do not have to wait for the future to identify the progress already being made and that which has been made in the last couple of years.

Over the past two years the volume of mail handled by the Corporation has increased by almost 7 per cent. At the same time the number of employees has been reduced by 2,000, a saving of some $60 million. Not only has the volume of mail increased, but Canada Post is serving more and more homes and businesses. Service has been extended to over 200,000 new homes and businesses since September of 1984.

The Minister will be reporting on strides being made in improving the reliability of service. These have been made by the introduction of new and consistent standards, systems and procedures into the Corporation's operations in order to keep the mail flowing smoothly and to handle any potential problems as they start to develop.

• (1815)

At the same time as these improvements have been implemented, Canada Post has gone through a period of downsizing. One thousand vacant positions have not been filled in the past two years. As I just indicated, in the same period, 2,000 employees have left the Corporation through normal and accelerated attrition. I might add that this has not been at the expense of those employees actively involved in moving the mail. The administrative and management group which has been criticized as being top heavy has been reduced by 10 per cent. Senior management, in fact, has been reduced by some 26 per cent.

Non-salary expenses have also been remarkably contained. Through strict control, these expenses have only been raised by $5 million. I note that inflation alone would have added $50 million in itself.

Canada Post is a business, of course, and like all businesses the heart of its financial structure is in revenue. In the same two-year period we have been discussing, Canada Post increased its revenue by some 15 per cent. Although the Corporation did raise its rates in June of last year, 60 per cent of this increase in revenue is directly linked to sales growth and other factors.

I do not mean to bombard my hon. colleagues with figures, I simply want to point out that there is much evidence that Canada Post Corporation has begun its much needed turnaround.

The past few years should give us confidence that breaking even can be achieved and should give us reason to look forward to the corporate plan when it is introduced tomorrow.

Perhaps I can suggest that we applaud the Post Office instead of bashing it.

ABORTION—COLLECTION OF STATISTICS

Mr. John Oostrom (Willowdale): Mr. Speaker, in August of this year Statistics Canada announced in a letter to health care administrators that it will no longer compile statistics on therapeutic abortions in Canada. The decision was taken to cease funding for the collection and analysis of abortion statistics as part of an over-all expenditure reduction. Statistics Canada is now processing 1985 abortion data, however it has stated that 1986 data already gathered will not be processed.

When I questioned the Minister responsible for Statistics Canada last week, I was told that meetings were being held between Statistics Canada and officials of the Department of National Health and Welfare, and that the Minister was awaiting a report from this group. There were indications at that time from the Minister of National Health and Welfare (Mr. Epp) that his Department could compile statistics on abortion from medicare payments to doctors.

It is incredible that it is not a priority of our national statistical record-keeping agency to keep statistics on abortion which is the most controversial social issue facing Canadians today. Surely an agency that can tell us how many bathrooms there are in this country should be able to tell us how many unborn Canadians are killed by abortion each year.

The suggestion that the Department of Health and Welfare gather abortion data from provincial medicare payments simply will not work. In 1977, the committee on the operation of the abortion law, under Chairman Robin Badgley, stated that:

> Provincial medicare insurance commissions maintain information on the procedures paid for under existing fee payment schedules for physicians. Because there are sizeable variations between the provinces in how procedures are classified for payment, and in particular, how these relate to induced abortion, no uniform summary from these sources can be made for the country.

I submit that in order to properly compile and analyse the data needed to provide the level of information now published under the therapeutic abortion program, the Department of National Health and Welfare would in fact need to duplicate the services and expertise now available from Statistics Canada, with the result being no cost saving to the taxpayers of Canada at all.

We need to know more, not less, about abortion if we are to resolve this social dilemma. We need to tell Canadians that one in five women seeking abortion is in fact seeking a second or third abortion. We need to tell Canadians that nearly 200 babies killed each year in Canadian hospitals are over 20 weeks of gestation. In order to absorb the ghastly statistics, we need to realize that 10 times the number of Canadians have been killed in the womb than in war. We need to wonder why one out of every four children conceived in the Province of British Columbia is aborted.

• (1820)

The information published each year by StatsCan has provided us with gruesome but necessary information on the practice of abortion in this country. We are able to assess the ages of the women involved, whether they are married or single, the age at which they abort their children, trends in urban and rural areas and provincial differences in the rate of abortion. All of this information helps those who address this problem in terms of supporting and caring for women seeking abortion. Alternatives to abortions will be much harder to establish if we cannot give an accurate profile of those who seek it in the first place.

One of the reasons given by Statistics Canada for the cutting of the therapeutic abortion data is that the data collected does not reflect the true numbers of abortions performed in Canada. StatsCan has collected data on legal abortions and not on the thousands of illegal abortions taking place in free standing clinics, mainly in the Province of Quebec.

In other words, the number of illegal abortions has risen to the extent that information on abortions performed in hospitals no longer gives valid data with which to assess the problem. Surely the solution to this dilemma cannot be to stop gathering the data because it is not the statistics themselves which are

the problem, but the illegal abortions being performed contrary to the duly enacted Criminal Code of this country. The federal Government must make it known to the provinces, Quebec and Ontario in particular, that Section 251 of the Criminal Code must be enforced.

Each year nearly 65,000 unborn Canadians are killed in Canadian hospitals. Sheer numbers alone indicate the magnitude of the problem. But we need more than total numbers. We need all the information we can get on abortion, statistical and otherwise, if we are ever to solve this problem. The gathering of therapeutic abortion data by Statistics Canada must be re-established immediately to help all Canadians resolve the issue of abortion in Canada.

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I share the opinion of the Toronto Member for Willowdale (Mr. Oostrom) that we must have objective and reliable data on abortions in Canada. The issues related to the debate on abortion are complex and if the statistical data can help us to gain a better understanding of them, I think that it is important for us to have these data.

In fact, Mr. Speaker, since I have been the Minister responsible for Statistics Canada, I have been able to see for myself to what extent this agency plays an essential role by providing data on all major issues facing Canadian society. Few subjects are debated in this House without our relying on data from Statistics Canada.

Having said this, Mr. Speaker, like all federal agencies, Statistics Canada always tries to improve its programs and is completely supportive of the efforts made by our Government to control its expenditures.

In this context, last spring, my predecessor undertook, in close cooperation with the chief statistician, a review of all departmental programs to establish our priorities.

Good statistics on abortion would certainly have been viewed as a priority, but the program then in existence was judged less important because the data compiled dealt only with therapeutic abortions authorized under Section 18 of the Criminal Code 1969 Amendment Act. Since the data was incomplete, our investigation had only limited usefulness and could even be misleading in certain cases.

Mr. Speaker, as a woman and a minister in a government concerned with social issues, I recognize the needs expressed by many people who wish to obtain statistical data on abortion. Consequently, my colleague, the Minister of National Health and Welfare (Mr. Epp), and myself have asked the officials of our Departments to examine all possible solutions which would enable Statistics Canada to continue to provide relevant information on this issue.

I am happy to announce today that the publication of data on abortion will be maintained. A new method for compiling the data will however be used. Our yearly estimates will from now on be based on data from the provincial records of doctors' fees. These estimates will be more complete than the present data since they will include abortions practiced in Quebec clinics.

On the other hand, they will be less detailed because these records contain little information on socio-demographic and medical factors. However, Statistics Canada officials have identified a means to counter this problem. Their review of the information on socio-demographic characteristics previously compiled has shown that changes are relatively slow to occur. It was therefore decided that this information would be published every three years rather than annually.

To implement this program, we shall need the cooperation of hospitals and other provincials organizations. I expect that the provinces will accept to cooperate with us in this most important matter.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 3(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Wednesday, November 5, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE PRESS

THREAT TO WEEKLY NEWSPAPER POSTAL RATES

Mr. Maurice Foster (Algoma): Mr. Speaker, the Government is planning to discontinue the special assistance which has been available to weekly newspapers in Canada for over 70 years. This decision will have a terrible effect on the hundreds and hundreds of weekly newspapers which have an annual circulation of over 200 million, most of it in rural Canada. These newspapers play a vital role in the community life of Canada. They help the communities and the districts they serve to function, to grow, to mobilize community spirit, and to build a more vigorous and informed society.

This postal assistance must be retained for newspapers or we will see many of them destroyed by this vicious action by an insensitive Government. I call on the Government to withdraw this irresponsible plan which threatens to destroy many of our rural and community newspapers.

* * *

[*Translation*]

THE ADMINISTRATION

CO-OPERATION BETWEEN DIFFERENT LEVELS OF GOVERNMENT

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, national reconciliation is one of our Government's priorities and we have already achieved promising results. It has to do as well with municipal administrations, a Government level which deals directly with ratepayers.

Last Sunday, November 2, was municipal election day and a number of new municipal councils were elected to office. My constituency of Labelle includes 37 municipalities whose mayors and councillors promote the well-being of the same citizens whom I represent here in the House of Commons. Mr. Speaker, ever mindful of the aspirations of our common electorate, I offer them full support in the discharge of their responsibilities.

• (1405)

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

APARTMENT RENTAL INCREASES IN TORONTO

Mr. Neil Young (Beaches): Mr. Speaker, for the third time in recent years CMHC is increasing rents in its Toronto Main Square apartment complex by excessive amounts. The federal Government should show leadership in providing affordable housing. Instead, it is taking adantage of its immunity from provincial rent review law to hit these tenants with unfair rent increases.

Those increases have nothing to do with increases in actual costs. The Government is trying to catch up after the six and five legislation of a few years ago.

The Conservatives, when in opposition, supported that legislation. The Government is now stating that while it supported what the previous Government did, it does not accept the result, and is reaching back over the years to retrieve the difference, and more.

The Minister should open up the process to public scrutiny. He should state clearly that rent increases will be within provincial guidelines. He should order CMHC to roll back the latest 10 per cent increase and force officials in his Department to justify any increase before Ontario's Rent Review Board.

* * *

HUMAN RIGHTS

U.S.S.R.—OBSERVANCE OF RELIGIOUS FREEDOM

Mr. Joe Reid (St. Catharines): Mr. Speaker, I have a letter from a 12-year-old girl from St. Catharines who asks: "How in the world, these days, can a person be sent to prison for seven years plus five years in exile for simply trying to re-establish the right to meet in common prayer?"

Josyp Terelya is only one of many openly declaring their religious faith and opposition to the Soviet Government's denial of basic human rights. Many more are burning their passports, knowing the consequences of being caught without one. They take their strength from their faith and commitment to freedom and justice.

That same cause is why our Secretary of State for External Affairs (Mr. Clark) is in Vienna today emphasizing human rights as a high priority and in the knowledge that without these basic rights and freedoms there can be no peace, either within a country or the world.

* * *

[*Translation*]

ENERGY

REASON FOR GASOLINE PRICE INCREASE CONFINED TO QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Yesterday, Mr. Speaker, Quebecers learned the sad news that Ultramar, with service stations in Quebec, Ontario and the Maritime Provinces, has decided to charge 2 cents more for a litre of gasoline, but only in the Province of Quebec. Today we have heard that Shell is planning to take similar action.

Mr. Speaker, alleging that the price of crude oil has gone up, these two companies will add 2 cents to the cost of a litre of gasoline in Quebec.

Mr. Speaker, I wish the Minister of Energy, Mines and Resources would ask the multinationals whether Quebecers are the only ones who use crude oil, and how they can explain that the increase applies only in Quebec. Why not charge the same price from coast to coast?

May I remind the House that 11 months ago the Conservative Government let Ultramar shut down the Montreal East Gulf refinery, and that during a press conference the former Minister of Consumer and Corporate Affairs warned that Quebec consumers would suffer from this reduced oil production capacity.

* * *

REGIONAL ECONOMIC DEVELOPMENT

WORK OF LIMOILOU ECONOMIC DEVELOPMENT CORPORATION

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, on October 25 and 26 of this year, I had the privilege of attending a seminar organized by the Limoilou Economic Development Corporation. I would like to extend my warmest congratulations to the organizers of this business meeting which was very successful.

The purpose of the seminar was to bring together business people in order to help them find ways to enhance their visibility and their ability to compete and thus better serve the people of Limoilou.

Participants knew that by exchanging information and ideas, they might be able to develop a joint solution to their problems. In fact, both business and the people of Limoilou will benefit, since a number of positive measures were taken by the entrepreneurs following the seminar.

Mr. Speaker, this brainstorming weekend for Limoilou business people and the results it produced demonstrates what solidarity can do to enhance the lives of the people of Québec East. Mr. Speaker, they have my unqualified support.

* * *

[*English*]

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—POSITION OF MANITOBA PREMIER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Premier Pawley, in expressing his opposition to the awarding of the CF-18 contract to Canadair rather than to Bristol in Winnipeg, is supported in that opposition by people from all sectors in Manitoba. They resent very much the claim of the Minister of Transport (Mr. Crosbie) that Premier Pawley is a crybaby. They especially resent it coming from a Minister who said: "Anyone living in the Atlantic Provinces is 1,000 per cent luckier and better off than if they were living in one of these Third World countries". He went on to say: "We should not always be looking at southern Ontario. It is very healthy occasionally to look at Haiti or Sri Lanka . . . ". The people of Manitoba do not want to be compared to Haiti; they want to have the same standard of living as people in southern Ontario.

* * *

[*Translation*]

NATIONAL CRIME PREVENTION WEEK

CHAMBLY POLICE FORCES' INITIATIVE TO PREVENT ABDUCTION OF CHILDREN

Mr. Richard Grisé (Chambly): Mr. Speaker, in connection with National Crime Prevention Week, I would like to talk to the House about the initiative taken by several police forces in the riding of Chambly, as part of their campaign against child disappearances.

With the co-operation of community groups in my riding, the police sent out kids' passports which, in addition to sensible advice for parents, contain a description of the child registered with a photograph and fingerprints.

Mr. Speaker, the disappearance of a child is such a tragedy that we must do everything we can to prevent it. We can only hope it will never happen. However, when a child does disappear, the kid's passport is a formidable research tool which makes the work of the police much easier.

The feedback in the riding of Chambly is excellent, and I would urge all Members of this House and all Canadians to support their police forces in similar projects.

* * *

• (1410)

[*English*]

ADMINISTRATION OF JUSTICE

PLANNED TRANSFER OF PAROLE DUTIES TO JOHN HOWARD SOCIETY

Mr. John Nunziata (York South—Weston): Mr. Speaker, as you know, there is a growing concern in the Toronto area about the Government's plans to hand over important parole functions to the John Howard Society. The federal Government's privatization program in Toronto would transfer operations of the 40-bed Keele Street Centre and the 15-bed Montgomery Community Corrections Centre to the John Howard Society. As a result, public safety will in fact be jeopardized and compromised.

The John Howard Society has traditionally been an inmate advocate group using the services of volunteers, students, part-time workers, and ex-offenders. In contrast, parole officers are professional law enforcement officials whose mandate is to protect the public. Parole officers are also directly accountable to the federal Government.

Despite the fact that the privatization of parole services represents a significant departure from present government policy, there was no consultation with the Metropolitan Toronto Police. There has been no consultation to date with the Union of Solicitor General Employees, and no consultation with Members of Parliament. I call upon the Solicitor General (Mr. Kelleher) to refer this matter immediately to the Standing Committee on Justice for further consideration.

* * *

EMPLOYMENT

CHALLENGE '86 PROGRAM—CREATION OF JOBS FOR STUDENTS

Mr. Girve Fretz (Erie): Mr. Speaker, the Challenge '86 program was very successful in providing quality work experiences for thousands of students across Canada. It appears that more than 75,000 students obtained jobs under the summer employment SEED component with the help of federal funds.

SEED is one of a number of initiatives which have helped student unemployment decrease from 17.9 per cent in 1983 to 14.1 per cent in 1985. In Erie riding, 82 employers were selected for this program, accounting for 199 jobs. The returns of a questionnaire I sent out requesting an assessment were more than favourable and pinpointed the success of the program.

Nearly 80 per cent of the respondents stated they would not have hired someone this past summer if it were not for SEED. Everyone believes the work experience gained on the job will help prepare students for employment. Their comments included: "The SEED program is an excellent tool for employers and students". "Very beneficial", they said. "We applaud the Government's effort in this area", they said. "Anything helps, especially those—"

Mr. Speaker: Order.

* * *

SHIPBUILDING

ICE-BREAKER CONSTRUCTION—BRITISH COLUMBIA SHIPYARDS' CLAIM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, all parties support the building of a world class ice-breaker to service northern ports and protect Canadian sovereignty. New Democrats have advocated this for years and have been concerned at government delay.

Recent contracts for frigates have gone to Maritime and Quebec shipyards giving a much needed boost to eastern yards. In British Columbia three shipyards have closed while skilled workers are unemployed. B.C. shipyards are in desperate need of contracts to keep their operations alive.

Members of Parliament from British Columbia, of all Parties, are confident that our world class workforce and expertise in shipbuilding can meet the requirements for constructing the Polar 8 ice-breaker. We eagerly await a government announcement that it will be built in British Columbia.

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

TIMISKAMING RIDING BOUNDARIES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, the boundary commission will be holding hearings in Sudbury tomorrow. I will be speaking on behalf of those residents of Timiskaming; from Moosonee, Moose Factory, Verner, Black River—Matheson and Temagami. Those households, those who are involved in farms and business, want to be heard. They want to speak out loudly that Timiskaming must remain the way it is today.

• (1415)

It is vital for Timiskaming to have the same boundaries after the hearing as it has today. Eleven voices in northern Ontario are very important.

ORAL QUESTION PERIOD

[*English*]

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—THREATENED CLOSURE OF WAWA MINE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday the Government ignored the request we made to help the workers at the CN shops in Moncton, despite the rhetoric of the Minister of Transport and the Prime Minister's promises made on his recent visit to Atlantic Canada. Today my question relates to northern Ontario.

The Conservative Government announced a widely heralded recovery package for northern Ontario, yet it has revealed no details. Why will the Government not be more specific? Why will it not come to the aid of some of the endangered workers at the Algoma Ore mine in Wawa, Ontario?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I indicated to the House last week, this federal Government, perhaps unprecedented in recent times, has recognized the unique difficulties in northern Ontario. The Government is prepared to address those difficulties. We have had meetings in northern Ontario. Led by the Solicitor General an economic plan is being considered. As the Minister of Energy, Mines and Resources indicated in the House the other day, as did the Minister of Transport, the specific question relating to Wawa is currently being considered by DRIE officials, and by others. I can tell the right hon. gentleman that this Government, unlike the Government of which he was a member, is prepared to deal with the very critical and serious problems that affect northern Ontario.

[*Translation*]

FUTURE OF WAWA IRON ORE MINE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I can inform the Deputy Prime Minister that I was in Geraldton, Ontario last week, and that Northern Ontario is sick and tired of the empty promises and false hopes held out by the Government.

Why did the Government announce a recovery plan without even revealing the details? And why isn't the Government prepared to provide assistance to the railways to help maintain mining jobs in Wawa?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, because, unlike the previous Government, we sit down and work these problems out with those who are directly affected. We think that northern Ontario, by virtue of its basic strengths, can build on those strengths and together we can develop the kind of comprehensive program to which the Hon. Member refers.

I can tell the right hon. gentleman that at a meeting in Sudbury a couple of weeks ago there was great enthusiasm shown for the approach the Government is taking. I can assure the Hon. Member that if he is patient he will see the type of policies and programs that he wishes his Government had come up with when it was in office.

Some Hon. Members: Hear, hear!

ALGOMA CENTRAL RAILWAY—REQUEST FOR ASSISTANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the Deputy Prime Minister is beginning to test my patience. He has certainly tested the patience of the people of northern Ontario.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Last week in response to my colleague, the Hon. Member for Cochrane—Superior, the Deputy Prime Minister said, in respect to northern Ontario: "Just watch us". He made the same type of commitment to the CN workers in Moncton, which shows how much that particular engagement is worth.

The Minister knows that the Algoma Central Railway is subsidized for passenger and tourist travel. Why not give some aid to the railway in order to preserve those jobs in Wawa, those jobs which concern 300 to 350 miners, 350 railway workers, and the health of the economy from Sault Ste Marie right up to Wawa on the east end of the lake?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it has been said before, and I will repeat it, there is a program that is being considered under the auspices of DRIE. Ministers have met with representatives of this particular area. I am sure that there will be a satisfactory solution. When the Right Hon. Member talks about patience, I can only tell him that in the last election those people up there lost their patience with the Liberal Government, which is why they elected so many Tory MPs, which is what they will continue to do in the future.

• (1420)

POSSIBLE LOSS OF JOBS TO MICHIGAN

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Deputy Prime Minister. Is he aware that, because of the lack of assistance for the Algoma Central Railway, hundreds and hundreds of miners in Wawa will lose their jobs because those jobs will effectively be transferred

from Wawa to mines in northern Michigan? Why is the Government not prepared to make a commitment today to make sure that those jobs stay in northern Ontario rather than move to northern Michigan?

Mr. Turner (Vancouver Quadra): Oh, now we're in trouble.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, if the hon. gentlemen are interested in listening to the facts, they are these. In so far as the railway operation is concerned, there is no present policy that will permit for any general assistance to the Wawa railway. That has been recognized by the railway company and by Algoma Steel. They are seeking general assistance from the Province of Ontario which has a very heavy responsibility, and they are asking the Government of Canada to assist as well by seeing what kind of an assistance program we can come up with on a fifty-fifty basis. That has been discussed by the Minister of DRIE and his officials with the Province of Ontario. As soon as those discussions are concluded, I am sure steps will be taken in accordance with the work of the Solicitor General who has been working on this issue for weeks. He began long before it ever came to the attention of hon. gentlemen opposite.

RAILWAY'S TOURIST SERVICE

Mr. Maurice Foster (Algoma): Mr. Speaker, is the Minister aware that the closure of the Wawa Mines would also shut down the Algoma Central Railway tour train which brings 100,000 tourists, mostly from the United States, to northern Ontario every year? The Province of Ontario has already made a commitment to provide assistance. Why is the Government of Canada procrastinating in making a decision, leaving everyone in the lurch as to whether or not there will be assistance to maintain the mining operations and the jobs in tourism?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we are well aware of the value of the railway and the fact that it brings in very heavy tourist traffic to the area. This Government is also prepared to render assistance and will do so in conjunction with the Province of Ontario when discussions are concluded. The Hon. Member need lose no sleep on that matter. The Solicitor General began looking after this long before the Hon. Member ever brought the matter up. The necessary assistance to be provided in conjunction with Ontario, once it is agreed to, will be put in place. We are determined to see that northern Ontario is helped in its time of need.

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—REQUEST FOR REFERRAL TO AUDITOR GENERAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the President of the Treasury Board. Important questions have been raised about the Government's claimed costs and benefits associated with technological transfer in the CF-18 maintenance contract. Pertinent among these questions has been the relevance of a Defence Department document that was known to the Government in August, 1985. In order to clear up all of these questions and in order to clear the air completely, will the Government now agree to refer all pertinent documents to the Auditor General?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first I would like to answer my hon. colleague by saying that, since taking notice yesterday of the telex that was raised in the House, I have made extensive investigations with people responsible for the evaluation team. I can assure the House that the costs that were quoted of $100.5 million in one case and $104 million in the other case included all technology transfer costs and that not one penny in additional costs will be borne in any way, shape or form by the Canadian taxpayer.

• (1425)

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering that many people objected— not simply the company that did not get the contract, which is perhaps understandable; not simply the Government of the province that did not get the contract, which is perhaps understandable, but other disinterested citizens—including Conservative members in the Minister's own Party who have raised questions about the figures used to get final assessments upon which the decision was finally reached—given the uncertainty that rests over all this, I ask the Minister why, in order to make the Government's own case, does it not refer this data to the Auditor General?

Some Hon. Members: Hear, hear!

Hon. Robert de Cotret (President of the Treasury Board): I would like to emphasize once again that the evaluation team was composed of some 75 officials—

Mr. Orlikow: Whom you didn't listen to.

Mr. de Cotret: —representing the Department of National Defence, the Department of Supply and Services, and the Department of Regional Industrial Expansion. The results were made public. The results were very close between two highly competent groups of companies. We had a choice. We made that choice. It was a policy decision on the part of this Government, and we stand by it.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say, with respect, to the Minister that he knows very well that all the figures that went into its own assessment were not made public by the Government. He also knows that at least two companies that have a good public reputation have issued statements that fly in the face of what the Government is claiming to be the case. I repeat that if the Government has confidence in its own case, what has it got to lose by referring these documents to the Auditor General?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer is simple. We have nothing at all to lose by referring all relevant documents to the Auditor General. The Hon. Member for Oshawa ought to know that the Auditor General is a servant of this House. He will perform his duties in the normal way, and I should be very surprised if the Auditor General did not examine a contract as important as this one. And when he does, as always, the Government will be at the disposal of the Auditor General, to give him the information to which he is entitled.

[*English*]

Mr. Broadbent: A year from now.

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CANADIAN NATIONAL RAILWAYS

MONCTON SHOPS—POSSIBLE JOB-CREATION ALTERNATIVES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is for the Minister of Transport. Canadian General Electric has always been welcome in Moncton. I remind the Minister that the Save our Shops Committee passed a unanimous motion stating that the CGE deal was not enough and did not meet the needs and expectations of the workers and the community. Is the Government looking for alternatives to compensate for the hundreds of jobs that will still be lost even if the CGE deal goes ahead?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, nothing but superhuman efforts would fit the bill. That is the type of efforts that have been made with respect to the Moncton situation. I am happy to advise the Hon. Member that to date CN has accommodated 551 persons. That is in excess of half of the people involved. If we can resolve the Canadian General Electric situation there will be a further 303 persons looked after. CN is making a major effort to see that all of the 1,022 workers affected receive this type of treatment.

In addition, the Government and CN have allocated $4 million to help the people of Moncton attract other industries to the city of Moncton. That is $4 million more to assist in that situation, apart altogether from every other government program that exists today in New Brunswick and Canada. That is what we are doing. What is the hon. gentleman doing except criticizing and trying to impede what has been done?

MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): My supplementary question is directed to the same Minister. The fact is that even if the CGE deal goes through 662 jobs will be lost.

Mr. Turner (Vancouver Quadra): Those are the facts.

Mr. Robichaud: I ask the Minister will he start looking for alternatives to the loss of these jobs, or is he just simply going to point the finger at the unions and blame them for what he as a Minister has failed to do, that is, find alternate employment for the workers in Moncton?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a dialogue with the dead. I have just given the figures: 551 persons so far have been found other employment by CN. If the CGE situation is resolved that is another 303, and that will be 854. The others, if we cannot find them employment, are being offered generous retraining and settlement provisions and the like. That is what has been done.

• (1430)

There is still a healthy chance that the situation with Canadian General Electric might be resolved. CN is still interested in doing all it can to resolve this matter with the unions. Matters are proceeding behind the scenes about which I cannot speak here and now. I hope that situation will be resolved and, when it is, I hope the hon. gentleman will be more pleased than he now indicates he is with the 551 jobs which have already been found.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF GOVERNMENT LEADER OF THE NORTHWEST TERRITORIES

Mr. Speaker: I wish to draw the attention of Hon. Members to the presence in the gallery today of the Hon. Nick Sibbeston, Government Leader of the Northwest Territories.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MINISTER FOR GREENLAND

Mr. Speaker: I also wish to draw the attention of Hon. Members to the presence in the gallery of Mr. Tom Hoyem, Minister for Greenland.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF SPEAKER OF THE CONGRESS OF THE REPUBLIC OF GUATEMALA

Mr. Speaker: As well I wish to draw the attention of Hon. Members to the presence in the gallery of the Hon. Dr. Luis Alfonso Cabrera Hidalgo, Speaker of the Congress of the Republic of Guatemala.

Some Hon. Members: Hear, hear!

* * *

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—REQUEST FOR REFERRAL TO AUDITOR GENERAL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Right Hon. Prime Minister. It concerns the answer of the President of the Treasury Board to the question of whether or not to refer all relevant documents to the Auditor General. Surely the Prime Minister realizes that the time to clear the air about the contract is now, not next year when the Auditor General might look at the contract in due course. Would he agree to having that documentation and the contract referred to the Auditor General, as was requested by my Leader?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I said earlier, the Auditor General reports to this House. If we on the Government side were to try and influence the Auditor General, I think my hon. friends opposite would be the first to protest such action. The Auditor General is perfectly free to scrutinize these documents in the course of his duties, and I am sure he will do so.

[*English*]

REQUEST FOR IMMEDIATE REFERRAL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, that answer is complete rubbish. My first question was directed to the Prime Minister who has made much—and rightly so—of the issue of national reconciliation. Given that this issue has exacerbated regional tensions in the country, and in the interest of national reconciliation, would he not have the air cleared now in respect of the integrity of the Government's position in the matter and agree that the Auditor General look into it now, not next year?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, despite fear of repeating myself, the Government does not direct the Auditor General. The Auditor General is a servant of Parliament. He is free to act as he so chooses. This is an important and complex issue. I am sure he will be very interested in looking into all the details. As a Government, as we have always done, we will be most co-operative in making the information available to him.

BID SUBMITTED BY IMP OF HALIFAX

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He must be aware that on October 24, 1986, the Minister of Public Works, through the media, informed IMP of Halifax that it was still in the running. To the dismay of that particular consortium and the people in Atlantic Canada, we found out from the President of the Treasury Board that its application had been dismissed because of technical insufficiencies months before that date. In view of the knowledge about the Minister of Public Works misleading the people of Halifax and IMP, what is the Prime Minister prepared to do about it?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member is referring to the part of the submission process which had to do with repair bids. Initially we had asked three consortia to present bids to the Government for this important contract. The three bids were found to have some technical defects. Some were more serious than others, I will admit. However, in the sense of fairness and equity, and since we were asking for a repair bid, we thought it only equitable that we ask all three, after explaining to each one the details of the deficiencies, to try to bring forth a repair bid that would address those deficiencies. That is why we included all three throughout the process.

REQUEST FOR COMMITTEE REFERRAL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. If the Prime Minister wishes—and I am certain he does—to protect the integrity and confidence of the bidding process with regard to this particular contract and future contracts, does he not think it fair and appropriate, under the circumstances and because of the many unanswered questions, that all documentation either be referred to the Auditor General as requested by my colleagues, or that the Minister and all documentation be presented before a parliamentary committee so that Canadians will have an opportunity to review firsthand all unanswered questions regarding this most important tool of economic development?

[*Translation*]

Hon. Robert de Cotret (President of Treasury Board): Mr. Speaker, I have conscientiously answered all the questions put to me in the House. As I said before, I am willing to make available any information that is not protected by a business confidentiality clause.

Mr. Speaker, a decision was made by the Government, a decision that has its merits, and if you are against that decision, I wish that once and for all, you would announce your position one way or another and let Canadians know where the Opposition stands on this issue.

[*English*]

CANADIAN NATIONAL RAILWAYS

MONCTON SHOPS—REPAIR WORK INQUIRY

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is for the Minister of Transport. I think he will know—and his predecessor knows it—that in order to keep the CNR shops at Point St. Charles busy and fully employed, Point St. Charles was to be allowed to tender for contracts to repair railway equipment of other U.S. and Canadian railroads. Will the Minister call upon CNR to allow the shops at Moncton to do exactly the same, to keep employees not taken on by CGE employed at the Moncton shops?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I believe the hon. gentleman knows the answer to that question. A decision was made and announced last June by CN, not by the Government, which since 1978 had been directed by the Government that it must stand on its own feet. As a result of studies it had done—and it had three heavy shops—it had to shut the shops in Moncton if it was to continue to be efficient and productive. At the same time it announced that all repairs of CN heavy equipment would be done at the Transcona shops in Winnipeg and that the Point St. Charles shops would be turned into a contract facility. That is what it is doing.

There is no chance that CN can reverse that decision; the decision is made in connection with Moncton. What we all now have to try to achieve is for other manufacturing and repair facilities to go to Moncton, and it is on that we are working.

COMPANY'S POSITION

Mr. Les Benjamin (Regina West): Mr. Speaker, the Minister still has not explained, nor has CNR, why the same opportunity to tender for repairs of railway equipment from United States railroads given to the shops at Point St. Charles was not given to the shops at Moncton.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as a result of this study, and for reasons of its own internal economy and efficiencies, the decision was made that it would have to close the Moncton shops and that, since 65 per cent of all the business of CN is now done in the West, it would have to concentrate its heavy repair work in the Transcona shops in Winnipeg. If the hon. gentleman is against that, it is inconsistent with what his Party is screeching and screaming about in the last few days in connection with Winnipeg and work which will be done in Montreal by Canadair. Make up your mind which geographical section of the country you are going to support.

COPYRIGHT

USE OF VIDEOTAPED MATERIAL FOR EDUCATIONAL PURPOSES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is for the Minister of Communications. Staff in community colleges have brought to my attention that copyright and its application often poses serious problems for educators. Will the Minister ensure that the new copyright Bill addresses the issue of in-class use of inexpensive and readily available videotapes and such material?

• (1440)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, when the parliamentary subcommittee examined copyright revision it made a recommendation that classroom use of copyright material should be exempted from the copyright legislation and so stated in the copyright legislation. In fact, when the Government responded in February to the subcommittee's report, the Government indicated that it accepted the subcommittee's recommendation and indicated that the legislation would so state.

* * *

[*Translation*]

ENERGY

INQUIRY WHY ULTRAMAR WISHES TO INCREASE PRICE OF GASOLINE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I may remind him that yesterday, Ultramar announced it was going to increase the price of a litre of gas by two cents. This will, of course, affect the entire market, especially in Quebec.

Could the Minister explain why we are getting this increase from Ultramar at a time when, according to the Vice-President of the Gasoline Retailers Association, the multinationals have yet to pass on all the benefits of the drop in the price of crude to consumers?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member is well acquainted with the fact that price controls *per se* are not within federal jurisdiction. They are within provincial jurisdiction. If the Hon. Member wants price controls, he should talk to his colleagues in Quebec City.

In terms of federal responsibility, we have the responsibility to ensure a fully competitive market. The market in petroleum products, gasoline, is being monitored by the Director of Investigation and Research under the competition bureau. If the Hon. Member has any evidence of collusion or any evidence that any company is trying to influence the market to

the detriment of consumers, he should let us know and we will act immediately.

[*Translation*]

REQUEST THAT GOVERNMENT ASK PETRO-CANADA TO MAINTAIN PRICE OF GASOLINE AT REALISTIC LEVEL

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it was this Government that gave permission to close down the Gulf refinery in Montreal, which reduced competition and created the conditions in which today, the price of the gas sold by Ultramar can go up.

I want to ask the Minister to explain to the House why he is letting Ultramar take this action, since this is the company that authorized the shutdown of Gulf in Montreal.

Since the Government controls Petro-Canada I also want to ask the Minister if he will ask Petro-Canada to maintain the price of its gas, at least to protect consumers and promote competitive pricing.

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, in order to encourage more competition, we passed a new Competition Act in June which gives important new powers to the Government. Under those new powers the Government is monitoring the situation. I repeat again that if the Hon. Member or any other Hon. Member has any evidence of collusion or undue influence on the market by any company, Petro-Canada included, please let us know and we will act, and act immediately.

* * *

[*Translation*]

PENITENTIARIES

PORT-CARTIER PRISON—REQUEST OF SOLICITOR GENERAL'S EMPLOYEES' UNION IN QUEBEC—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, on behalf of prison guards, the Solicitor General's Employees' Union in Quebec urged the Government to put an immediate end to the Port-Cartier construction project before it is too late.

Here is my question to the Prime Minister: Can he respond to this urgent request and, more to the point, explain why he wants to build a new prison in Port-Cartier when his own correctional service expects there will be 400 too many maximum security cells in Quebec by 1992? It does look like a white elephant!

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that question has been asked many times in the House and answered many times in the House. I would ask the Hon. Member to read *Hansard* once in a while. Sometimes he is unavoidably absent. Perhaps the Hon. Member might familiarize himself with the issue. The decision to build a prison at Port-Cartier was taken for very good and valid reasons, all of which have been substantiated.

Mr. Speaker: Hon. Members know that it is not the practice in the Chamber to refer to the absence of an Hon. Member at any given time even if, in referring to that absence, the benefit of the doubt is given. I would ask the Hon. Member to make the preamble to his supplementary question short.

REQUEST THAT PRIME MINISTER APPEAR BEFORE COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the Prime Minister who may be here but who refuses to answer questions from this side of the House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Order.

An Hon. Member: Come on. Play fair, guys.

Mr. Robinson: Mr. Speaker, my supplementary question is for the Prime Minister. Tomorrow morning the Justice Committee of the House of Commons will be considering the recommendation of the all-Party steering committee that the Prime Minister appear before that committee and answer questions on Port-Cartier. My question is very straightforward. It is for the Prime Minister and not for one of his Ministers. Will the Prime Minister appear before the Justice Committee as the steering committee has requested and answer the questions, the answers to which Canadians are entitled?

An Hon. Member: The muffler.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am truly amazed—

Mr. Rossi: This is the butler.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mr. Mazankowski: I am truly amazed at that question, Mr. Speaker. The Hon. Member has been around this House for some time. He knows very well that decisions are not made by a steering committee. Decisions are made by the standing committee. This is simply—

Mr. Turner (Vancouver Quadra): Get it under control.

Mr. Mazankowski: —a recommendation by the steering committee. My understanding is that the standing committee will deal with it. At that time if there is a recommendation as

per the Hon. Member's suggestion, it will be considered in that light.

* * *

[*Translation*]

SUPPLY AND SERVICES

PROCEDURE FOR AWARDING CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Supply and Services and has to do with the Port-Cartier project management.

We have just learned today that the contract award procedure concerning the Port-Cartier prison construction project management was such that indeed only one firm could even hope to be selected since it is the only one whose staff has had experience within the departmental correctional service.

Why does the Government still follow a contract award procedure which favours one company over another? And can the Minister confirm that this procedure was followed because the Government was afraid it might not be able to meet the Prime Minister's deadline?

Hon. Monique Vézina (Minister of Supply and Services): I am the Minister of Supply and Services. All standard criteria were applied with respect to this tender call. We had a list of suppliers, 13 companies. Eight submitted bids, three qualified, and we chose the lowest bidder because the company has the experience and can do the work.

[*English*]

BECHTEL CORPORATION CONTRACT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am glad to see this Minister answering the questions this week. Another one was answering them last week. In view of the fact that Bechtel Corporation got its contract at the same time that one of its employees was on loan to Correctional Services Canada, does the Minister intend to launch an inquiry to determine whether or not there has been a breach of Section 49 of the conflict of interest code for public servants? If not, why not?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am the Minister responsible for the administration of the guidelines. Allegations have been made of a possible apparent conflict of interest involving members of the Public Service. According to current established practice, a review will be undertaken immediately to ascertain the facts. That will be undertaken by Treasury Board under the mandate we have to administer the guidelines. I have already spoken to the Solicitor General who has requested that this investigation be done with the shortest delays and I can assure my hon. colleagues that that will be the case.

PRIME MINISTER'S OFFICE

ALLEGED SEXIST ATTITUDE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Prime Minister and only he can answer it.

Some Hon. Members: Oh, oh!

An Hon. Member: That is the end of that. Next question.

• (1450)

Ms. Mitchell: The Prime Minister's Office has been criticized for sexist attitudes toward a female member of the Press Gallery. Can he assure the House and the women of Canada that his staff will stop requesting dates when interviews are requested, whether or not in jest?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I understand that there were press reports, which I think can fairly be categorized as unsubstantiated, with respect to Mr. Gratton. I understand that Mr. Gratton is now consulting his lawyer. I do not think that further comment is appropriate at this time.

PRESS SECRETARY'S CONDUCT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is also directed to the Prime Minister. Since at least one reporter was apparently insulted by his tacky and hurtful act, will the Prime Minister instruct his press secretary to apologize to those he has offended by his unprofessional conduct?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know the Hon. Member respects the principles of fairness. I think she understands that in this country a person is innocent until proven guilty. I do not think it helps to reinforce the other point of view by repeating unsubstantiated stories in the House.

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APARTHEID

SOUTH AFRICA—POSSIBLE REPRISALS AGAINST NEIGHBOURING STATES

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister for External Relations. I understand that she represented Canada last week at the funeral of the late Mozambique President, Samora Machel. While in Mozambique did the Minister take the opportunity to discuss with representatives of the front line states whether or not, or indeed how, Canada might come to their assistance in the

eventuality of economic or political reprisals from South Africa?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I indeed represented Canada last week at the funeral of President Machel of Mozambique. During my trip, I was able to meet many representatives of front-line countries, including the President of Zambia. Naturally, they all told me of their concern about the sanctions imposed by South Africa and the retaliation which could ensue. The situation is certainly very tense.

Mr. Speaker, I naturally informed all the representatives of these countries that Canada would continue to offer them practical support, either politically or through development assistance programs.

* * *

[*English*]

CANADIAN HUMAN RIGHTS COMMISSION

APPOINTMENT OF ANTONIO ARCANGEL TO HUMAN RIGHTS TRIBUNAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Justice. Why did his Government approve the appointment to the Human Rights Tribunal of Marcos supporter Antonio Arcangel in September of this year, when on August 15 specific allegations of subversive activities regarding an organization he headed were tabled at a meeting with representatives of the Department of External Affairs in Ottawa?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member is raising these allegations on the floor of the House of Commons under the protections of the Chamber. I have taken notice of the allegations which were raised during my absence from Ottawa, on Monday, and those which she now raises. I am looking into the matter.

Mr. Turner (Vancouver Quadra): Will you report to the House?

[*Translation*]

GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): I have a supplementary for the Right Hon. Prime Minister. I would like to know if he is willing to respond to the telegrams he has received asking that the name of Mr. Arcangel be withdrawn because his appointment gives a very bad image to the Canadian Human Rights Commission. Following the freedom movement for the Philippines, is the Prime Minister willing to respond to the requests that the name of Mr. Arcangel be withdrawn?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, if I may, I will answer that question although it was directed to the Deputy Prime Minister.

Ms. Copps: To the Prime Minister.

Mr. Hnatyshyn: To the Prime Minister. I apologize. The Hon. Member is afforded protection to make allegations freely in the House.

Ms. Copps: The meeting took place on August 15 at External Affairs.

Mr. Hnatyshyn: However, there is a principle involved which allows the person whose reputation is being impugned to state his side of the story.

Ms. Copps: You appointed him.

Mr. Hnatyshyn: I would like to have the opportunity to look at both sides of the matter as I know the Hon. Member would in similar circumstances.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. COUNTERVAIL LAWS

Mr. Bill Kempling (Burlington): Mr. Speaker, my question is for the Minister for International Trade. It was reported last week that Clayton Yeutter, the U.S. trade representative, speaking in Chicago stated that countervail laws are not up for discussion at the trade negotiations. The Minister has said that they are. Could the Minister tell us whether or not they are under discussion?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am glad to have the opportunity to correct the record. I have examined the text of Mr. Yeutter's speech. He did not make the comment which the media have attributed to him. Contingency protection measures, which include countervail and antidumping measures, are very clearly on the negotiating table. These are the new trade rules and regulations which we are hoping to achieve through the negotiations with the United States.

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CODE OF CONDUCT

WORK PERFORMED FOR MINISTER'S SPOUSE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Prime Minister.

Mr. Murphy: The invisible man.

Mr. Riis: Does the Prime Minister not agree that it is totally inappropriate for the wife of the Secretary of State for External Affairs to be using the Minister's staff for her own private gain?

Hon. Pat Carney (Acting Secretary of State For External Affairs): Mr. Speaker, I understand that there has been a correction issued in this regard.

Mr. Blaikie: By whom?

Miss Carney: It has been stated that the person in question is a part-time employee on the staff of the Secretary of State for External Affairs and that Ms. McTeer pays her for any work she does on her behalf, which is consistent with the practice carried out by many people.

Mr. Beatty: Apologize.

Mr. McDermid: Check your facts.

Mr. Riis: I am certainly not going to do any apologizing.

TREASURY BOARD GUIDELINES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my information is that a ministerial assistant to the Secretary of State for External Affairs has been seeking information to assist the Minister's wife in her private affairs. Will the Minister look into this situation? If there has been a misuse of public funds, will the guidelines of the Treasury Board be adhered to?

Mr. McDermid: She just answered that.

Miss MacDonald: You ought to be ashamed of yourself.

Mr. Riis: She was wrong. She doesn't know what she is talking about.

Hon. Pat Carney (Acting Secretary of State for External Affairs): Mr. Speaker, it is odd to hear such allegations made by a Party which publicly says that it supports work for women and working women.

Mr. Broadbent: I can't believe that.

Mr. Riis: Sit down.

Mr. Murphy: She calls from the External Affairs office.

Miss Carney: Now they do not even want to hear the answer.

Mr. Riis: Well, not that kind of answer.

Miss Carney: I can assure the Hon. Member that I have looked into these media reports and that no guidelines or rules have been breached through the use of a part-time worker for this purpose.

Mr. Murphy: She did it from the External Affairs office.

* * *

IMMIGRATION

ISSUANCE OF SPECIAL MINISTERIAL ENTRY PERMIT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Immigration. Yesterday the Minister justified the granting of a special permit to an individual with over 20 criminal convictions on the basis that he admitted to his record as opposed to having denied it for the last eight years. This is completely unacceptable reasoning.

Why did the Minister extend special privileges to this individual for simply admitting to the record, disregarding the advice of his Department and three previous Ministers who concluded that such a criminal record means that this candidate is both inadmissible and unwanted in this country? What are the real reasons behind his judgment?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, it is a consistent policy that this country, supported by our Acts, permits rehabilitation. This is a very delicate issue. We are dealing with the rehabilitation of a human being.

APPLICANT'S REHABILITATION LETTER

Mr. Sergio Marchi (York West): Mr. Speaker, not only is the Minister facilitating the special entry of this individual, he also interfered with the rehabilitation letter. Since his own official, Mr. Westerberg, has confirmed that the rehabilitation letter was redrafted and retyped in the Minister's own office, why did he doctor this important letter to justify his own personal decision? Why the political indecision or interference in such an independent rehabilitation process?

• (1500)

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, we are dealing with the rehabilitation of a human being, a father, a husband, and a case in which a child is involved. There is wide community support, including the clergy, businessmen, professionals and national organizations. He has admitted his guilt. Those are the things that might have disqualified him. I have proposed him to the Minister of Employment and Immigration as a candidate for admission.

* * *

NARCOTICS

MANDATORY TESTING FOR DRUGS—APPLICATION OF CHARTER OF RIGHTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday I mentioned in the House that American Motors of Canada was

insisting that new employees pass a mandatory urine test for drugs. This is the latest in a list of Canadian organizations that require this kind of test for employment purposes. Does the Minister agree with mandatory tests for drugs as a condition for getting a job in this country, or does he agree with many Canadians, including many experts, that this is a possible violation of the Canadian Charter of Rights?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think a couple of things should be made quite clear with respect to the question raised yesterday by the Hon. Member. It is imporant to understand that AMC is under provincial jurisdiction in this matter, so that it is not a matter of federal jurisdiction. In terms of our national drug strategy, I think it has been made quite clear by the Minister of National Health and Welfare and other spokespersons on behalf of the Government that mandatory testing is not part of our drug strategy and will not be part of it. I believe our position with respect to this issue is quite clear.

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THE ADMINISTRATION

PARKER COMMISSION—LEGAL EXPENSES OF FORMER MINISTER'S WIFE

Mr. John Nunziata (York South—Weston): Mr. Speaker, Canadians are outraged and find it unconscionable that the Government should be paying the legal fees for the former Minister of Regional Industrial Expansion at the Parker Inquiry. I learned today that the Government is considering paying Mrs. Noreen Stevens' legal fees. Will the Government assure the House and Canadians that under no circumstances will it pay Mrs. Noreen Stevens' legal fees at the Parker Inquiry?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is simply a hypothetical question and I think the Hon. Member knows it. If such a decision is made—which I do not believe is contemplated—he will certainly find out about it in due course. I do not anticipate that such is the case.

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THE ROYAL ASSENT

Mr. Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa,

November 5, 1986

Sir,

I have the honour to inform you that the Right Honourable Brian Dickson, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 5th day of November, 1986, at 5.00 p.m., for the purpose of giving Royal Assent to one Bill.

Yours sincrely,
Léopold H. Amyot
Secretary to the Governor General

* * *

Mr. Mazankowski: Mr. Speaker, the Minister responsible for Canada Post is unavoidably detained. With unanimous consent, may we revert to that item later?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

ENERGY, MINES AND RESOURCES

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary-Sud): Mr. Speaker, I have the honour to present the First report of Standing Committee on Energy, Mines and Resources, in the two official languages—Mrs. Sparrow.

[*Editor's Note: See today's Votes and Proceedings for the above report.*]

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[*English*]

PETITIONS

FUNDING OF POST-SECONDARY EDUCATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to present the following petition on behalf of the Canadian Federation of Students, signed by 67 students from eight different provinces, calling upon the Government to request a First Ministers Conference to renegotiate a fair and equitable and progressive agreement for the funding of post-secondary education.

MISSING CHILDREN LEGISLATION—EFFECT ON POLICE INITIATIVES

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I have the honour to present a petition on behalf of the parents of Tecumseh Elementary School, Home and School members and citizens of London-Middlesex. This petition deals with missing children and Bill C-70, which, for financial expediency, considers children missing after six months to be dead. They want assurance that this Bill will have no bearing or effect on police department initiatives and efforts to find any missing children, and in fact calls upon the Government to enhance programs to facilitate the identification and recovery of missing children in Canada.

Introduction of Bills

REQUEST FOR REMOVAL AND RELOCATION OF CANADIAN EMBASSY IN SYRIA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present four petitions from my constituents who humbly pray and ask the House that whereas the access to the Canadian Embassy in Syria is very difficult for people who are born or brought up in Christian areas of Lebanon; whereas Lebanese people are harassed by the Syrian roadblocks and guards; whereas Lebanese people are charged a fee upon entering and leaving the Syrian border, that no foreign money is allowed to pass through Syria; these people request that the Canadian embassy be removed from its present location in Syria to a new location in Cyprus.

REMOVAL OF POSTAL BOXES FROM SOUTH PARKDALE AREA

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, I am pleased to present to the House a petition on behalf of the residents of Parkdale-High Park, protesting the removal of postal boxes from the South Parkdale area.

The petition expresses their frustration with the level of service being offered by Canada Post, and I wish to add my endorsement to their demand for the return of the postal boxes to the neighbourhood.

* * *

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council) moved for leave to introduce Bill C-20, an Act to amend the Senate and House of Commons Act.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 6 and 18.

[*Text*]

CANADIAN BROADCASTING CORPORATION EXPENDITURES

Question No. 6—**Mr. Crofton:**

For the fiscal year ending March 31, 1987, has the Canadian Broadcasting Corporation made or planned capital expenditures over $50,000 and, if so, by location, what were the amounts?

Hon. Flora MacDonald (Minister of Communications): 1. I am advised by the Canadian Broadcasting Corporation as follows:

It is the CBC's understanding that the Honourable Member is asking, in the context of the Corporation's overall capital budget, for information as to what expenditures in excess of $50,000 the CBC has made of plans to make, by location, in the extension of transmission service.

Of the very few remaining coverage extension projects, all of which were started before the budget cuts of December, 1984, only one will entail the expenditure of more than $50,000 in the fiscal year ending March 31, 1987. That project involves an affiliate replacement and is for an FM transmitter at Elk Lake, Ontario, which will broadcast the CBC English radio AM service.

As for the Corporation's over-all capital expenditures for 1986-87, they comprise:

	($ millions)
Additions and replacements to plant and equipment—primarily involve replacement of obsolete production facilities and in some cases improvements to existing facilities to maintain an efficient operation.	46,115
Replacement of obsolete transmission facilities and extension of the broadcasting service—includes only those extension or affiliate replacement projects that had been started before the announcement of budget cuts in December 1984.	18,140
Consolidation of plant facilities—planning and engineering costs for the proposed consolidation of Toronto CBC facilities.	4,173
Total:	68,428

CREATION OF JOBS

Question No. 18—**Mr. Scott (Victoria—Haliburton):**

1. Since September 4, 1984, have any sponsors in the Constituency of Victoria—Haliburton been approved to create jobs under Section 38 of the *Unemployment Insurance Act* and, if so (*a*) how many (*b*) how many jobs have they created?

2. What was the total funding involved in the Constituency?

Hon. Benoît Bouchard (Minister of Employment and Immigration):

1. Yes

   (a) 15

   (b) 76

2. $514,914

[*Translation*]

Mr. Lewis: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, this is the third occasion the House has been asked by the Government to consider changes to the Petroleum and Gas Revenue Tax Act. I am pleased to tell Hon. Members that this will be the very last time.

In September of 1984, my predecessor, the former Minister of State for Finance, was assigned the task of carrying forward a number of *ad hoc* changes to this tax which had been left over as unfinished business of the previous Government. Early the following year the Government was able to negotiate a new energy pricing and taxation deal for western Canada. This new deal, the Western Accord, began the process of healing the enormous economic and political damage done by the National Energy Program. In the Western Accord, the federal Government agreed to the general phase-out of the PGRT by the end of 1988. It also agreed to its immediate elimination for new production and a number of other relieving changes.

The amendments Hon. Members are now being asked to consider follow the spirit of that historic agreement. Hon. Members are being asked to approve legislation which will accelerate the phase-out, terminating this unpopular and inappropriate tax on all revenues attributable to production after September 30, 1986.

Let me remind Hon. Members of the political and economic importance of the legislation before us. This legislation will mark the end of the petroleum and gas revenue tax, a tax which has done more to alienate western Canada than any other single measure since Confederation. It was a tax which imposed an unjustifiable burden on the petroleum industry when it was enjoying prosperity and was threatening to strangle it in today's environment of much lower crude oil prices. My party recognized the inequity of this tax and promised in 1984 to abolish it.

The previous Government designed incentive systems which gave with both hands. It provided both income tax incentives and direct grants. At the same time, the PGRT and income tax systems were taking money from the petroleum industry with two hands. We have fulfilled our commitment to abolish this tax and we have done so in a fiscally responsible manner.

The decision to remove the PGRT immediately rather than follow the originally agreed upon schedule was not taken lightly. The decline in international oil prices had already reduced the Government's expected PGRT revenues in the fiscal year 1986-87 by some $425 million. Earlier this year the Prime Minister (Mr. Mulroney) announced increased relief targeted to small producers by increasing the small producer credit to $2 million per year. The continued slump in oil prices necessitated additional action. My colleague, the Minister of Energy, Mines and Resources (Mr. Masse), although very new to his portfolio, met with his provincial counterparts and industry representatives in August of this year. After these meetings and the assurances obtained, it became possible for the federal Government to immediately eliminate the PGRT.

The cost of this elimination is not cheap. It will cost $150 million for the remainder of this fiscal year. But it is money well spent because it will help to save the jobs of Canadians and because it reaffirms to western Canadians that this Government truly cares about their current economic problems and stands ready to help where it can. These are difficult economic times with our large deficit, but we are taking $150 million out of our own treasury in order to hasten the schedule of abolishing the PGRT.

I have spoken about why it was necessary for the Government to accelerate the PGRT phase-out. My colleagues from western Canada have pointed out on many occasions how the National Energy Program in general, and the PGRT in particular, was responsible for so much economic and political damage to this country. I would like to now bring to the attention of Hon. Members one of the less well-publicized provisions of the legislation we are considering. I would like Hon. Members to consider the treatment of the smaller corporations who receive royalty income. Many of these

corporations typify the spirit of private entrepreneurship and risk-taking which the Government is attempting to encourage. These corporations were ignored by the previous Government in the design of the small producer tax credit. They were left out.

My colleague, the Minister of Finance (Mr. Wilson), met personally in July with representatives of these companies in order to understand their concerns. This has never happened since the tax was first imposed on the country in 1981. Several Hon. Members from Alberta provided valuable imput. The result of this combined consultative effort is an amendment which will permit these smaller corporations to claim a credit against the PGRT on royalty income effective January 1 of this year. In dollar terms, the cost to the Government is small, but in human terms, the benefits are large. It will help many smaller operations through these most difficult times. It is also a concrete example of how well representative Government can function.

In addition to these two important measures, the elimination of the PGRT and the retroactive relief, the Bill contains several items of a housekeeping nature which are consequential on the removal of the tax. I will not take up Hon. Members time with details on these measures. I do, however, want Hon. Members to consider the Bill as expeditiously as possible, and I urge the committee to report back at an early date. I am pleased to tell Hon. Members that with the passage of this Bill, it will be the last time we will ever have to consider changes to the petroleum and gas revenue tax.

• (1520)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it gives me a great deal of pleasure to have the opportunity to speak on Bill C-17. I would first like to make a few comments with regard to the words of the Minister of State for Finance (Mr. Hockin) who said that the Liberal Government gave with both hands, as if that was a failing at a time of downturn in the energy sector. It seems that the present Government is not giving at all but merely taking away with both hands.

Members of the Government talk about doing away with the petroleum and gas revenue tax, a measure which will cost the federal Government $150 million. They say it as if they deserve a pat on the back, when they are really just giving back to the oil companies their own money. It is of small comfort to the energy sector which is undergoing the difficulties it is undergoing at the present time.

The Bill states that no petroleum and gas revenue tax will be payable with respect to revenues and royalties attributable to production of petroleum or gas after the end of September, 1986. I think that is a good provision. The Bill also implements tax relief for oil and gas producers, something which was announced earlier by the Prime Minister (Mr. Mulroney). The legislation also exempts the PGRT up to an amount of $1.5 million in terms of royalty income earned by corporations, a measure which was announced on September 17. This provision has now been broadened to include individuals who earn up to the same amount of money.

Our Party would not have chosen to give top priority to doing away with the petroleum and gas revenue tax. We felt, and we still feel, that the major need in the energy sector right now is in terms of small producers. These are the people who are vulnerable. In times of a downturn in the energy sector we must not only deal with making life more comfortable for oil and gas companies but we must deal with their very survival. The problems now being experienced by the small producers could be critical to a great many.

It has been said that these small producers brought on their own problems, that they took advantage of the upturn in the economy when things were booming and that they went out and spent. That is not completely true. Of course some did that. Perhaps others spent unwisely or a little too much and became over indebted to the banks of the country. However, a great many companies in the oil patch in difficulty right now are companies which have been in business since as early as the 1930s. They are family businesses, businesses in which the presidents, chairmen and senior executives know all their employees on a first name basis. They know the families of these employees and are often on good terms with most of them, not only in a business sense but in a social sense as well. One can imagine the heartache caused to these managers and executives when they must cut back on employees whom they have had for as long as 20 or 25 years. I ask Hon. Member to imagine being in the position of knowing employees as these people do, and their families, and having to put them on the unemployment rolls. It is not an easy thing for these people to do. It is unfortunate that it has to be done at all. That is why we in the Liberal Party say that priority must be given to helping these small companies.

Most of these small companies are Canadian companies. If the Government feels, as it says it does, a certain sense of urgency and priority toward the principle of Canadianization, then we must protect these Canadian companies. This is Canadianization where it counts most, in the sector which actually produces oil and gas, where it is most important to our economy and to the whole theory of Canadianization.

Most of the beneifts which will accrue from doing away with the petroleum and gas revenue tax will go to the 10 to 15 largest companies, including the multinationals. However, a great many benefits will accrue to smaller companies which put together land purchases and farm them out to larger companies under a drilling contract for a royalty share of production. By doing away with the petroleum and gas revenue tax we will be helping a certain number of small companies, which is why our Party does not oppose this Bill. Because of the difficulties which exist in the energy sector right now, even though the programs which we think would be the most helpful have not been put in place, we will not vote against a Bill that will be of some help. The fact that we can give something to this hard-pressed sector is of tremendous importance.

What will flow from this legislation and how will the provisions of it be implemented? The Minister of Energy, Mines and Resources (Mr. Masse) tells us that he will do away with the petroleum and gas revenue tax but that he will ask the Petroleum Monitoring Agency to review and check up on these companies to ensure that the money they are saving from not having to pay the PGRT will be reinvested in the economy. I see that as a kick in the teeth to the energy sector. The Government would not ask General Motors or Litton to report to the Petroleum Monitoring Agency to ensure that their money is reinvested. What the Government is saying to these companies, which it says are so important to the economy and in which it has so much trust, is that it really does not trust them. It is either that or that the Government has a deep fear of the energy sector and no respect for the major companies themselves.

We in the Liberal Party feel that there must be certain measures taken to protect the energy sector. We would not go so far as the Government has gone in this respect. However, we say that in the interests of Canadianization, and not dealing with any particular size of company whatsoever, the Petroleum Monitoring Agency should take time from looking through the keyholes of the major oil companies to see what they are doing, and to monitor and check the transfer of assured supplies of oil and gas. This is the major concern as we see it.

With this downturn in the energy sector so many of these small oil and gas companies in financial difficulty will now become vulnerable to bankruptcy or takeover, not only by major companies but by other companies as well. We saw that Interprovincial Pipe Line purchased Home Oil's reserves of oil for a mere $4 a barrel. This will be a sky-high price in a few months' time if the downturn in the energy sector continues. In a short period of time we will see proven reserves of oil being purchased for as little as $1 a barrel, if these difficulties continue.

So what can happen? If one company buys another we know that a transfer has taken place. However, if one company only buys the reserves of another there is no way of knowing that the transfer has taken place. We have no way of knowing in whose hands lie our very valuable reserves of oil and gas. So we are asking the Petroleum Monitoring Agency to check and tabulate any transfer concerning the ownership of proven reserves of oil and gas so that we will have this information which can be published on a regular basis.

• (1530)

We are in favour of the elimination of the petroleum and gas revenue tax. By doing away with it the Government has said that it is in favour of that as well. When was this measure taken? It was taken on September 8, right in the middle of a by-election campaign in the constituency of Pembina. When did the crisis in the energy sector begin? It began in the latter part of January of this year. What has changed between January and now? Nothing at all has changed. It is just that the problem has existed for considerably longer than anyone would have expected. Nothing has changed. It is just that the energy sector is still in this economic abyss into which it has fallen. The problem has existed month after month and each month it gets worse. It increases not in an arithmetic progression but in a geometric progression.

We had to suffer for practically nine months before the Government realized that something had to be done. Why could the Government have not done something earlier? Why could it not have given the energy sector the benefit of the removal of the petroleum and gas revenue tax earlier? The Government came close to doing it in August when the Minister of Energy, Mines and Resources went to Calgary to speak at a luncheon. All the senior executives of oil companies were there to listen. They all expected that the Minister would announce the end of the petroleum and gas revenue tax. However, he did not announce it. He said that he would do away with it if the province reduced its royalties and reinvested the money in the energy sector, and if the companies could agree to put money back into the energy sector. What unmitigated gall and audacity it took to say that he would give the oil companies back their own money only if they did something else. The Government did not have a heartfelt belief that something had to be done for the energy sector. It only did something for the energy sector because the by-election came along and because the Government realized it was in difficulty. It wanted to do something to win the by-election.

The Hon. Member for Pembina (Mr. Van de Walle) is present in the House today. I would like to congratulate him on his victory. The by-election was not won by the Government doing away with the petroleum and gas revenue tax, it was won by the Hon. Member himself and the campaign he waged. However, the Government did not know that that would be so at the time. It thought that this measure would be very instrumental in the winning of the election. The Government was wrong. This just shows that there is not a commitment on the part of the Government to do something for the energy sector.

We have said that we support the eliimination of the petroleum and gas revenue tax. It is something that will help the energy sector. However, we wanted as well a cash flow stabilization program in conjunction with provincial Governments. A cash flow stabilization plan is something that would be entered into by both provincial and federal Governments and would help the small producers.

I think we in the Liberal Party might have made a mistake by saying that we are in favour of the cash flow stabilization plan. Because of the vindictiveness of this Government, if another Party announces that it is in favour of a particular program the Government then feels it cannot get the credit for it. If the Government cannot get credit for it, why put it into effect? Helping people is of no importance. The only thing that is important is to get credit for the programs. We in the Liberal Party may have dealt a death-knell to the federal Gvoernment's participation in the cash flow stabilization

program by stating that we are in favour of it, thereby removing much of the possibility that the Government could take credit for the program. To heck with the people who would benefit from it.

The federal Government's neglect of the energy sector and its failure to participate with the provinces, and particularly the Province of Alberta which requested assistance through the cash flow stabilization program, will have a very serious effect on the energy sector. I cannot emphasize enough the difficulty in which this sector finds itself at the present time. It is estimated that over-all energy investments will be $900 million less than forecast last year by the Economic Council of Canada. By 1990, actual energy investments will be $3 billion less than initially forecast by the Economic Council of Canada. These are very serious statistics indicating that the industry is just hanging on by its fingernails.

What is the Government doing? It has eliminated the petroleum and gas revenue tax. We also heard some classic pronouncements by the Minister of Energy, Mines and Resources. In addition to taking away assistance from the energy sector, these pronouncements are actually trampling any hope the energy sector may have. The Minister recently said that self-sufficiency in the energy sector is on hold. What a thing to tell the energy sector now. It is estimated that in 11 years Canada will have used up all of its light and medium crude oil produced by conventional means. That means that we will have to import all of our required light and medium crude oil. What will the country do? We talk about security of supply but we will not even be able to supply ourselves with any light or medium crude unless we do something about it.

Right now Canada is a net exporter of oil even though it imports light and medium crude oil. We do, however, export more heavy oil than we import light and crude oil. This makes us a net exporter of oil, but each year we import more and more light and medium crude oil. By 1990 at the very latest, and probably as early as next year or 1989, we will be a net importer of oil. Why is this? It is because the Government is frozen at the switch. It does not know what to do. It is completely mesmerized by this problem, by the deficit and by polls. As a result, Canada's economy is fragmenting, particularly in the energy sector.

In deference to my friend, the Hon. Member for Algoma (Mr. Foster), the agricultural industry as well is at the top of the Government's neglect list. Economic crises are occurring in Canada. The only part of the country which is doing well economically is southern Ontario. This is not the Canada we all envisioned. This is absolute neglect, this lack of planning or concern for anything. Things are adrift.

• (1540)

What is going to happen if we ignore the energy sector and do not have some thought for security of supply? I am not saying that billions of taxpayers' dollars should be poured into the energy sector, but certainly prudently stated fiscal regimes for the tar sands and heavy oils in the offshore can bring on even a little more quickly than normal these other reserves, and foster the continuation of exploration, and will develop more quickly the potential of reserves that exist. It will help to prevent us from completely ridding ourselves of all our reserves of light and medium crude oil before we have something to replace them.

This is very serious and important. We are not talking about a band-aid approach here. We are talking about the long-term economy of the country. We are talking about an industry which we here in Ottawa, and governments and preceding governments, have encouraged and want to stabilize. The Government will say that it cannot spend money in the energy sector right now because the price is too low. When the price goes up things will be different. The price can go up and then the price can go down again, then we could be in the same position. If we do not level out the peaks and valleys in the energy sector there will never be any type of consolidated action.

The banks had a very difficult time in the last few years. They are going to be very jaundiced about financing additional activity in the energy sector. How will we deal with that particular question? The banks are a very important component. The only way we can deal with that concern is by presenting a program that will show that there is more confidence and stability in the long term in the energy sector.

It was recently announced by the Government that it is going to deregulate natural gas. If there was ever a misnomer it is the deregulation of natural gas. The only deregulation is in the price to the producers. Even the producer is not completely deregulated, because the poor producer has to carry on his or her back the cost of the surplus test. Prices are being rolled back on the producers.

The money that is paid to the producer is only one-third of the total that is paid at the burnertip in the household or in the manufacturing plant. A great deal of money is paid to the pipeliners and the carriers, such as TransCanada Pipelines, to carry the natural gas from the production site to the user. Once it is carried through the pipeline, then it is picked up by the distributors. The distributors are provincial public utilities. There is no control whatsoever over them by the federal Government or the National Energy Board. They have a set percentage that they are going to make. That set percentage would be at least 15 per cent more in most cases. They are not going to help the energy sector in its difficult time. We will not hear the distributors say they are going to cut back on their margin because times are tough in the energy sector. No. You will not hear that. The National Energy Board is now saying that we are going to cut back on the profitability and the intake of TransCanada Pipelines and the other pipeliners. They are not going to suffer either. Who is suffering? It is the producers that are suffering because they are going to get less for their product.

At a time when we need some cash flow and support in the energy sector the price to the producer is being rolled back. I have talked to producers who have been offered less than a

dollar a gigajoule on the spot market for natural gas. These people are only going to be working for the banks. They will not be working for themselves any more. How long can they hold on? Why is this happening? It is happening because of this Government's major fear of the word "regulation". It feels that anything to do with regulation is bad. If regulations exist, such as they do with the distributors and the carriers, then it ignores that they exist. It is blind to those regulations. This is deregulation regardless of how many regulations continue to exist.

What about the householder? What is the householder going to do? Right now natural gas is competitive with other types of fuels. It is competitive now even before deregulation. If the price of natural gas goes down substantially what is going to happen? First, it is going to make it much more competitive with respect to the alternate fuels. Do you mean to tell me, Mr. Speaker, that the provinces will allow natural gas to decrease further giving other energy suppliers an additional edge on their own public utilities, such as hydro-electric power? No, that is not going to happen. It is not going to be allowed to happen. Even though the producers are being gouged by the price they are being paid, the homeowner is not going to benefit.

What is going to happen is that the pipelines and the carriers are going to gradually increase their margin. The distributors are gradually going to increase their margin. The provinces, through taxes, are going to increase their take. This has happened already. The Province of Quebec announced an increase in its retail sales tax. The Province of Manitoba has placed a tax on the fuel used to transport the natural gas in the pipeline system as it goes through Manitoba. These are the types of things that are happening. Who is suffering? The producer is suffering, with no benefit to the householder.

What about transportation itself? Prior to this when all the natural gas was going through the pipeline, commercial natural gas was subsidizing somewhat the transportation of the natural gas that went to the retail homeowners. But now, because you have direct buyer and seller contracts, that is not possible. The total cost of the transportation of the natural gas through the pipeline system must be picked up by the householders themselves. This means that transportation costs are going to be greater. Deregulation is not going to wash. I predict very confidently that we will have an Alberta border price by the end of the spring of 1987. The situation is continuing to deteriorate.

I would ask the Government to please look at this sector again. Look at its problems to see what else can be done to help this sector along. So much needs to be done, not only in a monetary sense but from the point of view of building up the confidence of the producers in the oil and gas sector. By doing away with the adjacent border price, as was done recently, all that will result is cheaper gas going into the United States. More gas will be sold, but there will not be much more return, if any, in total revenue. The additional gas that is sold will not bring in enough extra money to make up for the reduced price of the gas per gigajoule.

Gas is being sold more cheaply to Americans than to the householders in Canada. That is not right or fair. There is a gas bubble in the United States that will soon dissipate and disappear. By selling this cheap gas to the United States we are inflating that bubble, making it an even longer sausage. The problem is that we are not going to get any more money by doing away with the adjacent border price. We are not being fair with Canadian residential consumers. We will lengthen the gas bubble in the United States, but we will put producers in a more difficult position, particularly the small ones, because they will receive less for the natural gas they sell. We are not helping them where they need help most, other than in a higher price by giving them access to the pipeline system. There is no prorating involved that would give small producers more of a chance to get into the pipeline system, thereby enabling them to sell their natural gas.

• (1550)

This is a very badly advised energy policy. Doing away with the adjacent border price has once again aroused the ire of protectionists in the United States who now think that it is unfair competition to sell natural gas in the United States more cheaply than it is being sold to Canadians.

Although we support the assistance provided by the Bill—and it is the only assistance the federal Government has given—we denounce the insensitivity of the Government in not developing a proper fiscal regime and energy policy for Canada. We further denounce the misguided programs the Government has brought into effect which hurt both Canadian consumers and producers.

* * *

POINT OF ORDER

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to an earlier understanding, I wonder whether we could revert to the tabling of documents and then statements by Ministers to allow the Minister responsible for Canada Post to table pertinent documents and to make a statement. I believe there is agreement to that effect with the other two Parties.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we have no objection to this procedure, as long as it is within reason.

I was required to ask the critic of my Party to remain an extra three-quarters of an hour to accommodate the Minister who was late in making a statement; they are normally made at three o'clock. Is the document which was given to the Hon. Member at one o'clock today the document from which the Minister will be speaking? I also ask the Government House

Leader to assure us that there have been no changes to that document, so that we do not have any surprises.

Mr. Mazankowski: Mr. Speaker, I appreciate the conciliatory attitude of the Hon. Member. He is always that way, although sometimes he may not appear to be. He is very genuine and I appreciate working with him.

Essentially the statement is the same, but there is a slight deviation which has been discussed with his critic and with the critic from the New Democratic Party. I think he will find it to be consistent with what he hears from the Minister when he makes his statement.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in the same spirit, we are certainly prepared to co-operate. However, I ask for the indulgence of the House to wait perhaps a moment or two while our critic is making his way to the Chamber. We were standing by, and he decided to slip out for a few moments.

I know the Government House Leader feels that it is in our interest to work and co-operate with each other whenever possible. I simply want to remind him, in the spirit of co-operation, that we are always prepared to do that and always have. I would ask that he take whatever steps necessary to ensure that this co-operation is maintained in other precincts as well.

For example, I hold in my hand Bill C-6, a very complicated and lengthy Bill dealing with petroleum resources offshore Newfoundland. The Bill was before the legislative committee last night. There was an understanding reached by members of the committee that the Bill would be studied beyond yesterday and, as a matter of fact, that they would not sit beyond 5.30 p.m. Shortly after five o'clock the NDP critic left for another engagement, and the member of the Liberal Party left shortly thereafter, with the understanding that it would end at 5.30 p.m. and that deliberations would continue today. However, after the two opposition Members had left the members of the committee decided to extend the hours and complete consideration of Bill C-6 in terms of its evaluation and examination.

It is that type of action which sometimes makes it difficult to co-operate when we have requests for co-operation. If that is the way government Members on that committee see co-operation and working in a positive and co-operative way with opposition Members, then we require some further discussions to ensure that the business of the House is maintained and conducted in the most business-like fashion possible.

Mr. Mazankowski: Mr. Speaker, I am sure the Hon. Member knows, as we all know, that the committees are masters of their own house and make their own rules. Whatever agreements they may or may not make are certainly within their purview.

I am not aware of precisely what happened at the committee meeting yesterday to which the Hon. Member referred. I am not aware of any undertakings or understandings which may or may not have been made. However, I can assure him that I will look into the matter.

I also want to take this opportunity to express my sincere appreciation to the House Leader of the New Democratic Party and to the House Leader of the Liberal Party for their co-operation. It is a give and take business. So far, we have been able to help each other and to work toward dealing with the issues in a manner which behoves us all as representatives of the people and with the respect this institution deserves. I am most grateful to both of them.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Government House Leader may be technically correct when he says that committees are masters of their own proceedings. However, the reality is that there is a majority on such committees of government supporters. For the Government House Leader to suggest that he is entirely without influence when it comes to government members of committees is something at which we could only smile. I suggest to him that in matters like the one involved in the legislative committee on the offshore Bill last night, he should be anxious to use what influence he has to ensure that there is fair treatment for all concerned. If that is not the case, it is bound to have repercussions in the House.

For example, in respect of the matter about which the Minister responsible for Canada Post will speak shortly, we offered our co-operation when, for reasons not yet explained, he was unable to make his statement during the time ordinarily set aside for such statements by Ministers. We also offered our co-operation in respect of the minor deviation in the text distributed in advance. However, sometimes our patience will have its limits. Therefore I suggest to the Government House Leader that he be not afraid to use his influence in a constructive manner when some of his caucus colleagues, perhaps inadvertently, forget about the elementary requirements of fairness in the proceedings of the House and its committees.

Mr. Mazankowski: Mr. Speaker, I should like to make a very short comment in so far as my hon. friend's remarks in respect of the committee yesterday and using my influence are concerned. Even for me it is very difficult to use my influence after the fact.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA POST CORPORATION

TABLING OF BUDGETARY PLANS—1986-1987 TO 1990-1991

Hon. Michel Côté (Minister of Regional Industrial Expansion and Minister responsible for Canada Post): Mr. Speaker, pursuant to Standing Order 67(2) and Section 132(4) of the Financial Administration Act, I have the honour of tabling, in both official languages, copies of the corporate plan of the Canada Post Corporation for the years 1986-91.

Mr. Speaker, said report may be referred to the Standing Committee of the House on Government Operations.

* * *

[*English*]

CANADA POST CORPORATION

PROJECTED BUDGETARY PLANS

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased to announce today that the corporate plan of Canada Post Corporation for 1986-87 has been tabled in the House. The plan corresponds with the Government's concerns for improved and more reliable postal service in Canada and the need expressed by the Minister of Finance (Mr. Wilson) in his budget speech earlier this year to achieve a financial break-even point in expenses by the end of 1988-89.

It has been developed to respond to the concerns expressed by Canadians to the Marchment Committee when that group travelled from coast to coast to re-examine the mandate and productivity of the Corporation. This committee, headed by Mr. Alan Marchment, examined the complicated problems which plagued Canada Post and presented its findings in an honest and comprehensive report less than one year ago. The Corporation has recognized the importance of its findings and will implement key recommendations in the corporate plan. The plan, Mr. Speaker, will set a date for the establishment of delivery standards for properly prepared first-class mail in line with those of the Marchment report: two days maximum for local mail, three days within provinces and four days from province to province between major centres.

[*Translation*]

Mr. Speaker, the corporate plan sets a date for the establishment of delivery standards for properly prepared first-class mail in line with those of the Marchment report: two days maximum for local mail, three days within provinces and four days from province to province between major centres.

• (1600)

[*English*]

The Corporation will also take into account in this plan the need to improve the public's access to postal services in the most cost-effective manner and will, therefore, expand on the current role of the private sector in providing these services at convenient times and in convenient locations as well. In meeting the target of balancing its operations, its operating costs and expenses by 1988-89, as outlined in the February Budget, the Corporation is required to avoid increases in the basic postal rate of the scale the public experienced in past years of the corporation's existence.

The Corporation may apply for rate increases, but in the case of the basic letter rate these increases must be justified on the basis of such factors as inflation measured by increases in the Consumer Price Index.

In order that the Corporation does not rely unfairly on rate increases, Mr. Speaker, an interdepartmental working group is reviewing now the possibility of establishing an effective neutral third-party regulatory agency that will ensure that any postal rate increases are justified.

In assisting the Corporation in meeting its financial targets, the Government has taken note of the Marchment recommendation that Canada Post should be reimbursed in full for services it provides free or at reduced rates in order to implement certain government policies. These services include the likes of free mail for the blind and the transport of supply to certain northern communities at less than cost.

[*Translation*]

Mr. Speaker, Canada Post will be reimbursed in full, so that the groups concerned may continue to benefit from the services it provides free or at reduced rates, for as long as this form of assistance is part of the Government's policies.

[*English*]

The Corporation is also expected to contribute toward keeping postal rate increases in line by reducing its spending, particularly its overhead costs and to continue improving its productivity and efficiency in all activities.

Progress has already been made in these areas by the reduction, for instance, of senior management by 26 per cent by the end of this fiscal year and operational changes, such as, color coding the mail to ensure speedy processing.

In the current fiscal year, the Government is expecting to fund the Corporation's operating deficit to the amount of $132 million as compared with $184 million last year. In the next fiscal year the amount of funding is expected to be $30 million and will be reduced to zero by 1988-89.

[*Translation*]

Since 1981, Canada Post has not invested sufficient capital to improve its facilities. Its fleet of vehicles (trucks and cars) has an average age of seven years, which we consider to be well above the normal replacement age.

So that Canada Post will have the capital it needs to improve its services—another recommendation from the Marchment Report—the Government has made provision for an increase of $103 million in funds earmarked for Canada Post for this fiscal year, and an increase of $161 million for next year.

[*English*]

In keeping with the Government's arm's length approach, the President and Chief Executive Officer of Canada Post Corporation will be holding a press conference today to explain in detail the directions and initiatives the Corporation plans. I believe that the plan developed by the Corporation's executive, in response to the clearly expressed opinions of Canadians and the orientation of Government guidelines, represents the best

balance between the need to provide improved reliable postal services and the responsibility to ensure that postal services no longer operate at a deficit.

Canadians at large as well as Members of this Parliament of all Parties have expressed considerable interest in the development of this plan. I have accordingly felt that Parliament should have a full opportunity to review the rate increase components which the Corporation has assumed in the forecast included in the plan. I am, therefore, proposing to refer this aspect of the plan to an appropriate committee of this House. I would hope that this will be done as swiftly as possible.

This balance between improved reliable service and operational break-even is a delicate one. We all know that. The corporate plan put forward by Canada Post required that all Parties concerned, shareholders, management, labour and the general public make sacrifices in order for it to succeed. The shareholder appeals to both management and labour members to work together in an harmonious effort to restore their sense of pride of Canada Post.

The Post Office Department recorded surpluses on a regular basis in the first part of this century, and other postal administrations appear capable of operating on a profitable basis today. There is no doubt that Canada Post can achieve these goals provided we support its efforts.

The plan being presented goes a long way toward restoring these values in the postal service and toward moving Canada Post Corporation in a direction that helps it meet the requirements of the future. It may require new attitudes and approaches, but I am certain Canadians will support these well founded efforts aimed at ensuring that Canada has a postal service of which we can all be proud.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, it seems that producing this summary of the 1986-87 to 1990-91 Canada Post budget plan has turned out to be a painful exercise this afternoon. We have been promised this plan for months now, and today we thought we would finally see the light. I commend the Minister for respecting parliamentary traditions and sending us a copy, but five minutes later he called to say a corrected version was on the way, but unfortunately we had a hard time finding the change. Apparently there was none. At 3 o'clock this afternoon the Minister was not feeling well, so here we are at ten minutes past four, the media are standing by, the Canada Post press conference has been delayed, and I am wondering. Maybe the Minister will have better luck next time. This is the second time. He once had problems with his Bill on pharmaceutical products and now he is experiencing difficulties with the post office. Through you, Mr. Speaker, I wish the Minister better luck next time.

After listening closely to the Minister's remarks I must say I am very disappointed because the Minister seems to think he is still on the hustings. You have been in office for two and a half years and you ought to assume your responsibilities, you are supposed to administer the country. This document is full of nice words, but nothing here gives us a clue as to what the postal corporate plan might be.

For instance, in his remarks the Minister did not say anything at all about community boxes, not a word on that, Mr. Speaker. Why?

An Hon. Member: They would rather not brag about it.

Mr. Gagliano: It says only that Canadians who already have home delivery will continue to have it. Others will have a service equivalent to or better than what is available from commercial carriers. What does it mean, Mr. Speaker? Why would the Minister hesitate to come clean and not say to people who live in suburban areas or even to those who just bought a house downtown: From now on, forget it, home delivery is a thing of the past. It is a fact. Why not admit it openly instead of pretending they will be getting improved services? Just what are improved services, Mr. Speaker?

In today's statement, the Government has just created two classes of citizens: one gets home delivery, while the other has to brave our Canadian weather to fetch the mail. And why, I ask you? Don't they both pay the same taxes? And now we have a two-cent rate increase, will people without home delivery get a discount or will the rate be the same? Why not give everyone the same service, Mr. Speaker, instead of dividing people into first and second class citizens, into people with and without home delivery?

Mr. Speaker, in the Budget Speech of February 26, 1986, we read on page 8—I'm not making this up—and I quote verbatim:

> The Marchment Committee has recommended another five years to reach the break-even point. This is not acceptable.
>
> Following discussions with the President of Canada Post, the Government has requested a new operating plan to improve productivity at Canada Post so that the Corporation will reduce its operating deficit to zero by the end of fiscal 1987-88.

Mr. Speaker, the Marchment Committee recommended that Canada Post's deficit and its corporate plan be spread over five years. As far as I can see, the only reason the Minister of Finance announced on February 26 that he wanted to reduce that deficit immediately is that he wanted to impress Canada's big corporations and the business world, since he was unable to set the Budget deficit below $30 billion. We were told after September that it would be impossible to reduce the deficit any further, and that it would actually be $2.5 billion more than forecast. That is the only reason, Mr. Speaker.

Today, Canadians are being asked to accept these cutbacks in services. This is unacceptable, Mr. Speaker, and the Minister will realize that this is so, because today, across the country, there are movements afoot to protest these cutbacks because they are unacceptable, and the Minister knows that perfectly well. He even came to my riding, where people told him that Saint-Léonard was not somewhere out in the bush! Mr. Speaker, there is a small area in that riding with 50 homes. Now what excuse is there for not providing home

delivery to 50 homes built in 1985, when 85,000 people get their mail delivered at home? How do you explain this? What kind of policy do you have? That is the difference between a Liberal Government and a Conservative Government. They are not aware of the needs of ordinary people. They took good care of bankrupt financial institutions and wealthy depositors, but the average Canadian cannot even have home delivery service. That is a fact, Mr. Speaker.

An Hon. Member: It is true.

• (1610)

[*English*]

Mr. Gagliano: We definitely do not agree with the Government's plan. We believe that Canada's postal service is an essential service and that every Canadian has an equal right to that essential service. We do not accept the Government's creation of two classes of citizens, those who receive their mail at home and those who will, from now on, have to go to the corner of a street to pick it up. That is unfair because all people pay income tax, sales tax, and real estate tax.

The postal corporation is asking for a two-cent increase in the price of stamps. The people who will not receive home mail delivery will have to pay the same price for stamps as those who will. This is unfair. I am sure that Canadians across the country will remember this. I am sure that starting tonight the Minister will hear from groups which are already planning to protest because this Conservative Government policy is unacceptable.

Some Hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, today Canadians are asking whether postal rates will continue to go up and whether service at the Post Office will continue to be cut. We did not receive a clear answer to that in the Minister's statement. However, like the mail these days, the Minister was late today. He was late because he had a struggle in his own caucus to get his plan approved. It is right that he had such a struggle because the Minister hopes to increase rates and cut service. His own caucus has put the brakes on this.

There is a difference between the statement which was distributed to us and what the Minister just said in the House. The addition was that the rate increase components of this plan will be referred to committee. I am happy that they will be referred to committee, but it was obviously the intention of the Minister to go ahead with rate increases. It is only because Members of the Government have been hearing that people will not put up with this and put pressure on him that it is being referred to a committee and that people will be spared, for the moment, a rate increase.

The plan before us is not what Canadians had been hoping for. They hoped for a blueprint for good, reliable, reasonably priced postal service. Before us we have a plan which will mean more postal rate increases and service cuts in the long run. I want to touch briefly on three aspects of this plan. The first is the process of how we got here, the second is service, which most people are concerned about, and the third is some specific things which the Minister said in his statement.

First, with regard to how we got here, the Minister mentioned the Marchment Committee Report. He has mentioned this many times in the past as a justification for the fact that he did not consult with people. He said that Marchment consulted. People have not been involved in the making of this plan. It was not done through an open process, but rather behind closed doors. That is why the product is so unsatisfactory.

In his original statement the Minister did not say what he was going to do about postal rate increases. He hinted about it but was forced to retreat from that aspect. He was trying to hide his intentions with regard to postal rate increases. He makes no mention of the Post Office's plan to spend money to try to sell the new plan to the public. How much money will be spent on advertising to try to sell this plan to Canadians?

With regard to service the Minister mentioned three things; service standards, the monitoring of them, and a neutral third party for rate increases. Like most Canadians, I am skeptical about whether the Post Office will actually live up to standards. We want to have standards established, but we want to see the goods delivered before we will have any trust in the Post Office. With regard to monitoring, it would be nice to have an objective third-party monitoring system, but what standards will they monitor and how will they go about monitoring them? The real monitors of postal service in the country are citizens. They know when their mail is on time and when it is late, like the Minister today.

• (1620)

I want the Minister to continue to review the third party mechanism for examining postal rate increases as he suggests in his plan. We want to know the scope and effectiveness of this mechanism, because if it is simply a way to fob off postal rate increases on a so-called objective body so that the Minister can remove the political pressure from implementing postal rate increases we will be stuck with deteriorating service and postal rate increases. Thank goodness that there was division in the Tory caucus and back-benchers on that side who heard from the Canadian public and were able to put pressure on the Minister to at least delay this postal rate increase and refer it to committee. I am concerned about a Minister who tries to fob off his responsibility for postal rates to a so-called neutral third party.

The Minister has failed to extend door-to-door service to the new suburban developments. He is continuing an arbitrary and inequitable approach to mail delivery. Furthermore, he promises to extend that inequitable approach to rural routes by putting super mailboxes in rural locations. Canadians want to know if this inequitable approach will be extended to Canadians in other areas who presently enjoy door-to-door delivery. When Canadians see the Minister treat people in suburban

developments in an inequitable and arbitrary fashion, they fear that the same may happen to them.

The Minister talked about reimbursing the Post Office for specific services and identified specific subsidies that go to the Post Office. That is fine as an approach, but it begins to appear that perhaps the Minister is attempting to rename the Post Office deficit and copy the American Post Office which has specific subsidies tailored in before it balances its books, in order to say it has arrived at financial self-sufficiency. It seems that this is the approach the Minister is taking so that eventually he can declare victory and say that he has won the war, while we are still subsidizing the Post Office.

The Minister also mentioned private sector counter services. We need more information about this. Does he mean more drug store Post Offices and less full service Post Offices in urban centres? He talks about reducing spending and improving productivity. Until now, that has translated into cuts in services. Is that what will happen?

The disappointment felt by Canadians as a result of the plan the Minister has put before us today is that it fails because it is not the blueprint that Canadians wanted for good service at a reasonable cost. Canadians want reasonable postal service, accessible postal service and equitable postal service. This so-called plan fails on all counts.

Mr. Deputy Speaker: As a result of the Minister's statement and the replies, today's sitting time will be extended for 25 minutes.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a Legislative Committee.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I will try to put my stamp on this debate. I am about to deliver a long speech on the Petroleum and Gas Revenue Tax Act and on the deregulation of natural gas.

I notice that when I speak on the deregulation of natural gas people tend to yawn, as their eyes glaze over. Indeed, I do that myself, in spite of the fact that this is one of the most important subjects in Canada that deals with regional issues in many ways similar to the CF-18 contract, where there are producers in one part of the country and consumers in another. It is an old Canadian problem of regionalism and trying to satisfy diverse regional interests.

This Bill eliminates the petroleum and gas revenue tax which was implemented as a result of the old Liberal National Energy Program. This tax was put on right at the wellhead rather than being a tax on profits. Oilmen said that this was a unique tax which did not apply to other resource industries where taxes were levied at the profit stage rather than at the wellhead.

The Province of Alberta almost declared a war over this tax by turning off the oil pumps that supplied eastern Canada. Peter Lougheed, the former Premier of Alberta, was called the blue-eyed sheik as a result of his response to the petroleum and gas revenue tax. He thought this was a provincial responsibility, not the responsibility of the federal Government, because it was a royalty, or tax, on the resource itself which provinces are allowed to impose under our system. He said that the federal Government had no business implementing this tax because it was not federal jurisdiction. The premier and the industry were upset about this tax and a seven-day debate ensued in the House, which I will discuss later. We soon forget that interesting period of energy wars, yet we may see it again in the future.

In spite of the criticism of the tax, it collected a lot of money from the oil industry which would rather find a way around paying tax. For instance, Shell did not pay any federal income tax in one year because it could reinvest all of its profits. Ordinary working Canadians pay taxes from their paycheque but sometimes the big oil companies can escape paying tax. However, the industry did pay a lot of money through the petroleum and gas revenue tax and that is why we are having this debate today. The Government indicated that it would phase out the PGRT in its so-called Western Accord which was entered into in 1985.

There has been pressure from the industry and the Government of Alberta as a result of the disaster in the industry out west from the drop in world oil price from $30 a barrel to $15 a barrel. There has been a shakeup in Saudi Arabia with the replacement of Sheik Yamani. We will no longer see a Canadian Prime Minister dance "sheik to sheik", as the Hon. Member for St. John's West (Mr. Crosbie) once said.

The dramatic decrease in the oil price has brought on a crisis in Alberta, which produces most of the oil in Canada. It has called for help and one of the ways to assist the people and companies in Alberta is to eliminate the petroleum and gas revenue tax immediately rather than phase it out. That is the purpose of this Bill.

We in the New Democratic Party support the Bill, but we have some real concerns. I do not believe that it is really the answer to the problem of the oil companies. I have been the energy critic in my Party for six years now and have seen the ups and downs throughout the National Energy Program. I have learned certain things as a result of watching this happen, which I will talk about later. This Bill is not the answer. It is

just a disaster bail-out which does not really reach the Canadian producer in Alberta, who is the one we should be trying to reach. The Canadian producer really needs help, and it concerns me that in the weeks and months ahead there is a real danger that many Canadian producers could go under. The progress we have made is shared by all three Parties. I want the Conservatives to be honest when they talk about the National Energy Program and I will be honest when I talk about them. All three Parties, including the Conservatives, supported Canadianization of the industry. We have different ideas and philosophies about Canadianization but we all supported it. To put it broadly, we thought that Canadian companies, whether public, private or mixed, in many ways would serve the interests of Canada better than having a vital and strategic resource such as oil controlled by outsiders, and I will not put it any higher than that. I am afraid we are in danger of losing the progress we have made towards more Canadianization in the industry.

• (1630)

The National Energy Program wanted to have 50 per cent Canadianization by 1990. I think it succeeded. We are up there. But to have 50 per cent of one of our most crucial industries controlled by ourselves is no great shakes. Perhaps we should have more. Perhaps our goal should be higher. Certainly, if our Party were in power we would make the percentage of Canadianization higher.

I do not believe this Bill will solve the problems of the western Canadian oil industry because I feel the only thing which will solve the problems of that industry will be higher prices. Oil prices are too low. It is as simple as that. What is needed is justice for the producer and for the consumer.

[*Translation*]

Mr. Speaker, this Bill is not going to solve the problems facing the oil industry in western Canada. What we need is a policy which is fair to producers and consumers alike. For producers, it means a good price; for consumers, it means a competitive industry selling its oil products at a fair price.

[*English*]

Let me try to explain that in a little more detail. I think we have to be fair to the producer and to the consumer, and that means that when the prices are going through the roof, as they were a few years ago when OPEC under the former chief, Sheikh Yamani, pushed the oil prices up dramatically, the Canadian Government puts a ceiling on the price. So Canadians paid less for their gasoline than the Americans. That was given justice to Canadian consumers because it is our resource. But Canadian producers paid a price. They would have received artifically higher prices, forced up prices, but higher prices nevertheless. But they lost money, although when they exported oil, they did get the world price. Now that the price is going through the basement, what a fair Government would do is to put a floor on that price. My Party has advocated that. My Leader, the Hon. Member for Oshawa (Mr. Broadbent), advocated it in Oshawa and in Calgary. One can criticize us for the policy, but please do not say we are inconsistent, because when prices were going through the roof we said: "Let's have a made in Canada price".

In order to get the body politic—and in Canada that is often defined as the consumers in Ontario and Quebec—to accept it, it seems to me we have to do something in return. What we have to do is to ensure there is fair competition and the lowest possible prices at the pump level. We do that by changing the situation we have right now. We have a monopoly, an oligopoly, really, of a few producers who control these large companies, including Petro-Canada, who are integrated. They control the refining and the wholesaling of gasoline. The small independent person who sells gasoline is struggling to compete and sometimes he can get frozen out by various methods so that prices are forced up. Sometimes, and we saw it happen over the past year, when there is a decline in the world price for oil, it is not passed along so quickly to the consumers. I want to underline that. The small Canadian firms, the producers, are the ones with the real problems right now because their price has gone down so much. The large integrated oil companies can survive because they have what we call "the downstream". The upstream is the drilling for oil and producing it. The downstream is the selling, the refining, wholesaling and marketing at your corner gas station. In the downstream, the companies are doing all right. *The Calgary Herald* on October 29 published a story by Peter Morton. The headline reads: "Integrated firms' outlook brightest", and I will quote it in part:

> The third-quarter results (of the integrated companies) were excellent relative to what others were experiencing.

Integrating means produce, refine, wholesale, retail, and that would be companies like Shell, Gulf, Texaco, Imperial and so on. And this was said by Phil Swift from Deacon Hodgson Inc., which are investment and oil analysts. He went on to say:

> Among the integrated companies, Imperial Oil Ltd., Shell Canada Ltd., Texaco Canada Ltd. and Husky Oil Ltd., all reported increases in downstream earnings.
>
> Most of the integrated oil companies were showing sharply higher earnings from refining and marketing operations because of the 90-day lag between crude oil supplies and refining output—

So in fact they were doing all right. I have another article from *The Toronto Star* on October 24, 1984. It reads: "Shell post gains after East Coast pull-out".

At the end of the article the President of Shell described the results as encouraging. He said that in view of the depressed oil price environment and the exploration write-off, the drop in resource profits was partly offset by some restoration of oil products results. That means refining and selling the gasoline and oil for automobiles. *The Globe and Mail* on October 29 said: "Imperial Oil's downstream profit in the last three months was $90 million compared with $16 million the year earlier and $93 million for all of 1985".

What is happening in Canada is that the large companies are squeezing the downstream and making money so they can

cover their behinds in the upstream at the expense of Canadian consumers. I can understand that. But the small Canadian companies in Alberta, which are the companies that get off their behinds and do the most exploration, do not have this lucrative downstream where they can milk the consumer. They only have the upstream, that is, the selling of crude oil and, of course, they have to sell at world market prices which are dramatically declined. That is why we have a problem in the oil industry. That is also why, incidentally, when Canadians drive in the United States, they are shocked by how low gasoline prices are. There are two reasons for our higher prices. One is that we have more tax, which does not tell the whole story. The second reason is that we have what is called an oligopoly. This is a big word which only the Minister of Transport (Mr. Crosbie) will know. It means that a few companies, about four or five, including Petro-Canada, control the refining and the marketing. The Government did not make it easy, by the way, by closing the refinery in the east end of Montreal.

[*Translation*]

This is why gas prices are high, and another reason is that the Conservative Government shut down the Montreal East refinery, and the New Democratic Party believes it was a mistake. This is why Canadian drivers, both men and women, have to pay more for their gas. Driving down to Vermont or New York, for example, one can see that gas prices are not the same.

• (1640)

[*English*]

I wish to suggest that what we need is a made in Canada oil price. It has been suggested by the small producers in Alberta that the Government should give them $20 per barrel for 500 barrels, the difference between that and the world price which may be even $15 per barrel, and they will pay the Government back in the future. It seems to me this is a measure which the Minister of Energy, Mines and Resources (Mr. Masse) could have brought in. It is something which could have been considered. It could be something of a stabilization program. However, as the Liberal Member who spoke on this Bill said, perhaps the Opposition has used that word before. The Government could call it something different. It could be called a Conservative energy program, which could give a break to these small producers.

Getting rid of the petroleum and gas revenue tax will provide some relief to some companies. However, by and large, the relief will be provided mostly to the bigger companies and not to the small Canadian producers. This is the flaw in the Government's policy.

There is also a flaw in the Bill. I do not think I can put forward an amendment which will make any difference. However, I will share with Hon. Members what I think the flaw is. The Minister of Energy, Mines and Resources announced in a press release on September 8, 1986, that the Government of Canada will eliminate the petroleum and gas revenue tax effective October, 1986. It is stated in the news release:

> Mr. Masse said he had their assurances that the PGRT savings would be reinvested in exploration and development activity.

I ask Hon. Members, if they controlled an oil company and received a big saving what would they do with the money? Would they use it to pay off their debts? Would they use it to buy up some small Canadian oil companies? Some of these small companies are desperate. In fact, one of the companies in the association of small producers recently announced its bankruptcy. The Alberta company of the Leader of the Liberal Party has just announced its bankruptcy. These small pools of oil can be bought from these companies at $15 per barrel or less. Why reinvest by going into the ground? This is the flaw in the Bill. The money could be repatriated. For example, Imperial Oil could give it back to Exxon. Shell could give it to Texaco. Mobil could send the money to New York. One must watch that the money that we are not taking from the oil companies as a result of eliminating this tax is reinvested. The companies may take the money and run, if I can put it that way.

I have in my hand a release issued by IPAC on the same day as the Minister's release. IPAC is the Independent Petroleum Association of Canada which represents medium-sized oil companies. These companies state that they are pleased, of course, that the Minister removed the tax. They see it as a positive first step in a sequence of events that will restore viability and investor confidence in the oil and gas industry. The association's spokesman is Mr. John Howard, Chairman of IPAC.

Members of the oil industry are famous for saying: "Just give us this". Once they are given that they then say: "Give us this, which is a good second step. Now go to the third step". First, they wanted to get rid of the PGRT; they got that. They now want the royalties reduced; they got that too. They will then want something else. They will lobby for tax changes. They never get enough. My heart bleeds for these poor oil companies.

The Chairman of IPAC stated in his release:

> My discussions with our member companies indicate that the bulk of the money saved by the elimination of the PGRT will be reinvested in the industry . . . The industry response to the Western Accord in 1985 supported the position that most of the PGRT money saved will be reinvested.

Just wait one minute. The Minister of Energy has reassurances that PGRT savings will be reinvested. We now see that the industry says that "most" of the money will be reinvested. This will be determined by whom? Who else but the oil companies? There is nothing in the Bill which states that a company cannot just take the money and run. There is nothing that states that it has to be reinvested in the industry. What I am saying is that if we look at the situation of the industry we will see that there are a great many factors which may go against it in terms of reinvesting this money. It may not want to reinvest the money in exploration and development. That is the real flaw in this Bill.

The Minister says that it will be monitored. I do not know how the monitoring will take place, and I do not think it will be particularly effective. I have talked about the money that the integrated oil companies are making in the downstream and that the small producers are suffering.

I would like to read into the record an editorial published in *The Toronto Star* dated September 10, 1986. I think it is worth-while citing. It states:

No wonder Calgary oil executives clapped approvingly on Monday when federal Energy Minister Marcel Masse told them that the Petroleum and Gas Revenue Tax (PGRT) would be lifted effective Oct. 1. Masse was answering the prayers of Canada's oil giants—including multinationals such as Imperial Oil, Shell and Texaco—just when depressed international prices are pinching industry pocketbooks hard.

There can be no doubt which companies will benefit most from the Government's decision to accelerate by 28 months its plan to phase out the tax—at an estimated cost of $1.5 billion to the federal treasury. They are the biggest oil companies, the firms that make up the Canadian Petroleum Association, which lobbied heavily for the tax break and whose members account for 90 per cent of Canada's oil production, 76 per cent of the industry's workers and 80 per cent of PGRT revenues.

Yet these recipients of Ottawa's largesse aren't necessarily the neediest oil companies. As the Senate energy committee warned recently, the most distressed producers are the smaller, mostly Canadian-owned firms, which "drill the majority of Canadian oil wells" and are "more efficient than the larger companies at finding and developing small oil pools."

We don't argue with the need for Ottawa to assist the hard-pressed West in general or the oil industry in particular. Indeed, we have editorialized in favour of such assistance. But in scrapping the PGRT, the Tories are employing a shotgun when a rifle would have been preferable. Instead of targetting federal aid through loans or grants for individual firms and frontier energy projects, the Government has chosen to grant a broad tax break that will benefit the biggest firms most.

That was an alternative. The Government could have targeted loans or grants. It could have gone to frontier energy programs and even encouraged them. The editorial continues:

And the Government has failed to obtain firm guarantees that the resulting windfall will be spent on exploration for and development of new sources of oil and natural gas. Instead, the industry is given only bland assurances that it will re-invest the tax savings properly. But what's to stop the multinationals from using the money to buy up struggling Canadian oil firms at fire-sale prices, thereby undermining the longstanding goal of Canadianization, or from making non-energy investments that won't add one barrel of oil to our dwindling reserves?

Not the Progressive Conservatives, who cling to free-market ideology when there is no free market in oil, just a market manipulated by the Saudis and their allies.

• (1650)

Hon. Members might ask what I would do about this. I believe I have already said that the answer is that we need higher prices targeted by a stabilization program that would benefit the small producers and could be paid back later on as world prices rise. I do not know how much time I have left to speak but—

Mr. Crosbie: Too long.

Mr. Waddell: Too long for the Hon. Member for St. John's West. At least he is listening to my speech. I hope he is learning something.

Mr. Crosbie: I'm the only one here listening.

Mr. Waddell: We will be hearing from many Conservative Members who will talk about the National Energy Program. I can just smell it coming. They are going to talk about how the National Energy Program of the Liberal Party destroyed the Canadian West. I can almost make that speech myself.

I would like to point out a couple of things for the benefit of those Hon. Members. We are dealing with a new reality. We are dealing with now. Let us deal with the situation out West as it exists now. Second, there are many myths about the National Energy Program. One such myth is that it was not popular. In fact, it was very popular in Canada. All the polls taken showed that it was a popular program except in certain areas.

Mrs. Sparrow: Oh?

Mr. Waddell: I am sorry, the oil industry in Calgary is not Canada. It is an important part of Canada. All parts of Canada are important. However, the oil industry in Calgary does not make up the majority of Canada. We should be careful when we hear that the program was not popular. All the polls taken showed that the program was popular and that the expansion of Petro-Canada was incredibly popular and is still popular.

The second myth is that the NDP supported the Liberal Party in the creation of the National Energy Program. We did not support the Liberals.

Mr. Siddon: You're still supporting them. You're arguing for a thing of the past.

Mr. Waddell: That is a great myth. If Hon. Members want to live myths, that is fine, but it will not help us deal with today's problems. The Hon. Member should know that. He was a Member of the House at that time. I would draw his attention to the debate on Bill C-57 which was held in May of 1981. At that time, I and the Hon. Member for Etobicoke Centre (Mr. Wilson) moved the various motions necessary to delete the Petroleum and Gas Revenue Tax Act from the provisions of Bill C-57. My motion was identical to that of the Hon. Member for Etobicoke Centre. It was voted on simultaneously and was defeated by a vote of 118 for the motion to 124 votes against.

Bill C-57 itself was passed a few days later by a vote of 132 to 84. The NDP voted with the Conservatives in their unsuccessful bid to defeat the Bill.

Mr. Siddon: Why are you still speaking for Mr. Lalonde?

Mr. Waddell: Why am I still speaking for Mr. Lalonde? The fact is that we said that the NEP was flawed because it would shift exploration away from the western sedimentary basin—

Mr. Siddon: That's what we said too.

Mr. Waddell: It would take it to the frontiers at incredible costs. We acknowledged that there had to be some incentives to explore in the frontiers and that the program had to be a national one. We said that the PIP grants would be incredibly costly, and it turned out that they cost $7.3 billion.

Mr. Siddon: Now he's talking the right way.

Mr. Waddell: That expenditure resulted in a limited amount of Canadianization. We objected to the PGRT because we felt that it was really a provincial royalty. Westerners understand that it is not really a federal tax but is more like a provincial royalty.

Mr. Siddon: Sounds like double-talk now.

Mr. Waddell: I invite the Hon. Member to check the record. We also said that the National Energy Program would damage co-operative federalism. I suggest that the Hon. Member read House of Commons *Debates* of May 28, 1981. At that time, the Hon. Member for Yorkton—Melville (Mr. Nystrom) made that very point. Our finance critic, Mr. Bob Rae, made the same point and said we needed to help small Canadian oil companies. We argued against the Bill when it was before the House. We said that the PGRT would hurt western Canada. Western Canada was hurt by the National Energy Program but it was also hurt by a world recession which occurred at the same time.

This is where Conservative Members are the most vulnerable. I hope they will not rise and give us this rot about the NDP supporting the National Energy Program. They should study the votes and look at the facts. We do not agree with Conservatives. Obviously we differ. At least Conservatives are not like Liberals. We know where Conservataives stand and we honestly differ with them. We share the goal of Canadianization but Conservatives believe in doing it through private companies. We believe in doing it through a mix of public and private companies and we believe in using Petro-Canada as an instrument of Government policy.

We believe in Canadianization. With $7 billion, we could have Canadianized the industry much more quickly. In fact, we could even have bought some oil companies for $7 billion. However, we do not believe in a completely nationalized oil industry; we believe in a mixed industry. We believe in trying to let western provinces develop the oil industry so far as they can, but there must be a national energy policy because it seems to me that Conservatives kid themselves if they believe in the free world price of oil and the free market for oil.

In committee the other day, the Minister of Energy, Mines and Resources (Mr. Masse) spoke of the free world market price for oil. The fact is that no energy analyst believes any longer that the market is not controlled. It will be controlled by a cartel like OPEC which shot the price of oil up twice in the last 15 years or, previous to that, by the multinational oil companies which controlled the price through oligopolistic practices, anti-competitive practices and control of production or by the state. In a sense, it was inevitable that the National Energy Program should use the state to try to control one of Canada's most vital resources, namely, oil.

I predict that if it goes on for long enough, the Conservative Government will have an energy program as well. It cannot entrust the energy sector to the so-called world market. I suggest that any energy analyst worth his salt will tell Conservative Members that there is no real free market for world oil. Let us not hear the free market argument in this debate.

I would like to say a word about the deregulation of natural gas. The deregulation of gas was announced for November 1 as part of the energy accord signed by the federal Energy Minister and the Energy Ministers of the producing provinces, Saskatchewan, Alberta and British Columbia. I believe that accord was signed in July of 1985. There have been problems with deregulation of gas. There was an announcement by the Minister of Energy, Mines and Resources last week which I called short-term gain for long-term pain. I do not know where I borrowed that expression from, but I have heard it before in the House. I think it was changed a little bit.

• (1700)

An Hon. Member: Mr. Crosbie may be the culprit.

Mr. Waddell: Maybe I see the author over there. I will put my mukluks on and ask him.

Mr. Crosbie: Why don't you stuff them in your mouth.

An Hon. Member: It was the NDP.

Mr. Crosbie: The gang that couldn't shoot straight shot down my mukluks.

Mr. Waddell: He says "the gang that couldn't shoot straight". We managed to shoot down his Conservative Government all right. It didn't take long.

The problem, Mr. Speaker, is this: This deregulation of gas is supposed to be cheap gas for consumers in eastern Canada. The fact is that they are going to get some gas a little cheaper, but not $20 off their bills, as the Canadian Press story out of Calgary stated. They will get it a little cheaper, but in the long run they are going to pay more. The reason is the Minister announced this week that he is going to get rid of the surplus test for gas. We had a 25-year surplus for gas, and now it has gone down to a 15-year surplus. The National Energy Board looked at it and changed it to a 15-year surplus. Lo and behold, the Minister is now trying to get rid of that surplus. That will mean that we will export like mad our natural gas that we now have to the American market at cheap bargain basement prices. The industry will want to do that because they need money like mad. The result will be that we will sell that gas cheap, gas which costs a dollar a thousand cubic feet to find. After we have used all that sweet, cheap gas in Alberta, we will then have to go into the foothills and into the more difficult places to get the gas. It will cost five times as much, therefore, the consumer may pay five times more. It

may not be quite five times, but may be it will go up from $6 a thousand cubic feet to $15 a thousand cubic feet. That is the short-sightedness of this program.

The other problem is that it is going to hurt the small Canadian companies, because they will not have enough money to go and explore for that more difficult type of gas, which costs more money. The big oil companies will be able to get back in there and get a greater share of the exploration.

As well, it has allowed Canadians the opportunity to get rid of the border price. That means that Canadians should not pay more for Canadian gas than Americans living in California who are heating their swimming pools in Palm Springs, or running their air-conditioning, who will be paying less for Canadian gas than Canadians in other parts of the country.

I draw your attention to the 1984 Conservative campaign handbook, at page 44, which states:

> We will adopt market-sensitive pricing for exported natural gas, while ensuring that Canadians always pay less than their American neighbours—

They have gone back on another campaign promise. We are really seeing a problem in the sense that we are exporting like mad our gas and our oil at cheap prices and then we will find down the road that we will be short. It is a stupid person that sells out Canadian resources at bargain basement prices for a cheap buck and forgets about the future. That is short-sighted.

My House Leader made a reference to the committee. I wish to tell the committee members who passed a Bill, in my view in breach of a promise to conclude their meeting at a certain time, that they should understand how Stalinism works. The way Stalinism used to work was that Stalinists would lobby to get on a committee. They would get on the committee and then they would ask for a minority voice in the committee. They would get a minority voice, maybe two people out of a five member committee, and then they would ask for a majority. As soon as they got the majority they would close down the committee. That is Stalinism. They should have a look at what they did after making an agreement and then, as soon as the Opposition is gone, breaching the agreement and going through a Bill that we were going to pass anyway today or tomorrow. When you cannot trust the word of western Canadian MPs, you have really hit a new low. But I hope we can remedy that.

An Hon. Member: If you keep defeating NDPers.

Mr. Waddell: You will be gone next time, my friend. Take a look at Pembina.

I will conclude by saying that we will not oppose this Bill. The Bill is a bit of a desperation attempt to help an industry that is in trouble. It may be helping the wrong part of the industry. It does not help the small producers, and it does not make sure that the money that it gives to the industry is going to be spent for drilling and finding more oil. They may just take the money and run. I think that we need other proposals from this Government and I urge them to bring them forth. They should start with a stabilization plan for the small producers and give them a decent price for their oil. Eastern consumers will buy that if it is a fair deal. If it looks fair to the East and to the West, they will buy it.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, it is a particular honour for me as an Albertan to speak in support of Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal the Petroleum and Gas Revenue Tax Act.

This legislation will mark the end of the petroleum and gas revenue tax, which was a discriminatory, unfair, front-end, well-head tax that did more to alienate western Canada than any other single measure since Confederation. Why was the petroleum industry singled out in Canada to bear an unjustifiable burden? I can tell you why, and Marc Lalonde has admitted it. The Liberal Government did not want to see the West gain strength and thereby achieve financial independence. He wanted westerners to be second-class citizens. That is unfair, unjust, and discriminatory.

I will sit down now, Sir, as I believe that you have a messenger, and I will continue later.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend the Right Honourable the Deputy to Her Excellency the Governor General in the Senate Chamber, His Honour is pleased to give, in Her Majesty's name, the Royal Assent to the following Bill:

> An Act to amend the Income Tax Act—Chapter 44, 1986.

• (1710)

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal

the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, as I was saying earlier, it is a joy for me as an Albertan to rise to speak to the total elimination of the PGRT.

Why was the petroleum industry singled out to bear this unjustifiable burden? Marc Lalonde has admitted that the Liberal Government did not want to see the West gain strength and thereby achieve financial independence. He wanted westerners to be second-class citizens. That was unfair, unjust, and discriminatory. One industry in Canada was singled out to bear the burden of this well-head revenue tax which could not be deducted for income tax purposes. It was a tax on a tax. The previous Government was taking money from the petroleum industry with two hands.

Last April, along with my Alberta colleagues, I visited with the previous Minister of Energy and received agreement that the PGRT had to go. This was followed by visits and consultations with the Minister of Finance (Mr. Wilson). When I drew to his attention the disastrous situation for producing provinces and the total unfairness of this specific tax on one industry, an industry which was suffering dreadfully due to international world prices, the infamous tax was terminated, not just phased out.

I have not forgotten the deficit. We must support deficit reduction. It is the priority goal of the Government. We cannot leave this heavy debt load on the shoulders of our children and grandchildren.

In September, 1984 when the Conservative Government was elected, the forecast deficit was $38 billion and growing. In two years the Government, under the excellent direction of the Minister of Finance, will have the deficit reduced to $32 billion. Interest rates are down almost four full points. Inflation has levelled off at 4 per cent. The unemployment rate is now at a single digit figure. These are remarkable accomplishments, but there is much more to be done in this area.

I want to return to talking about small explorers and producers, the one, two and three man companies which use royalty income for cash flow. Royalty income has always been considered by many as a passive income not used for activity. How wrong that is. Activity is exactly where it is used. These small companies have that great spirit of the entrepreneur. They are the risk takers. These companies were totally ignored by the previous Government. Alberta MPs put the facts about the small producers before the Minister of Finance (Mr. Wilson). We explained their dilemma and how the situation could be rectified. The Minister announced in mid September that these small producers would receive PGRT relief on the first $1.5 million royalty income retroactive to January 1, 1986.

PGRT taxed revenues, not profits. PGRT taxed one region of the country in order to subsidize exploration elsewhere. PGRT provided $10 to $10.5 billion in revenue to assist frontier exploration through the PIP grants.

PIP grants provided up to 80 per cent of the costs in the frontier for exploration. It depended upon the COR content of the company, that is, the Canadian Ownership Rating that a company had. According to the percentage you had, you could get up to a maximum of 80 per cent of costs written off. This forced or enticed Canadian companies that could ill afford it into the frontier, not based on geology, not based on economics but based on giveaway PGRT dollars. Western Canadian producers supported the frontier action, but no additional production has been achieved. Let me correct that because Amauligak in the Beaufort did produce some 300,000 barrels last summer, which oil was shipped out and sold to Japan. That was a pilot project and although closed down today, I must add that the Beaufort has great potential for future development and production.

Back to the PGRT and the PIP grants, Mr. Speaker. Western producers have paid some $10 billion in PGRT since its inception. PIP grants cost $7.2 billion. It is easy to see that western producers subsidized all the frontier exploration. Self-sufficiency and security of supply are Canadian issues, a Canadian responsibility and, therefore, should really be paid for by all Canadians.

• (1720)

This PGRT tax was introduced unilaterally by the Government of the day in October, 1980, a unilateral decision totally unacceptable to my Government. We believe in consultation with industry and with provincial Governments. National reconciliation is a must. But without consulting the provinces, the Grits, who did not have an elected Member west of Winnipeg, implemented the blatant revenue grab along with a made in Canada pricing regime. The National Energy Program contained many new taxes designed to bolster the federal coffers while reducing the provincial share and the industry's share of resource revenues.

In June, 1985, we moved to deregulation of oil. This came about by the signing of the Western Accord in March, 1985. It has worked extremely well and the western producers as well as all Canadians are very pleased.

On November 1, 1986, we moved to deregulation of natural gas. There are two major concerns here: the regional reference border price and the export surplus test. In the statement of the Minister of Energy, Mines and Resources (Mr. Masse) last Thursday, he addressed these two concerns. We must allow export licences in order to create cash flow and cash flow creates activity and future security. It is very important that we monitor this regional reference border price and that we allow gas exports. We can monitor and check on them twice a year, and if there is some sort of problem in that area, the National Energy Board or the ERCB within the Province of Alberta can certainly address the issues.

Last week the Province of Alberta made a statement. I congratulate the province for it. The Premier of Alberta and the Energy Minister announced a $1 billion assistance package intended to strengthen the viability of the energy sector, to

stimulate activity and investment, to create jobs and thus contribute to Canada's energy security. The package contains three components: help for producers, royalty reductions and royalty holidays. Western Canadians have been living under the National Energy Program for too long. In 1980 and 1981 living in Calgary I saw the exodus of drilling rigs. Drilling companies had three choices. They could move their rigs out of the country and find work elsewhere; they could stack the rigs and gain no revenue; or they could go belly up. We lost 30 per cent of our rigs and we lost 30 per cent of our human resources. This was a totally unacceptable situation. Obviously there was no exploration to find a replacement for the oil and gas being utilized.

Now we have the Atlantic Accord signed in February, 1985, and the Western Accord of March, 1985. We have deregulation of oil, and we are moving in the area of deregulation of natural gas. As I said, the Minister stated that he would look into the regional reference border price and monitor it. I believe the National Energy Board will be reviewing the surplus test, the 15 reserves to production. For security of supply, Mr. Speaker, the surplus test will not work. We need long term contracts. We need activity. The National Energy Program has gone. We have nailed it shut.

May I conclude by saying that working together through consultation, we can and we will build on the greatness of Canada not only for today but for the future.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member for Calgary South (Mrs. Sparrow). According to the Hon. Member and her Party when in opposition, all the problems of the energy industry were created by the then Liberal Government which was responsible for the National Energy Program that destroyed the industry and led to the exodus. The people of Canada were not told that the problems which developed then and which have got worse since were caused by the calamitous drop in the world price of oil. We were told by the then spokesperson for the Conservative Party, the Member for Vancouver Centre (Miss Carney), who was for some time the Minister of Energy, that all we had to do was just to get rid of the National Energy Program, just to get rid of regulation, that the free market would work and that we would have 200,000 new jobs in the energy industry in Canada. But what do we see, Mr. Speaker? We see 50,000 layoffs in Alberta. We see the industry virtually shut down off the Atlantic coast. We see virtually no activity in the Beaufort. That is what happens when you leave everything to the free market. I do not blame the companies. They do not see any profit in the next few years and they will not invest their money.

When will the Hon. Member face up to the fact that the free market may work fine for the companies and even for Government when the price of energy is high, but it just does not work when the price of energy is low? Maybe what we need, if we are going to protect ourselves for a few years down the road when the price of energy is high again, is Government intervention. Maybe we need a floor price. You cannot have that if you really believe in the free market. That is what we really need. Some of the independents in Alberta, who used to be great champions of an absolutely free market, are beginning to see that. I wish the Member would give some thought to that idea. In the United States they never had a NEP under the Reagan administration and the industry there is just as much in the doldrums as it is in Canada.

• (1730)

Mrs. Sparrow: Mr. Speaker, I would first like to review some history. The National Energy Program was introduced in October, 1980. At that time the PGRT was 16 2/3 of the wellhead. It was a front-end revenue tax and it destroyed the industry. Rigs left and there was very little activity. That was caused by a front-end tax which was used to fund offshore exploration. Offshore exploration for security of supply is a Canadian problem and should not rest on the backs of the producers in one industry. I am not advocating that hydro electric power companies should pay a front-end revenue tax on every kilowatt they sell. I am not advocating that every tonne of coal should have a 12 or 16 per cent front-end tax. I do not think any of that is fair.

The downturn which started in 1980 was due to the National Energy Program. Companies cut back to the bare bones. They had to lay staff off and cut wages. During the election campaign in the summer of 1984 the Progressive Conservative Party said that there would be no Government intervention in the oil industry. We believe in the free market system. At that time the oil price would have been between $30 and $40 U.S. a barrel, although I would have to check those figures because the price has been fluctuating so much. The Conservatives were elected because we said that Government would get out, there would be no regulation or intervention.

We got rid of the PGRT. We got rid of the 25 per cent back-in. Activities on the East Coast and in the Beaufort have been curtailed for strictly economic reasons. It is uneconomical today to produce in either Hibernia or the Beaufort. Some companies say it costs $20 to $22 U.S. a barrel to produce in the Beaufort and I believe it may cost a bit more in Hibernia. It will be very costly to bring Hibernia on line, although transportation will not be that costly. The Beaufort has the best reserves and production will not be nearly as costly as on the East Coast, but transportation will be a problem. We need a pipeline. We can build a pipeline from Tuktoyaktuk down to Norman Wells and perhaps tie into the Norman Wells-Zama pipeline. Unfortunately, that is only a twelve-inch pipeline and we would have to decide whether to twin it or to go for a twenty-four or thirty-six-inch pipeline. Pipelines are costly.

All Canadians realize the problem with the deficit. All Canadians realize that we must get the deficit down in order to keep interest rates down. Interest rates keep mortgage rates and inflation down, which has certainly helped the manufacturing industry in southern Ontario. There is no doubt about that.

The second kick which we got was the fall in the international price of oil. This was not a made in Canada price. It was due to an international situation over which Canada had no control. The industry wanted a total free market system and we gave it to them. A recent survey in Alberta showed that 51 per cent of producers contacted did not want a floor price or stabilization while 30 or 31 per cent of them would entertain such an issue. The majority of people only want a fiscal structure to bring into reality the true price of a barrel of oil or an mcf of gas. That which is happening today is an international problem. That which happened in 1980-81 was strictly the result of a Liberal Government policy to rape the west.

Mr. Waddell: Mr. Speaker, I have two short questions which could be answered together. The Member said that Mr. Lalonde, the former Minister of Energy, was "unjust and discriminatory towards the West". How does that differ from the present Prime Minister's unjust and discriminatory treatment with regard to the CF-18 decision?

The Member spoke twice about lowering the deficit. By getting rid of the PGRT the Government will be unable to collect about $5 billion. Where is the Government going to come up with that money, or does the Member believe the Government should cut programs instead of replacing that money?

Mr. Deputy Speaker: Order. I rule the Member's first question out of order. It does not relate to the speech of the Member.

Mrs. Sparrow: Mr. Speaker, I agree that the CF-18 maintenance contract is not relevant to Bill C-17 which we are discussing today. The Member for Vancouver—Kingsway (Mr. Waddell) talks about discrimination with regard to the Prime Minister (Mr. Mulroney). I would like to review a few things which the Government has done in the area of agriculture. No Government has done as much as this Government has to support that industry. Including the $1 billion deficiency payment, the Government has spent almost $7 billion to help all farmers across Canada.

Mr. Gormley: That is more than any other Government.

Mrs. Sparrow: I do not think it is fair to say that there is discrimination. We removed the National Energy Program and got rid of the unfair discriminatory tax. We increased job creation funding in Alberta. We never received fair payments before. Things are changing. The Government is treating every area of Canada equally with regard to agriculture, energy, and job creation. That is the only way in which all Canadians can work together for a better country.

Mr. Schellenberger: The Hon. Member for Calgary South (Mrs. Sparrow) is doing so well in responding to questions that I thought I would ask her one as well. The Liberal and NDP speakers were both concerned about gas sales to the United States. Does the Hon. Member have these same concerns? Will she explain how that will assist cash flow and help self-sufficiency rather than hurt it in any way?

Mrs. Sparrow: Mr. Speaker, I appreciate my hon. colleague's question. Gas sales to the United States are absolutely necessary and mandatory if we want security of supply. We cannot sit on the gas. We need activity. Companies need cash flow and in order to get it they must sell their product. We need the markets. As one of my colleagues indicated, the United States is going through a gas bubble. We need to be assured of markets. We need to sell our gas today in order to have supplies tomorrow.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have the chance to say a few words on Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act. I was very interested in the comments of the Hon. Member for Calgary South (Mrs. Sparrow). I thought it was interesting that she spent a lot of time telling us how great everything is with the Tory Government in power. That reminds me of a chap I met in Pembina during the by-election there. He had just come away from hearing the Deputy Prime Minister (Mr. Mazankowski) make a speech. He said that the Deputy Prime Minister had told them how great everything was and was going to be. He said, "If everything is so great, why do I feel so bad?" That summarizes the situation. The Hon. Member for Calgary South spent much time giving us national statistics. She did not spend much time talking about unemployment in Alberta which has not seen such a nose dive in jobs in at least three or four decades.

• (1740)

In June, the province expected to have an oil and gas exploration program worth up to $12 billion, but it was reduced to approximately $6 billion. There are usually 30,000 jobs per billion dollars of oil and gas exploration, and one must ask why the situation is so terrible if the Tory economic policies are so great. It is like the farmer who heard the Deputy Prime Minister make a speech in St. Albert and asked: "If things are so great, why do I feel so bad?" I think that is the way most Albertans feel about the Tory Government.

The Government may talk about billions of dollars and a positive situation, but we see on television that hundreds of millions of dollars in drilling exploration and development equipment is being auctioned off to the highest bidder. No one in Alberta has seen anything like it since the 1930s.

The Hon. Member did not mention that when the Petroleum Incentives Program was abandoned last spring, unfortunately at the same time that world oil prices were dropping dramatically, the PGRT which raised the money was only eliminated after a desperation call by the Tories working in the Pembina by-election. The Government did not want to give up the PGRT for two or three years, even though it had stopped the petroleum incentive grants in March. That program provided approximately 35 per cent grants in the western sedimentary basin in Alberta. The Government removed that at the very

time that the international prices were collapsing at record rates.

The Minister of Energy, Mines and Resources (Mr. Masse) visited Alberta in August. He was unwilling to eliminate the PGRT, but by early September when the screams were ringing in the ears of every Tory, particularly those in the caucus, the Minister took action to remove the PGRT. It is interesting to note that the Prime Minister (Mr. Mulroney) campaigned that he would remove the PGRT, but when it came time to actually eliminate it, it took the Pembina by-election and the loss of thousands of Tory votes for him really to do it.

I had the opportunity with a number of other Members to attend a presentation by the Syncrude organization which produces some 125,000 barrels of oil a day in the tar sands of northern Alberta. I thought the proposal was extremely reasonable. That organization has received some $82 billion from the Alberta Government to conduct pre-engineering and planning in order to double its production sometime after 1988. It has begun a program which would increase production by some 20,000 barrels a day, a rather significant increase of 15 per cent. It has already spent some $400 million this year and is taking a risk even though world prices were dropping.

Those capital investments in that syncrude project will increase its efficiency, capacity and production by some 20,000 barrels a day, on a plant of 125,000 barrels a day.

The proposal was simply to ask the Government to consider providing some security as a backdrop if world prices dropped below $15 U.S. a barrel. This would have allowed that organization to complete that project which will cost approximately $750 million. Syncrude was proposing that the provincial and federal Governments provide a back stop for a project which would create thousands of jobs that are desperately needed in northern Alberta where there has been a longstanding strike. If this proposal is not accepted, the project will be mothballed for several years, which will encumber the ultimate 50 per cent increase of that project.

I asked the Minister of Energy, Mines and Resources if the Government would consider that proposal but I received the usual non-answer. There was no real commitment to do anything. It is a pity because it is a good project that would be very useful in creating jobs and the technology that would benefit the whole country.

The locked-in ideology of the Government seems to be preventing it from providing that guaranteed agreement. That is the kind of problem we will face in the years ahead.

Syncrude is not asking for a loan or funding, but simply a guaranteed agreement to assist it in the completion of that project. I was very impressed with the project because it could increase its production after 1988 by 50 per cent, or 75,000 barrels a day, to a total of 225,000 barrels a day. That is close to 20 per cent of Canada's oil production right now.

I had the opportunity to serve as Parliamentary Secretary when the Syncrude project was born in 1975. At that time there was a requirement for federal Government investment, and I think the Government came in with three or four principal players with an investment of some $300 million, which Petro-Canada now holds. I do not believe that the Syncrude project would exist today without some Government involvement and confidence. The Government is making a serious error by not helping that project go ahead now. We saw the Government weasel back and forth on the removal of the PGRT. It certainly was quick to take away the PIP grants but incredibly slow to remove the PGRT. In *The Edmonton Journal* on October 29 there is an article entitled: "A real horror Tory". I quote in part:

• (1750)

There's only one catastrophe worse than the slump in Canada's oil and gas industry and that's the performance of Marcel Masse as federal energy minister.

Recently, Masse made the preposterous claim that the energy industry is not a job-creation sector. Then he broke one of Brian Mulroney's sacred election promises by placing Canada's goal of energy self-sufficiency on hold.

I think it is really interesting that the Government came to power talking about creating hundreds of thousands of jobs in the oil sector. Clearly, within two years, we are seeing hundreds of thousands of jobs in the energy sector lost. I am especially conscious of that because one of the major industries in my constituency of Algoma is Algoma Steel. It is one of the best steel tube pipe producing companies in the country. It normally employs about 800 people. It has a new $350 million tube mill coming onstream, running its first runs of tube right now, but it apparently will not operate for quite some time and we have 800 people laid off. They believed the Government when it said there would be hundreds of thousands of jobs in the oil industry. They did not realize that hundreds of thousands of jobs would be lost. Clearly, the policy of the Government has changed since the election campaign and since the former Minister of Energy, Mines and Resources has become the Minister for International Trade (Miss Carney). Her policy was to create hundreds of thousands of jobs. The new Minister says energy is not a job-creation sector. So it is a problem that travels from one Minister to another.

I suspect the former Minister of Energy, Mines and Resources was appointed to be the Minister for International Trade because everyone knew that her policies were a total and complete disaster. She waved around the Western Accord. The problem with the Western Accord was the last paragraph. It is a little paragraph about an inch long. It says that if oil and gas prices in Canada rose or fell precipitously, consultations would take place. Well, the consultations may have taken place but there has been no result. We still have very little oil and gas exploration and development activity going on, which is not only hurting Alberta now but is going to hurt it more this winter. It hurts the entire Canadian industry because the flow through affects every company in the country which is involved in the manufacture of tubes, piping and equipment for that sector.

There was another decision made by the Minister in a recent speech which *The Edmonton Journal* described as "A real

horror Tory". The Minister abandoned the whole question of self-sufficiency during the first four or five years of 1980 that we had set as a period in which to become self-sufficient in energy production by the end of this decade. In fact, we achieved that by 1983 with exploration and development going on in the Beaufort Sea, in the Hibernia, in the Atlantic shelf, and the increased activity in the western sedimentary basin with the non-synthetic crudes from the Syncrude and tar sands. Two years after this Government came to power with its policy of self-sufficiency, it was abandoned by the Minister of Energy, Mines and Resources this fall. The editorial in *The Edmonton Journal* issue of October 29 said:

> Now, after finally acknowledging that the "situation in Alberta is a catastrophe", he offers nothing but paternalistic smarm to comfort the 55,000 Albertans who stand to lose their jobs this winter.
>
> "A catastrophe situation requires a response, but not just any response", says Masse the procrastinator.
>
> Not prepared to consider Alberta's proposal for an oil price stabilization plan, Masse seems happy to let this province's oil patch languish until next January when he holds court over a federal-provincial conference of energy Ministers.
>
> Masse's response is not just "any response"; it's no response.

I think that is the part that breaks the heart of the smaller producer. It is interesting that the Hon. Member for Calgary South talked about the people from Alberta. There was a poll taken which showed that 51 per cent of Albertans wanted a free market price. Everyone wants a free market price if it is high enough, but clearly many of the small producers—and Premier Getty of Alberta has said this many times—want to see a cash flow stabilization program put in place. When we look at the reduction of $1.5 in tax revenues over the two or three years, we wonder about the main benefit going to some 25 of the largest producers, the multinationals, which may send the money back to their parent companies in the United States or may reinvest and buy up small producers and oil and gas exploration companies. If we are able to forfeit that much in revenue, why could there not be some assistance for the smaller Canadian companies in a kind of petroleum stabilization program which the premier of Alberta has pleaded with the Government to establish?

I believe that this winter things will be so difficult and disastrous that the Minister will come on board and agree to that some time in January, perhaps, when the federal-provincial Ministers meet, but it is certainly a tooth-pulling exercise to get the Government to respond to these tremendous needs, which are not only destroying our movement towards self-sufficiency but are costing thousands of jobs not only in Alberta but throughout the Canadian economy. The oil and gas sector is important throughout Canada not just in the western basin. We support this Bill because it provides assistance to the industry. However, we think it is not going to provide the assistance which is needed for the smaller producer who employs a lot of people and who has the potential to assist this country in a desperate time for the oil and gas industry.

• (1800)

Mr. Gormley: Mr. Speaker, I welcome this opportunity to offer a comment on the debate today. Like many western Canadian Members, I am disappointed but not particularly surprised to hear the Liberals and their friends in the NDP lamenting the passing of the petroleum and gas revenue tax. This tax and its terrible implications on the oil business not only in Alberta, where it is characteristically seen as having done so much harm, but in my Province of Saskatchewan are very evident. For example, in my community we see that companies such as Gulf Oil and other large and small companies have had placed on them unjustifiable financial burdens. The fact is that the PGRT taxed revenues and not profits. The fact is it was arbitrary and unilateral. It was introduced without consultation. Western Canadians, and in particular those in the western part of Saskatchewan, will have seen the commitment our Government has made to the oil industry in general and particularly to the companies affected by the PGRT.

I would like to take this opportunity to congratulate a few of my colleagues for the work they have done. First, I congratulate the Minister of State for Finance (Mr. Hockin) on his remarks today. I also congratulate the Hon. Member for Calgary South (Mrs. Sparrow) who, through her work on the Energy Committee and in the House, has made clear to Canadians the reasons for the PGRT being removed altogether and why our Government has acted to this end.

I will now take my seat to allow other Members from my Party to speak further on the matter.

Mr. Foster: Mr. Speaker, I am pleased to respond to the comments of the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley). I had an opportunity to visit his area last year about this time. I visited the Husky upgrader and saw the plans for development in the Lloydminster area. I would certainly like to see the whole project go ahead. As I have mentioned, in terms of Syncrude, there should be a regime in place to see that these types of production go ahead. These are long-term projects which cannot be started quickly and ended quickly. There has been a great deal of impressive research done in this area, especially by Husky. I was particularly impressed by the number of jobs that were created in the area. I hope that the Government will not only remove the PGRT but that it will provide the type of assistance and energy policy which will take us forward.

I recall being with the Hon. Member for The Battlefords—Meadow Lake at a dinner sponsored by the Commonwealth Parliamentary Association. One of the people at that dinner was an active member of the Progressive Conservative Party. This dinner was about one year ago. At that time this PC Party member and I were talking about the 1,500 or more gas stations the Government was purchasing from Gulf. He described to me how he had written to the Prime Minister, whom he had supported in the election campaign, stating that he could not imagine why Petro-Canada was buying out a

major oil company just to have thousands of more gasoline stations. The Prime Minister's response, which was breaking his heart since he had supported him in the election, was that Petro-Canada was really an independent organization and the Government did not have any say in it whatsoever. He said that the Government did not want to influence it in any way. I am sure that if many western Conservatives who voted for the Prime Minister in 1984 knew that he would allow Petro-Canada to operate completely separate from the Government with no direction or assistance from it, they would have been heart-broken. These people expected some leadership from the Government in this regard.

I thought I should relate this incident because I am conscious of how much oil is produced in the Hon. Member's area.

Mr. Waddell: Mr. Speaker, I wish to comment on the comment of the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley). How many times do we have to tell the Hon. Member that we did not support the PGRT when it was brought in? How many times do I have to tell him that we did not support the National Energy Program? I ask the Hon. Member to check the record.

Mr. Crosbie: Methinks the Hon. Member doth protest too much.

Mr. Deputy Speaker: Order, please. I ask the Hon. Member for Vancouver—Kingsway (Mr. Waddell) to direct his question or comment to the Hon. Member for Algoma (Mr. Foster).

Mr. Waddell: Mr. Speaker, I was directing my question to the Hon. Member for The Battlefords—Meadow Lake because he spoke about the PGRT. All I can say is that I invite the Hon. Member to read the speech I made today. I gave Members of the House the vote patterns in it, and I would like to address this issue.

The fact is we need a national energy program. It does not have to be called a Liberal National Energy Program. We need some sort of program. There must be an energy program in place for Canada. I ask the Hon. Member for Algoma (Mr. Foster) what we really received for the $7.3 billion that we gave in PIP grants. Does the Hon. Member think that was an effective method of Canadianization, given that all Members of the House share the same concept of Canadianization? I preface my remark by saying that I do not think the Hon. Member believes there is a free market for oil. Perhaps he believes there is. Perhaps he is like many members of the Conservative Party. Does the Hon. Member really believe that Gulf competes on the same basis as some small independent oil company in our system?

Mr. Foster: Mr. Speaker, the Hon. Member for Vancouver—Kingsway (Mr. Waddell) asks several good questions of me. I have had the opportunity of serving on the Energy Committee with the Hon. Member for a number of years. The question the Hon. Member put to me is the exact question we put to the Minister of Energy, Mines and Resources and the Parliamentary Secretary when the PIP grant was being dealt with. It was delightful to hear the Parliamentary Secretary, who was carrying the PIP Bill, say: "Look. For the $7 billion worth of PIP grants which were given out during the period 1981-84, we identified some $90 billion or $98 billion of oil reserves, both in the East Coast offshore and in the northern areas of Canada". So it did not sound like a bad exchange to me.

We have heard the Minister of Finance (Mr. Wilson) talk about getting rid of tax expenditures because we cannot control them and because we do not know where they are going. Getting rid of tax expenditures is like providing PIP grants as opposed to capital cost write-offs or capital cost allowances which the Government is bringing in with regard to the oil industry. I think it would be interesting to put such a question to the Minister of Finance.

If he really believes in this business of getting rid of tax expenditures and if the Government is to vote money, then Parliament should vote that money to individuals rather than having them claim it. If he wants to be consistent, then he might want to bring back PIP grants rather than putting in place capital cost write-offs or an expenditure system.

• (1810)

The Hon. Member wants to know if there really is a free market. The market is decided by OPEC, the U.K. and a few other countries around the world.

I find it interesting that certain people do not want the Government of Canada, a freely elected Government even if it is a Tory Government, to set prices but they do not mind having the 15 or 18 OPEC countries set the price of oil. Unfortunately for the oil producing industry, those countries are not very successful at setting prices at a level which will allow us to take our oil out of the ground, particularly in the frontier areas.

Mr. Waddell: Mr. Speaker, the Hon. Member is really an expert in agriculture. He knows a great deal about agriculture and markets, much more than I do.

In a pure free market with pure free trade in oil, what would happen to Saudi Arabia and Alberta? Where would all the money go?

Mr. Foster: Mr. Speaker, I would not attempt to deal with such esoteric arguments as the Hon. Member has made. There really is no free market. The market depends on the interplay of dozens of countries and on how tough those countries are willing to play the game.

It seems to me that projects like Syncrude and the heavy oil operation at Lloydminster as well as projects on the East Coast should have the benefit of a much better energy policy than the one we have now. The present policy is seeing the industry shut down. The Minister of Energy has admitted publicly that he has abandoned the concept of the energy sector being a job-

creation sector. As well, he is abandoning the concept of self-sufficiency.

A recent editorial in the Edmonton *Journal* disapproved strongly of the Government's policy to abandon the goal of self-sufficiency and the concept of job creation in the energy sector. Those concepts formed the central mantlepiece of the Government's economic policy in its first year in office.

Mrs. Mary Collins (Capilano): Mr. Speaker, this late in the day, I am pleased to have the opportunity to say a few words on Bill C-17, the legislation that will terminate the petroleum and gas revenue tax. I have listened with some interest to the earlier debate. Of course, it is a very happy day for all of us in the West. I was pleased to hear the comments of my colleague, the Hon. Member for Calgary South (Mrs. Sparrow). I know of the tremendous amount of work she and her colleagues from Alberta have done toward the elimination of the PGRT and the dismantling of the Liberal National Energy Program.

Indeed, today we are taking the necessary steps that will put the final nails in the coffin of an unjust tax. We are burying for good an inappropriate creation of the previous Government. We are burying a tax that threatened to do irreparable damage to federal-provincial relations. We are burying a tax that was choking the petroleum industry in a period of low oil prices. We are burying a tax that has been compared to a dead skunk under the front porch: this tax had to be removed in order to make the house habitable. Now that the tax has been removed, the oil industry will be able to breathe easier.

I am not telling Hon. Members that all is well in the oil industry or that the removal of the PGRT is a cure-all. We know jobs are being lost daily and the economic impact of the problems facing the industry is being felt across Canada. However, I can tell Hon. Members that the removal of the PGRT is an action that is both politically and economically justifiable.

We are not giving the oil industry windfall benefits. We are returning to the industry a small fraction of the revenues that should never have been taxed away in the first place. Removing this tax removes a penalty on the industry, a penalty for having been successful in the years prior to the NEP. Eliminating this tax has been compared to stepping on one's foot and then expecting eternal gratitude for finally agreeing to take the foot off. The PGRT is gone and it is good riddance to an unjust tax.

When thinking of the impact the PGRT had on the oil industry, I am reminded of the 1970s when, in my own Province of British Columbia, the NDP Government imposed unjustifiable taxes on the mining industry. That had a terrible impact on that industry. Surely we can learn from such examples. When a Government becomes too greedy because it thinks one industry or another is benefiting from international prices, it tries to take that benefit away unjustifiably. The effect of that on the lowering of confidence and investment is so detrimental that it is just not worth it.

I lived in Calgary in the years just prior to implementation of the PGRT and then for a period of time after it was implemented. I worked with the oil industry and I recall what happened to it. It went from optimism, jubilance and perhaps in some cases over-investment to darkness in only a couple of months. We all know what resulted in the years that followed until our Government came to power two years ago and began to dismantle the National Energy Program. Today, the Government has put forward a Bill designed to do away with the last vestiges of the really unfair PGRT.

The purpose of this Bill is to eliminate the PGRT or, as it has sometimes been called, pigs gathering round the trough. The revenue trough is empty now, but what happened to all the money that was scooped out since the PGRT was introduced in 1981? The money that was taken from western Canada was poured into 80 per cent PIP grants designed to entice companies to drill primarily in the offshore. How many new oil and gas discoveries were made with the PIP money? A few, but not many. How many Canadian oil companies were encouraged to over-extend themselves disastrously to qualify for grants and artificial enticements? How many Canadian consumers paid extra money at the gas pumps so that Petro-Canada could buy Petrofina at an inflated price? In the answers to these questions, we can see the legacy of the National Energy Program.

This legislation puts an end to an inappropriate intrusion of Government into the private sector. The end of this tax combined with the other energy policy initiatives already taken means that the petroleum industry will be able to function in a free market. The industry is facing tough times today, but in the long run it will be stronger. We know that international oil prices are low but at some of the meetings I have attended, I have sensed optimism. Predictions have been made that oil prices will rise again to the $18 to $20 range.

In the long run, the Canadian industry will be able to compete without being strangled by taxes or being enticed into poor investments by Government grants that are too rich to be refused. In the future, the petroleum industry will be treated more like other industries. In the view of our Government, that is the way we should approach industrial strategy.

I urge all Hon. Members to give speedy passage to this Bill. I see it as being a part of a continuum of efforts made by the Government to fulfil its commitment to the Canadian people. In the last three weeks, I have had the pleasure of speaking on three different measures, all directed toward that goal. I spoke on the rebate of the child tax credit, on the amendments to the Criminal Code dealing finally with child sexual abuse, and on today's Bill which finally does away with the petroleum and gas revenue tax.

The legislative record of the Government has fulfilled our commitment in the Speech from the Throne to a modern, tolerant and caring society, a society that treats all its citizens with fairness. Today, we end the era of unfairness in the PGRT. I can assure all Hon. Members that we will continue to ferret out unfairness in all areas of Government so that we

may do away with it. Today we end the era of unfairness in the PGRT. I can assure you we will continue to ferret out in all areas of Government unfairness and inequity and do away with those as well.

• (1820)

I join with my colleagues in being pleased to have this opportunity and I look forward to the speedy passage and the end of this infamous and unfair intrusion on an industry which is an important, integral part of the Canadian economy, and particularly to the western economy.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Angus: My question is directed to the Hon. Member. One of the things that supposedly was promised was a better deal for consumers. Today in Toronto I appeared at the Ontario Energy Board hearings into an application by one of the Ontario natural gas distribution companies. Part of the discussion today—I cannot say evidence because there was debate about whether it could be considered as evidence—was the fact that TransCanada PipeLines and ICG Ontario Limited had entered into an agreement on rates that are confidential which would give to major Ontario consumers—big companies, in other words—very cheap rates.

Given the scenario where one group in Ontario is going to get preferential rates for natural gas, primarily Alberta natural gas, at the expense of the ordinary consumer, does the Member feel that this was the goal of her Government's policies as it related to deregulation of the energy industry in western Canada?

Mrs. Collins: I thank the Member for his comments. I am not familiar with the particular case that he presents or the hearings that he has attended today. But I do say that consumers across the country are certainly benefiting from lower oil prices. That is not only due to the fact that international oil prices are low, but because we are reducing the taxation level. Every time we go to the gas pump the evidence is right there. It costs a lot less to fill up. I would say that the initiatives that this Government has taken have indeed been beneficial to the consumer of energy in this country.

Mr. Angus: I have a short supplementary for the Hon. Member. In her response right now she talked about the price at the pumps. I would like to ask her whether you can still buy Canadian gas at American pumps cheaper than you can in Canada?

Mrs. Collins: I have not filled up at any American gas stations with Canadian gas so I cannot give you the actual facts. I just know that when filling up at Canadian gas stations in some cases it is $10 less, if you have a big gas-tank car.

Mr. Angus: Tell me where these places are.

Mrs. Collins: I do not buy very much gas myself, because I do not drive very much. But I have noticed the difference. There has been quite a change in gas prices, particularly over the last eight months.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, may I take part in the debate?

Mr. Deputy Speaker: I am sorry, but there is not time left.

[*English*]

It being 6.25 p.m., this House stands adjourned until tomorrow at 11.00 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Thursday, November 6, 1986

The House met at 11 a.m.

[*English*]

REMEMBRANCE DAY

COMMEMORATION OF SERVICE MEN AND WOMEN

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, today I would like to remind Hon. Members and all Canadians that next Tuesday is Remembrance Day.

November 11 will have a special personal meaning for veterans and their dependants. For some it will be an occasion for painful memories as they reflect on the sacrifices that have affected so many families. All, however, will be bound by feelings of pride. Hon. Members, I very much hope that all of us, and indeed all Canadians, will share this pride.

I get many letters from men and women who are concerned that the passage of time is robbing Remembrance Day of its stature. I share these concerns. For nearly 70 years Canadians have been marking Remembrance Day. It could be that familiarity has gradually been breeding apathy. If so, this would be a national shame.

Certainly overseas the contribution of Canadians to the cause of freedom is very well remembered. Every year thousands of French men and women join with us at the Service of Remembrance at the Vimy Memorial in northern France. In this, the fiftieth anniversary of the unveiling of the Vimy Memorial, we will again share in a silent tribute to those who won our country so much honour.

On a smaller but very human scale, I think of the British school children who climb up a hill every Remembrance Day so they can place hand-picked flowers on the lonely grave of a Canadian airman.

Here at home, this Parliament has greatly assisted many members of our veteran population. This population includes some 650,000 veterans of the two World Wars and Korea, approximately 280,000 widows of veterans, and another 350,000 dependants of veterans. On their behalf I want to thank my cabinet colleagues and all Members of the House and Senate for their generous support of the measures the Government has been able to introduce. These measures were directed toward very special Canadians—veterans and their families. I can assure the House that such non-partisan co-operation was and is very much appreciated.

Hon. Members, Remembrance Day must never become a day just for veterans and politicians. It should be a day when all of our nation pauses to reflect on the many blessings we have inherited from those who lie buried in 70 countries and the seven seas.

Let us never forget that they gave their lives so that we might know peace.

When King George VI dedicated our national war memorial in 1939, he said:

> The very soul of the nation is here revealed.

I think the same can be said for all the cenotaphs and war memorials that grace so many of our towns and cities in this country.

My sincere hope is that wherever or however Canadians observe Remembrance Day they will not regard it as a routine duty but as a very special privilege.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, as spokesman for the Official Opposition, I want to join the Minister of Veterans Affairs (Mr. Hees) in urging all Canadians to observe Remembrance Day with respect and gratitude.

As a nation, we certainly have every reason to be grateful to those who represented this country during the two World Wars and the Korean War. More than 100,000 Canadian men and women made the supreme sacrifice, while among those who did return, some will suffer the effects of the war for the rest of their lives.

• (1110)

[*English*]

The Official Opposition has been only too pleased to support some fine legislation which has been presented to Parliament. The amendment last spring to increase benefits for those who were forced to suffer for so long in prisoner of war camps was particularly welcome. I also applaud the Minister for immediately recognizing the merits of the Veterans Independence Program, introduced by the Liberal Government, and for becoming one of the program's most enthusiastic boosters.

[*Translation*]

In the Speech from the Throne, it was announced that 6,000 World War I veterans would qualify immediately for this very progressive program. I was very happy to hear this, and I know that the Minister and all the Members of this House earnestly hope that the remaining 25 per cent of World War I veterans who are not yet eligible for benefits under the Veterans Independence Program, will be given that opportunity as soon as possible.

Mr. Speaker, the men and women in this group are the last of a legendary generation of heroes. In a book he just published on the Battle of Vimy Ridge, author Pierre Berton describes the horror, suffering and bravery observed during a war in which Canada fought with such distinction.

Mr. Speaker, to all Canadians who have not yet had an opportunity to do so I extend an invitation to visit the imposing Vimy monument, the only silent testimony to the commendable conduct of these 11,000 valorous Canadians who will be resting for ever in that part of French soil.

Unfortunately, Mr. Speaker, we are only too acutely aware that these courageous men did not take part in what might have been the last war. Indeed, responding to the quest for freedom and the call of the nation, other Canadians had to leave their loved ones, pack up their meagre belongings, and face danger and death during World War II and the Korean conflict. The strategy and weapons used during these two wars may have been different from those of World War I, but the gravestones which mark the final resting place of the many Canadians buried overseas have remained unchanged.

Mr. Speaker, the Remembrance Day poster distributed by the Department of Veterans Affairs bears these words: "THEY GAVE US PEACE". It is true, and this alone is the best reason why, in silence, we should pray and thank God next Tuesday.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, on behalf of the New Democratic Party, I am honoured to join with the Minister of Veterans Affairs (Mr. Hees) and the spokesman for the Official Opposition in reminding Canadians that Tuesday, November 11, is Remembrance Day.

Over the years of membership in this House, and as a member of the Veterans Affairs Committee, I have been pleased to note that political partisanship becomes less acute when it comes to matters affecting veterans and their families. This is as it should be because the achievement of our veterans has benefited us all. I commend the Minister on his willingness to listen to the views of veterans and those who represent them. Much progress has been made, but as the ranks of veterans decline, perhaps we could do more for those who remain. Many are of an age where they increasingly need assistance. In this regard, I certainly support the recent decision to provide immediate eligibility for the Veterans Independence Program to First World War veterans who would otherwise have had to wait until 1987 or 1988 to apply. These veterans now have an average age of 90 years. They have waited long enough, and I am glad it has now been recognized.

Our purpose today is not to glorify war. Those men and women whom we remember especially today, fought not for personal gain or glory. They served together to preserve democracy, liberty and freedom. Their sacrifice was such, that people everywhere said that never again should wars be permitted. These were wars to end all wars, it was said. That was the hope of those who fought in those times. Achieving that goal would indeed be the finest remembrance we could offer to their sacrifice.

The recent meeting in Iceland between the leaders of the two most powerful nations in the world was an occasion for high expectations that good sense would prevail to bring an end to the arms race and resultant global tensions. Instead, as we all know, the negotiations broke down. The memorials to the war dead at Arlington, Leningrad and here in Ottawa, all sadly remind us of what can happen when nations stop talking to each other to resolve differences.

All nations should spare no effort to ensure that those military powers will continue their negotiations to de-escalate the arms race. It is a race that no one can win. This is also a moment when we should give thought to the thousands of our fellow beings in this world whose lives are ones of intense suffering. They look to us for assistance and relief and we in Parliament should not lose sight of the need to develop an economic order throughout the world which would eliminate poverty and want for all people, and to that end, eliminate the need for war.

They served and we remember them.

Some Hon. Members: Hear, hear!

Mr. Speaker: At this moment I would ask all Hon. Members to rise for a moment's silence.

[*Whereupon the House stood in silence.*]

• (1120)

ROUTINE PROCEEDINGS

[*English*]

JUSTICE

TABLING OF ANNUAL REPORT OF DEPARTMENT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a copy of the 1985-86 annual report of the Department of Justice.

* * *

LAW REFORM COMMISSION OF CANADA

TABLING OF REPORT NO. 29

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages a copy of Report No. 29 of the Law Reform Commission of Canada. This report, Sir, deals with the subject of arrest.

CANADA-NEWFOUNDLAND ATLANTIC ACCORD IMPLEMENTATION ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-6, an Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on off-shore petroleum resource management and revenue sharing and to make related and consequential amendments, with amendments, in both official languages.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to table the Fourth Report of the Striking Committee, in both official languages.

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to table the Fifth Report of the Striking Committee, in both official languages.

Mr. Speaker, if the House agrees, I intend to move concurrence in the Fifth Report later this day.

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

* * *

[*English*]

PETITIONS

REQUEST FOR RELOCATION OF CANADIAN EMBASSY FROM SYRIA TO CYPRUS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise again today to present a petition to the House signed by constituents of mine of Lebanese extraction who humbly pray and ask the House that whereas the access to the Canadian Embassy in Syria is very difficult for people who are born or brought up in the Christian areas of Lebanon; whereas Lebanese people are harassed by the Syrian road-blocks and guards; and whereas Lebanese people are charged a fee upon entering and leaving the Syrian border; and that no foreign money is allowed to pass through Syria, the Canadian Government remove the Canadian Embassy from its location in Syria and move it to a location in Cyprus.

Petitions

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have the honour to present a petition on behalf of a number of Canadians who express their opposition to the Government's declared intention to introduce legislation which will change the Patent Act, the results of which will be to increase the cost of drugs to Canadians by many millions of dollars each year.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by a number of people in my constituency who say that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Les Benjamin (Regina West): Mr. Speaker, under the provisions of Standing Order 106 I have the duty and pleasure to present a petition signed by a number of citizens of Canada who are protesting the raid on the pockets of the sick and the poor by the proposals of the Government to make changes to the Patent Act which would allow increases in the price of drugs in Canada. These people call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have the honour to present a petition to the House signed by some 70 or 80 people from the great riding of Yorkton—Melville. It is a petition which opposes the changes to the Patent Act. The people who have signed this petition state that they are afraid that this move will result in higher drug costs to provincial Governments and to Canadians in general. They are calling upon Parliament to reject the proposals that are about to be made which will increase prescription drug costs for Canadians.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour, duty and pleasure to present a petition on behalf of senior citizens in La Pas and Flin Flon, Manitoba. In their petition my constituents express their concern with the federal Government's intention to increase the cost of drugs. They point out that this will unfairly hurt those Canadians whose ongoing health needs require the purchase of prescription drugs on a continuing basis.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I am sure it is merely a slip of the tongue of Members opposite. However, under Standing Order 106 all petitions must be properly certified by the Clerk before presentation. If they are—

Mr. Benjamin: They are!

Mr. Lewis: —and if Hon. Members could point that out when they submit them, then I think they will be in order.

Mr. Riis: Mr. Speaker, I rise on the same point of order. Any petition presented by a member of the New Democratic Party, and every petition that will be presented today, will certainly have been certified through due process.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Mr. Speaker, I rise on the same point of order. I have just checked with the Table on behalf of my Party and the Government as I wanted to examine these petitions. There are none available.

Mr. Benjamin: You do that at your leisure.

Mr. Mazankowski: Quite frankly, I think we have the right to know if the petitions are consistent with the provisions of Standing Order 106.

Mr. Benjamin: Are you getting nervous?

Mr. Speaker: A point has been raised by the Hon. Deputy Prime Minister (Mr. Mazankowski) which is with respect to a matter of order. If there is an appropriate reply to be made by the other side, then I would ask the Hon. Member for Kamloops—Shuswap (Mr. Riis) to rise again if he has something to say. However, Hon. Members know that it is not appropriate for them to be calling across the aisle on a point of order.

Mr. Riis: Mr. Speaker, I rise on a point of order. I thought I made my point clear to my hon. friend earlier. All petitions which have been presented in the past and all the petitions which will be presented today have been duly certified by the Clerk. That is the appropriate way of proceeding with the presentation of a petition. That is what the Standing Order calls for, and that is what we have done. I do not know what the Hon. Member is attempting to do in terms of holding up this process.

Mr. Mazankowski: Mr. Speaker, I am certainly not arguing the point. However, as a matter of courtesy I think I should have the right to see the petitions. I do not have that right now; I am being denied it.

Mr. Benjamin: You must go to the Clerk and ask to look at them.

Mr. Mazankowski: They are not there.

Mr. Benjamin: The page is still picking them up.

Mr. Speaker: The Hon. Member for Kamloops—Shuswap has assured the House that the petitions are in order. I know that Hon. Members will accept his word in this regard. On the other hand, the Hon. Deputy Prime Minister says that he would like to see the petitions. I understand from the Table Officers that they will be available shortly.

Mr. Benjamin: You can't see them until after they've been presented.

Mr. Gauthier: Mr. Speaker, I do not want to get involved in this debate but—

Mr. Keeper: Then sit down!

Mr. Gauthier: —this is an important point which has to be made. Since when is the Government entitled to look at petitions that are duly presented pursuant to Standing Order 106?

Some Hon. Members: Hear, hear!

Mr. Murphy: Mr. Speaker, I rise on the same point of order. It would be very hard for Members of Parliament to present their petitions to the Government before we actually have a chance to present them in the House. Before these dubious points of order were raised by Members on the Government side, that is exactly what members of the NDP caucus were trying to do.

• (1130)

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour of presenting a petition from quite a number of citizens from the Province of Manitoba and these people call upon Parliament to reject proposals to change the Patent Act which would increase the cost of drugs significantly and hurt many Canadians and they resent the fact that concessions are being made in the U.S. free trade negotiations.

Mr. Neil Young (Beaches): Mr. Speaker, I too have a petition that has been certified as correct by the Table. The petitioners live in Flin-Flon, Manitoba, and state that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. The petitioners humbly pray and call upon Parliament to reject those proposals which will increase prescription drug prices for Canadians.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I too have the honour of presenting a petition that has been scrutinized by the Government House Leader and found to be acceptable. It too is on the subject of the Government's proposal to harm severely senior citizens and many other Canadians by providing for unlimited increases in drug prices. The petition is of particular interest to the House because it comes from a Conservative-held riding, Cariboo—Chilcotin, and the people of that riding are outraged and concerned about this matter. The petitioners are from places like Quesnel, Alexis Creek, Williams Lake and many other communities. These people are expressing their concern to government Members and ask that the Government withdraw this odious proposal.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of people from my constituency who live in the communities of Paddockwood, Northside and Christopher Lake. The petitioners express their concern at the Government's proposal to change the Patent Act and the effect that this will have on the cost of necessary prescription drugs. They call upon Parliament to reject any such proposal which would increase drug prices for Canadians.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition which has been certified according to Standing Order 106—

Mr. Nystrom: Did you check with Maz?

Mr. Keeper: No, I have not submitted it to the Deputy Prime Minister (Mr. Mazankowski). The petitioners point out that the Government has caved in to the lobbying of multinational corporations and that this proposal the Government is presenting will cost Canadian taxpayers and consumers. The petition calls upon the Government to withdraw the legislation.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in accordance with Standing Order 106, it is my privilege and responsibility to present a duly certified petition from Canadians who are very concerned about changes to the Patent Act which will result in higher drug costs and will impose burdens both on individuals and on provincial drug plans. The petition calls upon the House of Commons to reject that legislation, and we intend to do just that.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition which, pursuant to Standing Order 106, was certified as being correct as to form and content on October 7, 1986, by Clairette Bourque, the Clerk of Petitions. I would be most happy to have the Government House Leader read this petition and consider it very carefully as soon as it has been filed with the Clerk according to the Standing Orders.

The substance of the petition is that these residents of Canada, mostly from Toronto, object very strongly to the Government's proposal to change the Patent Act so as to increase the price that most Canadian citizens will have to pay for drugs. They point out that it bears particularly upon the aged and infirm and upon any who need drugs on an ongoing basis and that the profits will go primarily to the United States and not to Canada. Therefore, they urge Parliament to reject these proposals that will impose hardships on all Canadians.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106, I wish to table a petition which was certified on November 6, 1986, by the Clerk of Petitions. The petitioners raise their objection to the proposed Patent Act changes relating to prescription drugs, changes which they believe will increase drug prices for Canadian consumers. They point out that it will result in higher costs for provincial government drug plans throughout Canada and that it is another example of Conservative Government concessions to the United States in the free trade negotiations at the expense of average Canadians. Therefore, the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I too have a petition which it is my pleasure to present. It is a petition which was certified pursuant to Standing Order 106 on November 6, 1986, by Clairette Bourque, and this petition too stresses very strongly the concern of residents of Manitoba about the proposed changes to the Patent Act which the Government is on record as intending to introduce. The petitioners feel that these measures will hurt Canadian health needs and they also have a very strong sense of resentment over their feeling that this is a concession to the United States with respect to our free trade negotiations. They call upon the Government to reject clearly this proposed course of action.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I too have the honour of tabling a petition that has been properly certified under Standing Order 106 by the Clerk of Petitions, Clairette Bourque. It has also been vetted by the Deputy Prime Minister (Mr. Mazankowski), as you may have observed, Mr. Speaker.

The contents of this petition are similar to those tabled previously. My petition comes from the Windsor area. It is, of course, representative of the feelings of affected people all over the country. Of course, it protests the intention of the Government to introduce legislation to change the Patent Act in a fashion which will increase the costs of prescription drugs to many Canadians who need such products for their health. The petitioners protest as well the fact that this legislation is a product of American blackmail, and they demand that the Government withdraw any future consideration of tabling legislation as threatened—

Mr. Speaker: Order. The Hon. Member is certainly making clear to all Members of the House that he has a petition and the thrust of that petition is apparent. The Hon. Member is now going beyond presenting the thrust of the petition and entering into a debate, which other Hon. Members seem to want to get into. I would ask that the Hon. Member conclude reading his petition.

• (1140)

Mr. McCurdy: Mr. Speaker, those who have signed this petition humbly pray and call upon Parliament to reject the proposals which will increase the prescription drug prices. If anybody has missed the point as illustrated by the behaviour of government Members on the submission of these petitions, then they will see that this is only the beginning of the fight.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, pursuant to Standing Order 106, I have the honour, the privilege and the duty to present to this House a petition duly certified by the Clerk of Petitions.

[*English*]

This petition calls upon the Parliament of Canada to protect Canada's drug consumers, particularly senior citizens, from the adverse effects of changes in the Patent Act which would essentially deny access to drugs at a moderate cost that Canadians have heretofore enjoyed.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition which has been certified as being correct as to form and to content by the Clerk of Petitions. This is a petition which has not been vetted by the Deputy Prime Minister (Mr. Mazankowski), will never be vetted by the Deputy Prime Minister, and should not have to be vetted by the Deputy Prime Minister.

It is a petition of the residents of Winnipeg calling upon the Parliament of Canada to reject the federal Government's proposals to change the Patent Act relating to prescription drugs, which will increase drug prices for Canadian consumers, and will severely restrict the ability of average Canadians to buy necessary prescription drugs. This measure would unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis, which would result in higher costs to the provincial Government drug plans. It is another example of Canadian—

Mr. Speaker: Order, please. Hon. Members are making their point. They are trespassing on the rules. Would the Hon. Member please close his remarks.

Mr. Blaikie: The message is clear that Canadians reject the proposals of the Government to change the patent drug laws. We in the New Democratic Party are going to make that absolutely clear in the coming weeks and months.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour and privilege to present on behalf of a number of western Canadians a petition which, pursuant to Standing Order 106, has been certified as being correct and appropriate in terms of form.

Very briefly, the petition is against the Government's proposal to change the Patent Act relating to prescription drugs. It will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy the necessary prescription drugs. Therefore, I also use the opportunity to move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That the House do now proceed to the Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Riis) which was negatived on the following division:

(*Division No. 14*)

YEAS

Members

Allmand	Hovdebo	Ouellet
Angus	Kaplan	Parry
Axworthy	Keeper	Prud'homme
Baker	Langdon	Riis
Benjamin	Malépart	Robichaud
Blaikie	Manly	Robinson
Boudria	Marchi	Rossi
Broadbent	McCurdy	Skelly
Caccia	Mitchell	Tobin
Copps	Murphy	Waddell
de Corneille	Nicholson (Trinity)	Young —40
Dingwall	Nunziata	
Garneau	Nystrom	
Gauthier	Orlikow	
Heap		

NAYS

Members

Andre	Champagne (Champlain)	Ellis
Attewell	Charest	Epp (Provencher)
Beatty	Clark (Brandon—Souris)	Fennell
Belsher	Clinch	Ferland
Bertrand	Cook	Fontaine
Binns	Corbett	Forrestall
Bissonnette	Cossitt	Fraleigh
Blais	Côté (Lac-Saint-Jean)	Fretz
Blais-Grenier	Côté (Langelier)	Gérin
Blouin	Crombie	Gormley
Bouchard	Darling	Gottselig
Bourgault	Daubney	Gravel
Bradley	Della Noce	Gray (Bonaventure—Îles-de-la-Madeleine)
Brightwell	Desjardins	Greenaway
Cadieux	Desrosiers	Gustafson
Caldwell	Duplessis	Halliday
Cardiff	Edwards	
Champagne (Saint-Hyacinthe—Bagot)		

Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
Howie
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kempling
Kindy
King
Landry
Lawrence
Lewis
MacKay
Malone
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDougall
(St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McMillan
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Pietz
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Shields
Siddon
Sparrow
Stewart
Suluk
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson
(Swift Current—Maple Creek)
Wilson
(Etobicoke Centre)
Wise—123

[*Translation*]

Mr. Speaker: I declare the motion lost.

* * *

• (1220)

[*English*]

SHIPPING CONFERENCES EXEMPTION ACT, 1986

MEASURE TO ENACT

Hon. Don Mazankowski (for the Minister of Transport) moved for leave to introduce Bill C-21, an Act to exempt certain shipping conference practices from the provisions of the Competition Act, to repeal the Shipping Conferences Exemption Act, 1979 and to amend other Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

AN ACT TO AMEND THE PATENT ACT AND TO PROVIDE FOR CERTAIN MATTERS IN RELATION THERETO

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs) moved for leave to introduce a Bill to amend the Patent Act and to provide for certain matters in relation thereto.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 15*)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bertrand
Binns
Bissonnette
Blais
Blais-Grenier
Blouin
Bouchard
Bourgault
Bradley
Brightwell
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe—Bagot)
Charest
Clark
(Brandon—Souris)
Clinch
Cook
Corbett
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crombie
Darling
Daubney
Desjardins
Desrosiers
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Gérin
Gormley
Gottselig
Gravel
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Gurbin
Gustafson
Halliday
Hawkes
Hnatyshyn
Hockin
Horner
Howie
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kempling
King
Landry
La Salle
Lawrence
Lewis
MacKay
Malone
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McKinnon
McMillan
Nicholson
(Niagara Falls)
Nickerson
O'Neil
Oostrom
Paproski
Pennock
Pietz
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stewart
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle

S.O. 21

Vankoughnet	Wenman	Wilson
Vézina	Wilson	(Etobicoke Centre)
Vincent	(Swift Current—	Wise—113
Warner	Maple Creek)	
Weiner		

NAYS

Members

Allmand	Jewett	Orlikow
Angus	Kaplan	Ouellet
Benjamin	Keeper	Parry
Boudria	Langdon	Prud'homme
Broadbent	Malépart	Riis
Caccia	Manly	Robichaud
Copps	Marchi	Robinson
de Corneille	McCurdy	Rossi
Dingwall	McDonald	Skelly
Epp	(Broadview—	Tobin
(Thunder Bay—	Greenwood)	Waddell
Nipigon)	Mitchell	Young —41
Gagliano	Murphy	
Garneau	Nicholson	
Gauthier	(Trinity)	
Heap	Nunziata	
Hovdebo	Nystrom	

• (1310)

Mr. Speaker: I declare the motion carried.

It being after one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

OZONE LEVELS IN MONTREAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you probably know, ozone can pose a serious problem to human health in our urban centres. In Montreal, for instance, ozone levels are frequently higher than the standard considered safe for human health. Ozone can impair breathing by harming lungs and it can cause damage to crops and vegetation. The Montreal group STOP recommends that "Environment Canada and Environment Quebec work together to monitor ozone levels upwind and downwind of Montreal, and in rural areas of Quebec" and to "measure the amount of airborne pollutants inhaled by pedestrians in downtown Montreal".

I urge the Minister of the Environment (Mr. McMillan) to approve STOP's proposal to establish an ozone control strategy for Montreal to determine what actions are required to eliminate the hazard to human health posed by high ozone levels.

HUMAN RIGHTS

IRAN—PERSECUTION OF BAHA'IS

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I rise to remember a continuing war, namely, the systematic persecution of the Baha'is, the largest religious minority in Iran. This horror story has been going on since the hateful Ayatollah Khomeini regime took power in Iran seven years ago. The matter is especially urgent at this moment since the United Nations Commission on Human Rights is this week drafting a resolution in New York for the General Assembly.

Continued pressure and international monitoring of the situation in Iran have helped keep the number of executions down, but thousands of Baha'is, including elderly people and young children, are still suffering physical intimidation. Livestock and crops have been plundered by Iranian authorities. All Baha'i property, including cemeteries, has been confiscated.

Canada has been vociferous in protesting this campaign of terror. Now we must take one step further at the United Nations. I ask the Government to consider instructing the Canadian delegation to move a human rights resolution on Iran.

* * *

[*Translation*]

HUMAN RIGHTS

PLIGHT OF MEMBERS OF BAHA'I FAITH IN IRAN

Hon. Bob Kaplan (York Centre): Mr. Speaker, to continue in the same vein as the Hon. Member for Hamilton—Wentworth (Mr. Scott), I want to point out that action is urgently needed by Canada at the United Nations to help members of the Baha'i faith in Iran. There are 300,000 Baha'is in Iran, none of whom have legal status as "persons" under the Constitution, because the theocratic regime considers them to be "infidels".

• (1405)

[*English*]

Their refusal to give up their religion has led to the judicial murder of 207 Baha'is and the imprisonment of 700 more, including children. Many of these prisoners have been mentally and physically tortured.

The more fortunate Baha'is who have kept their freedom are denied the right to work. Many of those fired have been ordered to repay their salaries from years of employment, and their children are either denied public education or mistreated in school. Widows and children of executed Baha'is have their property confiscated by the state.

The Canadian Government must act now at the UN to sponsor a resolution condemning these atrocities, and reassure

the Baha'is of Iran that the international community has not forgotten them. Without such leadership by the Government we are leaving the Baha'is entirely at the mercy of the fanatical Government of Iran. We are giving that Government the freedom to persecute these people even more harshly than it has in the past. International pressure has helped the Baha'is before, and we must ensure that it helps them again.

* * *

HUMAN RIGHTS

IRAN—PERSECUTION OF BAHA'IS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the sad state of human rights in Iran will be on the agenda of the 41st Session of the UN General Assembly. Executions, mass arrests, and torture, tacitly approved by the Supreme Court of Iran and other Government institutions, continue.

The Baha'i religious minority in Iran continues to bear the brunt of a state approved persecution campaign with the apparent goal of elimination of this religious minority. Last month Mr. Mihdi-Nizhad, Mr. Habibu'llah Muhtadi, and 16-year old Bijan Talibi were killed simply for not recanting their religious beliefs.

There is an urgent need for decisive action by the Government of Canada. It should instruct the Canadian delegation to the UN to work post-haste to ensure widespread support for the UN resolution currently being drafted on human rights in Iran. We in the NDP join with other Members in this House in asking that Canada be the main sponsor of the resolution to show our deep concern over the lack of civil rights in Iran.

* * *

PROVINCIAL AFFAIRS

CLOSURE OF RCMP POSTS IN MANITOBA

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the Manitoba Government has developed the bad habit of blaming all its troubles on the federal Government. It should look in its own backyard and start guaranteeing adequate services for people in southwest Manitoba.

Rural residents of my constituency fear for their safety because Manitoba's provincial Government has decided to cut costs by closing RCMP detachments in Deloraine and Reston. Over 1,200 people have attended protest meetings in these two communities in the last few weeks. Because of the long distances between communities, neighbouring RCMP detachments will be forced to cover a wider area. That means it could take the police up to half an hour to respond to a call.

Although the federal Government will pay about 30 per cent of the bill for RCMP services in Manitoba this year, we unfortunately seem to have little say on how this money is spent. When the current 10-year federal-provincial agreement on RCMP services expires on March 31, 1991, the Solicitor General (Mr. Kelleher) should ensure that the federal Government has some genuine authority over the question of how the provinces administer RCMP services in the future.

* * *

PHARMACEUTICAL INDUSTRY

PRICE OF GENERIC DRUGS—EFFECT OF AMENDING LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, now we see it. The Government is cowed, has bowed and kowtowed to the American multinationals on the drug question. We heard the response of senior citizens when the Government tried to cut back on pensions. We are going to hear from the senior citizens, the disabled, and other people across this country who believe the price of free trade is too high if we have to give up the competitive pricing system we have in the drug industry at the moment.

I want to tell you, Mr. Speaker, on behalf of the Liberal Party, that we are going to be fighting this move in the House and in our constituencies. The Government is going to be made to back down on this issue in the same way it was forced to back down on the senior citizens' pension cuts. Someone has got to speak for the seniors and we are going to do it.

* * *

CHILDREN

MEASURES TO PROTECT

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I would like to congratulate the Government on a series of strong measures governing missing children and child abuse. These initiatives are good news for all Canadians. In August the missing children's registry was officially opened. That vital program enables the RCMP to work in a co-ordinated search with police forces across Canada. Having access to the computerized data base of missing children at police information centres is a further step towards a safer society, one which will protect our youth.

I also applaud my colleague, the Minister of Justice (Mr. Hnatyshyn), for introducing Bill C-15 to protect Canada's children from sexual abuse and exploitation. The Government recognizes that such protection provided by the Criminal Code will require the support of community associations that are committed to assisting with these problems.

S.O. 21

• (1410)

I urge all levels of Government and organizations to collaborate on these initiatives to protect our youth and the social fabric of Canadian society.

* * *

EMPLOYMENT

CRITICISM OF JOB-CREATION PROGRAMS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, one of my Thunder Bay constituents sent me the following letter a couple of weeks ago:

I recently saw Prime Minister Mulroney speak on national television, stating he had created 560,000 jobs since his election in the fall of 1984.

I would like to remind him on behalf of the unemployed youth of Canada that many of those jobs pay minimum wage and are often temporary.

Since 1984 I have personally been employed through not one but four Government programs (it was not due to incompetence that I was released from these jobs, but simply because the organizations I was employed by already had a "permanent" staff and could not afford to hire an extra worker).

It makes one wonder how many other Canadian youths have been nickled and dimed to death by Mr. Mulroney's "job-creation programs", and yet he's so very proud of himself for creating so many jobs.

This critical letter speaks for thousands of young Canadians whose hopes for good, permanent jobs have not been fulfilled. They are angered by a Government that spends more energy taking the credit for jobs that low-interest rates have created than it does taking the actions that remain necessary if young Canadians are to find the work they want and deserve.

* * *

CREDIT UNIONS

ACTIONS OF ONTARIO GOVERNMENT

Mr. John Oostrom (Willowdale): Mr. Speaker, this spring our Conservative Government took courageous action when we rescued and saved deposits and pensions of many credit unions, co-ops, farmers, and labour unions when two western banks collapsed. Contrast this courageous action with the anti-credit union, anti-labour and anti-business action by the Liberal Ontario Government when its Minister of Consumer and Corporate Affairs, Monte Kwinter, indicated in public forums that he will take away hard earned profits and share dividends of Ontario credit unions.

Located in my Willowdale riding are the DUCA Community Credit Union, the Municipal and Police Credit Unions. These and the Polish and Ukrainian Credit Unions resent the attempts of the Ontario Liberal Government to legislate away these hard earned profits and dividends to cover fees, insurance premiums, reserves and interest charges.

My constituents and I urge the federal Minister of State for Finance (Mr. Hockin) to tell the Ontario Government to stop these anti-union, anti-caisse-populaire and anti-business actions immediately.

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CANADA POST CORPORATION

REQUEST FOR REFERRAL OF CORPORATE PLAN TO COMMITTEE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, the Minister responsible for Canada Post announced that the matter of postal rate increases would be referred to a committee of the House for review. Why did he not include the matter of the new community super mailbox for review? If yesterday's announcement is not a farce, why does the Minister not refer the whole corporate plan to the House committee for review?

[*Translation*]

Why is the Minister refusing to do anything for the many communities who have no door-to-door delivery service, as in Saint-Léonard and Ville d'Anjou, on Montreal Island, in the ridings of Mercier and Longueuil and in so many other communities? Why doesn't he give them door-to-door delivery? Is he going to tell them they are second-class citizens?

* * *

RESEARCH AND DEVELOPMENT

PHARMACEUTICAL INDUSTRY—NDP LEADER'S LETTER

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, when our Government made the decision to turn our Canadian pharmaceutical sector into a dynamic and first-class industry, leading to an unprecedented increase in the number of jobs in research and development, *Le Devoir Économique* of October 1986 mentioned 3,000 high-level jobs and $1.4 billion in investment. And now, the Leader of the New Democratic Party sends a three-page letter, in English only, to all Canadians, except Quebecers, to object to this plan.

This is one more NDP inconsistency. Their party doesn't want 3,000 new jobs and prefers to ignore 27 per cent of Canadians: six million Quebecers.

It is also an insult to Quebec's economy, Mr. Speaker, and Quebecers will never forget this affront by the socialists.

ORAL QUESTION PERIOD

[*English*]

PHARMACEUTICAL INDUSTRY

PRICE OF DRUGS—CANADA-UNITED STATES TRADE NEGOTIATIONS INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It concerns the Government's cave-in to the United States on the question of drug prices. It has used the sick and elderly as a pawn in order to maintain the currency of the free trade negotiations with the United States. Was it not enough to attempt to deindex pensions for our older people? Was it not enough to impose taxes on non-prescription drugs? Why must the weak and the elderly be used as pawns in order to maintain these negotiations with the United States?

• (1415)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the previous Liberal Government in June, 1983, announced, as government policy, the decision to restore patent protection for drugs. The Hon. Member for Papineau was the Minister of Consumer and Corporate Affairs at the time. If the Right Hon. Leader of the Opposition is now saying this has something to do with trade talks, perhaps he can enlighten us as to what trade talks the previous Liberal Government had under way at that time?

[*Translation*]

THE SICK—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, chief American negotiator Clayton Yeutter listed drug manufacturing companies among the five priorities of the United States. Those are the answers.

My question is this, Mr. Speaker: Abandoning our lumber industry was bad enough, so why abandon sick Canadians now just to salvage these negotiations with the United States?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the right hon. gentleman believes we should have research and development in this country, and if he believes that the 8,000 jobs the *Le Devoir Economique* estimates for Montreal alone are something we should disregard because some mischievous people might make this false association between what we are doing in Canada, for Canada's benefit, and the trade talks, he is entitled to his point of view, but it is not a view shared by this Government, nor by anyone who has the welfare of our young scientists in mind.

Mr. Turner: The Prime Minister, I notice, is not answering these questions.

COST OF MEDICATION

Right Hon. John N. Turner (Leader of the Opposition): We may have been prepared to accept independent inquiry recommendations, but the Government has gone far beyond that. The Government went further at the risk of our sick and our elderly. What about the price of heart medication, arthritic pills, antibiotics—just to satisfy the American Government on this particular issue?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, for one thing, those pills the right hon. gentleman is talking about, those drugs, will remain on the market. The legislation does not affect them one little bit. The hon. gentleman ought to examine the Bill before making those kinds of judgments.

Second, the people he talked about are covered by drug plans. Over 85 per cent of Canadians are covered 100 per cent by drug plans.

Mr. Gauthier: Who pays for that?

Mr. Andre: Whatever cost there might be in terms of drug plans will be way more than offset by the thousands of jobs, high-tech jobs in biotechnology, which will be generated.

Mr. Gauthier: We have heard that before.

Mr. Andre: Any reasonable person will reach a conclusion that this is a good package.

[*Translation*]

INQUIRY CONCERNING DEMAND FOR LEGISLATION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

The provinces, retired Canadians, welfare recipients, the generic drug industry and the Consumers' Association of Canada have all spoken against the Government's proposed drug patents policy.

My question is quite simple: Who is in favour of this legislation which could prove to be very costly to ailing men and women throughout Canada?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, for one, the Government of Quebec, because under the Liberal and PQ Governments there were unanimous resolutions passed in the National Assembly asking the federal Government to do what we are doing.

Some Hon. Members: Hear, hear!

Mr. Andre: And I repeat if one examines the legislation and the program, one will not be able to substantiate the accusation that drug prices are going to rise.

Mr. Broadbent: Oh?

Mr. Andre: The fact is there will not be any rise in drugs on the market now, and in terms of the future we have all kinds of safety mechanisms—

Mr. Gauthier: We don't trust you.

Mr. Andre: —to ensure that consumers are not affected badly by this legislation.

[*Translation*]

PRICE OF GENERIC DRUGS—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the Minister is telling us that prices will not go up.

Does the Minister know that the multinationals sell their valium for $80, whereas the same product is available from generic drug companies at $2.31?

How can the Minister justify his decision when we know that, if this legislation is passed, an ulcer treatment drug called Zantac which sells for $89.69 will never be available as a generic drug which would cost only $9?

• (1420)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Madam Speaker, the drugs—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Who's on drugs, Harvie?

Mr. Andre: —about which the Hon. Member speaks will remain on the market. There is no change in terms of those particular drugs. The savings that she talked about will remain for consumers. It is simply false to suggest that there will be an increase.

I also remind the Hon. Member that, on average, it takes 11.5 years for a generic drug to be brought into competition with a brand name drug. We are proposing a 10-year exclusivity period. On average, the period of exclusivity will be less than what it is now for competitive generic drugs.

UNITED STATES POSITION ON PATENT LAW

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. One thing Canadians do know is that at present we pay 20 per cent less than do the Americans for drugs. That is fact. Will the Prime Minister acknowledge that at the "shamrock shuffle" President Reagan asked that this item be placed on the Canadian agenda, that Special Envoy Yeutter complained about Canada dragging its feet in terms of changing our patent law, and that last spring when Vice-President Bush was here he also urged the Canadian Government to change this law in order that multinational American drug companies could gouge Canadian consumers the way Americans are gouged at home?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Leader of the New Democratic Party should be aware that drug prices in Canada, where there is no generic competition—and this involves the innovative drugs—are 20 per cent less in Canada than in the United States. It is as a result of the difference in the market here and not as a result of the patent law that this has resulted in savings to Canadians. The Hon. Member should not make that jump, which is illogical if he were to look at the facts.

With respect to who is pressuring us, since 1969 the whole of the industrialized world has been criticizing us for having patent laws that are out of step with the rest of the world.

MULTINATIONAL DRUG COMPANIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Minister admit that the leading voices for change to this legislation are the multinational drug companies? Will he admit that the pressure did indeed go on with the former Government and that all consumer and all pensioner groups—all those concerned with keeping drug prices down in Canada—are completely opposed to what the Government is trying to do?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the leading proponents of restoring patent protection for inventions in this very important area are members of the academic community, the young scientists who want to work at research and development in Canada.

Mr. Orlikow: That is nonsense!

Mr. Riis: Talk to Frank Oberle.

Mr. Andre: I invite the Leader of the New Democratic Party to accompany me to the academic institutions which I will be visiting as we announce major new research and development investments. I invite him to talk to any professor of pharmacology—

Mr. Speaker: Order, please. The Hon. Member for Oshawa.

Mr. Broadbent: Mr. Speaker, I would be happy to go to every campus in Canada right now after what the Government has done to research and development in this country. I will go any day with the Minister.

Some Hon. Members: Hear, hear!

[*Translation*]

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary is for the Minister. Canadian consumers would have to spend $650 million more as a result of the action of this Government, so why such an unfair measure?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that figure is absurd—absolutely absurd. The Hon. Member proposes this absurd figure and asks us why.

Mr. Broadbent: We'll give you the figures for that.

Mr. Andre: My question is why the Hon. Member has such a vivid imagination and why will he not look at the facts as they are there. He will see that it is a good Bill.

Some Hon. Members: Hear, hear!

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CANADA POST CORPORATION

ANTICIPATED INCREASE IN POSTAL RATES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have in my hand a report from CP wire service in which the office of the Minister reponsible for Canada Post is quoted as stating that the Minister still expects the price of a first-class stamp to jump to 36 cents from 34 cents by next March despite opposition from the Government's own back bench. Why did the Minister mislead his own caucus, the House, and all Canadians yesterday by referring the rate increase to a committee when he already says that in March he expects an increase?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, first of all, it is this Government's concern to respond to the needs of Canadians by providing a better and more reliable service at affordable cost. That is why we set up the Marchment Committee which, after examining the issues and travelling across this country, submitted 29 representations. We have adopted 28, so we are indeed responding to the needs of Canadians.

INQUIRY WHY ALL PLANS OF CORPORATIONS NOT REFERRED TO COMMITTEE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, if yesterday's announcement was not a total farce, why doesn't the Minister refer all Canada Post's plans to a committee instead of just the postal rate increase? If the Government is being serious about this, why doesn't it let Parliament have full scrutiny of these plans?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I repeat that if the Hon. Member had read the recommendations in the Marchment Report, he would have noticed that the report recommends providing either alternating services or installing community mail boxes. The Government has looked into the matter, and we decided to go with the community mail boxes and support the recommendation made by Canada Post.

• (1425)

[*English*]

PHARMACEUTICAL INDUSTRY

COST OF DRUGS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs who just recently referred to the point made by the Leader of the NDP about the $650 million additional cost to Canadians and said that it was an illusion and a fabrication of his imagination. Does the Minister not agree that this figure came from Currie Coopers & Lybrand, one of the biggest chartered accountant firms in Canada? Is the Minister questioning the figure presented by that firm, which is likely a Conservative firm?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would ask the Hon. Member to show me a clause in the Bill that will cause the rise in price of any drug currently on the market. I do not know how Hon. Members can talk about an increase in the price of drugs not yet discovered. An increase over what price?

Mr. Broadbent: Why do you think they want the change?

Mr. Andre: If the Leader of the NDP would allow me to answer, I would say that the Drug Prices Review Board which will be headed by Dr. Harry Eastman, the nation's expert in this area, will ensure that prices are reasonable and do not get out of line. Again I remind the Hon. Member of the fact that it has taken on average 11 and a half years for generic competition. We are proposing 10 years of exclusivity. That elementary fact would seem to indicate that there will not be the kind of dramatically high prices about which he is speaking.

TIMING OF MINISTER'S PRESS CONFERENCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, could the Minister explain why he thought it was appropriate before a Bill was tabled in the House of Commons to discuss the specifics of it? Why is he doing the bidding of the Americans? What is the rush? We have lived under existing legislation which has benefited Canadians for 17 years. What is the hurry? Why did the Minister have to call a press conference before the Bill was even introduced in the House of Commons?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I find it incredible that for the first time in history a Party would not allow us even to consider first reading.

Mr. Broadbent: Oh, go ring a few bells, Harvie.

Mr. Riis: You rushed the Chair to stop the process. Bell ringing for weeks on end.

Mr. Crosbie: Weasels and hypocrites.

Mr. Andre: I would invite Hon. Members—

Some Hon. Members: Sit down.

Mr. Speaker: Order.

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CANADA POST CORPORATION

EQUALITY OF SERVICE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, this winter thousands of Canadians who live in modern neighbourhoods will go out into blizzards trying to get their mail without having it blown away by the wind and without slipping and breaking their necks. They will not forget Cold Côté.

How could the Government approve of a postal plan that removes the equality of service within a given area, a tradition of the post office for decades?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I may remind the Hon. Member that the decision to establish two delivery classes, and the responsibility for that decision, lies not with this Government but with the previous Government, which started implementing these procedures in 1974 when it set up the green boxes. It is their responsibility, and now we have to clean up the mess.

UNIFORMITY OF SERVICES

Mr. George Baker (Gander—Twillingate): This reduction in postal services cannot be tolerated! Don't you think you have a responsibility to Canadians to be fair and to give the same service in the same region, from door to door and not from box to box?

Some Hon. Members: Hear, hear!

• (1430)

[*English*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I will answer that by saying that this Government is committed to providing a higher quality of postal service. I think that everyone knows that.

Some Hon. Members: Oh, oh!

Mr. Axworthy: It comes as a real surprise.

Mr. Côté (Langelier): The plan tabled yesterday answers the needs of Canadians to have a better postal service at an affordable cost.

Mr. Speaker: All Hon. Members will know that that is a hard act to follow.

Some Hon. Members: Oh, oh!

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEW BRUNSWICK MINISTER OF MUNICIPAL AFFAIRS AND ENVIRONMENT

Mr. Speaker: It might be appropriate to draw to the attention of Members the presence in the gallery of the Hon. Robert Jackson, Minister of Municipal Affairs and Environment for the Province of New Brunswick.

Some Hon. Members: Hear, hear!

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CANADA POST CORPORATION

COMMITTEE EXAMINATION OF PROPOSED POSTAL RATE INCREASE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. Canadians need some information to understand what he means by a full opportunity to review the rate increase. Will the Committee be given adequate time to do the review, or will it be limited to the month that Donald Landers talked about? Will the Committee be given all the information that it needs, such as full pricing information, or will it be limited to the document that was tabled yesterday? Will the Committee have sufficient scope, or will it be limited simply to examining the 2 cent increase?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, as we all know, the increase in postal rates is an integral part of the corporate plan that was tabled yesterday. Cabinet has decided to refer consideration of the rate increases to a parliamentary committee, before proceeding with publication, and it did so in the very best spirit of parliamentary reform. So again, we are supporting objectives announced previously.

[*English*]

CONDUCT OF COMMITTEE MEETINGS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister has failed to take the opportunity to provide the type of information that would assure Canadians that the review is going to be full and adequate. He leaves us with no other conclusion but that this is going to be an opportunity for back-bench Tories to blow off steam, and a roast for Donald Landers.

Mr. Speaker: Order, please. I have not found a question there yet. Perhaps the Hon. Member would put his question.

Mr. Keeper: Mr. Speaker, my question is this. The Minister said in the House that the plan which was presented yesterday answers the needs of Canadians at an affordable cost. Having put his stamp of approval on this plan, how can Canadians have any confidence that the review is going to be meaningful and have any impact on policy made by the Government?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, all Canadians know that they were consulted when the Marchment Commission was created. The Commission travelled all over the country, visiting 14 cities. It made 29 recommendations, and we are in the process of putting in place 28 of those recommendations. This is full consultation with Canadians, Sir.

Some Hon. Members: Hear, hear!

Mr. Keeper: What about the committee?

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SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—BRISTOL CONSORTIUM'S BID

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the President of the Treasury Board. I have here a document which was prepared by the Bristol Aerospace consortium as part of its bid. It states that technology transfer will form a significant part of the task, and the current familiarity with many of the CF-18 systems will minimize the time and cost of the transfer. Why did the Minister say yesterday that there was no such documentation when it is clearly there? Why is he so ignorant of the proposals put forward by Bristol on the crucial issue of technology transfer? Does this not now give superiority to that particular proposal and, therefore, should not the recommendation be reconsidered?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have reviewed all the information once again, after many times. There was no written offer of any type of free technology from that consortium. The amounts quoted by both firms, and evaluated by the 75 officials of the evaluation team—

Mr. Orlikow: And they blew that.

Mr. de Cotret: —showed the difference. They included that. Giving one consortium the go ahead rather than another means no additional money for the taxpayers of Canada. By that I mean no additional cost. I am satisfied by the answers I have given so far that the process was carried out adequately.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I wish to advise Minister that there are a lot of Canadians who are not satisfied with those answers. I want to challenge the Minister about saying in this House that there would be no extra cost when neither he nor his Government has finished negotiating with the various companies that hold the rights to the technology that must be used in the maintenance plant. You have not even finished negotiating, so you do not know what the cost will be. Therefore, there will be an extra cost. How do you answer that?

An Hon. Member: Order. How long have you been in the House?

Mr. Speaker: Order, please. An experienced Member of Parliament will know that if he continues to use the second person pronoun, perhaps the Chair will proceed to another Member and the Minister will not answer at all. I am sure that the Hon. Member would not repeat the incorrect use of the word "you" when the question is being asked.

The Hon. Minister, please.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, through you I would like to inform my hon. colleague opposite that the whole preamble to his question is totally spurious. The Government is negotiating for that transfer of technology. Whether any one of the three consortia received the successful bid, the cost would have been the same. That negotiation is being undertaken by the Government with McDonnell Douglas and the cost would have been carried through to the winning bidder. That was clearly put out in the submissions that were received from the evaluation team.

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NATIONAL RESEARCH COUNCIL

ROBOTICS RESEARCH

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The vision system developed in connection with Canadarm is one of the few scientific accomplishments to have been commemorated in a stamp issue. What is the logic behind the cuts to the NRC that leads to the demise of this most outstanding program, not only in basic research, but a program which, among other things has benefited robotics in industry?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I have said repeatedly in the House, it is the intention of the Government to conduct an examination into the so-called cuts that the Hon. Member mentioned to ensure that no injury is done to public safety, to health, or to announced government priorities. The space program is such a priority. I will be in a position within the next few days to make an announcement or statement in the House on the method that will be used to conduct this examination.

Oral Questions

CANCER TREATMENT PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): My supplementary question is directed to the same Minister. Will the announcement include a correction of the situation with the TRIUMF program which is involved in cancer treatment, and all those other programs that we have mentioned that impinge upon the health and safety of Canadians? If it is his intention to re-examine all of those programs which we have mentioned one by one, is it not about time that the whole process of cutting NRC be stopped right now in its tracks before any more damage is done?

Some Hon. Members: Hear, hear!

• (1440)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I do not for a moment accept the Hon. Member's assertion that damage has been done to the integrity of the NRC. As I have said, there will be an examination in light of Government priorities and public health. That examination will proceed reasonably swiftly. Let me relieve the Hon. Member's concern about TRIUMF. I am told that there will be no injury to the programs of TRIUMF, and that the allocations made there have nothing to do with their programs but have to do with their future planning.

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FISHERIES

WEST COAST SALMON LICENCE FEES

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Last weekend in British Columbia the Minister announced that he would be doubling licence fees for commercial fishermen to help pay for phase two of the Salmonid Enhancement Program. Why would the Minister single out one sector, or does he plan to share the load with other resource users of this West Coast fishery?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the Government of Canada or the taxpayers of Canada have invested over a quarter billion dollars in the Salmonid Enhancement Program on the West Coast over the past 10 years. At the time the program was started there was a commitment made that when it began to produce dividends to commercial and recreational fishermen, the users who benefited would begin to pay a portion of the cost. These increases would raise about one-tenth of the total cost of maintaining the program, and I think it is a fair contribution to ask of the commercial and recreational fishermen of British Columbia.

MINISTER'S CONSULTATIONS

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, the Minister should know that there is a great deal of anxiety and concern on the West Coast about this matter. Where does the consultative mechanism come in here? The Minister is disbanding his advisory council, while at the same time announcing new methods of SEP funding. Whom is the Minister consulting these days?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think this is an important supplementary question. In fact the subject of user fees and the future of the Salmonid Enhancement Program have been discussed over the past 12 months with the Minister's Advisory Council, albeit in somewhat of a vacuum because several user groups—in particular native people, commercial trollers, and latterly sports fishermen—have withdrawn from the Minister's Advisory Council. I felt it important to create a new policy advisory group known as the Pacific Regional Council. All user groups will be represented as policies of this nature are developed in future.

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[*Translation*]

RAILWAYS

FUTURE OF 551 CN EMPLOYEES AT MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport. In answer to a question yesterday the Minister implied that 551 persons would remain employed by CN in Moncton. Today, calmly, can the Minister give me more details concerning these 551 persons, that is how many will work in Moncton, how many will be transferred elsewhere, and how many will take early retirement?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I do not want to be too lengthy, but I never said that 551 people would be retaining jobs in Moncton. I said that accommodation had been found for 551 people. There are 165 in the CN Moncton shops complex; 152 in the CN Moncton Gordon Yard; 116 have been offered and accepted jobs at CN in Winnipeg; 34 at CN in Montreal; 9 at CN in Toronto; 6 at VIA Rail in Toronto; 3 at VIA Rail in Windsor; 2 at VIA Rail in Montreal; 54 are eligible for early retirement in Moncton; and 10 come under the category of "various other".

NUMBER OF JOBS RETAINED IN MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, transfers and early retirements are not jobs for Moncton workers; those are jobs lost to Moncton. How many of the 551 will actually stay in Moncton?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I just gave the list. Clearly it is 165 at the CN Moncton shops complex—that is in Moncton, and 152 at the CN Moncton Gordon Yard—that is in Moncton. If the hon. gentleman will add up those two, he will get the answer to his question.

Mr. Robichaud: What about the rest?

Mr. Turner (Vancouver-Quadra): That is really funny, John!

Mr. Nunziata: You ought to be ashamed of yourself.

Mr. Crosbie: If the Leader of the Opposition will permit me, and his sidekick with the moustache—

Mr. Speaker: Order, please.

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SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—BRISTOL CONSORTIUM'S TECHNOLOGY

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the President of the Treasury Board. Earlier in Question Period he inferred that negotiations which the Government has to undertake in order to get the technology for the maintenance of the CF-18 would be necessary for all three companies which made bids. Will the Minister not rise in the House and admit that the Bristol consortium already owns or has access to much of that technology and therefore there could be a great savings to the taxpayers of Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer to that question is very short and very simple. The Bristol consortium has access to some technology. The Canadair consortium has access to equivalent CF-18 technology. In the view of the evaluation team it is not even certain that the technology which either consortium has is applicable to the contract under negotiation.

Mr. Axworthy: It gets worse every time you answer.

Mr. Murphy: It is amazing that the Minister would get up and say that the evaluation team would not recognize whether or not the technology available is the technology which is necessary.

REQUEST FOR REFERRAL TO AUDITOR GENERAL

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is for the Prime Minister. Yesterday he was asked a number of questions on whether or not he would refer the matter to the Auditor General. In order to reduce regional differences in the country, will he do that?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I answered that question yesterday. The Auditor General is responsible to the House. The Auditor General will undertake all investigations or all reports which he feels are necessary. In a contract of this nature, I am sure the Auditor General would want to get to the bottom of the facts. We will, as always, co-operate with him to give him all the information.

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IMMIGRATION

SPECIAL MINISTERIAL ENTRY PERMITS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister. Within a two-week period we have learned that an Hungarian resident, who turned over politically sensitive information on other Canadians to Hungarian secret police, and an individual with a record of over 20 criminal convictions have both received special ministerial permits to allow them to remain in Canada. Why is the Government extending the welcome mat to such undesirable individuals, when thousands of meritorious immigrants are being kept out? Why do you refuse to rescind two such outrageous and indefensible decisions?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I am extremely surprised that the Hon. Member personally should think he is in a position to judge applications which are pending and about which the Minister of State has made recommendations on the basis of existing legislation. There is nothing special in the fact that the Immigration Act is being administered.

I would suggest this is quite normal. The Government is simply following existing regulations and I challenge the Hon. Member to say before the House that he is opposed to any kind of rehabilitation for prospective immigrants to Canada.

[*English*]

Mr. Speaker: Before the Hon. Member for York West puts his supplementary question I would ask that he be careful about using the word "you" and make his remarks through the Speaker.

REQUEST THAT TWO APPLICANTS BE REJECTED

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is directed to the senior Minister of Employment and Immigration. I think the Minister should stop waltzing around the issue and admit two serious errors in judgment. Is the Minister prepared to assure Canadians and the House that this Hungarian spy and an individual with 20 criminal convictions should be inadmissible according to the Immigration Act, and that he will say no to giving them permanent resident status in the country?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): As Minister of Immigration, Mr. Speaker, I have no pretention to act for judges whose role it is to consider the applications of prospective immigrants to Canada.

I would especially urge my colleague to respect the existing Immigration Act mechanisms which are responsible for the fact that this country can welcome outstanding immigrants.

* * *

[*English*]

APARTHEID

SOUTH AFRICA—OBSERVANCE OF COMMONWEALTH SANCTIONS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Prime Minister. He will know that 87,000 litres of South African wine have arrived at the Port of Vancouver, clearly in contravention of the intent of Commonwealth sanctions issued on August 5. The Premier of B.C. is meeting with the South African Ambassador in British Columbia tomorrow.

• (1450)

Has the Prime Minister discussed with Premier Vander Zalm this blatant violation of the federal Government's sanctions policy, or is the federal Government only going to pay lip service to the policy itself?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I am aware of the story to which the Hon. Member is referring. From my reading of the story I believe that the wine in question would have been shipped before the sanctions were put in place. Therefore, I have no other comment at this time.

Ms. Jewett: Mr. Speaker, my understanding is that it is not clear that the wine was shipped before.

GOVERNMENT'S SANCTIONS POLICY

Ms. Pauline Jewett (New Westminster—Coquitlam): In any event, will the Prime Minister or the Minister ensure that the wine does not appear in B.C. liquor stores? Tomorrow the Premier is meeting Ambassador Babb, who is out making a thank you call. Will the Prime Minister discuss with the Premier the nature of the federal Government's sanctions policy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Nunziata: Stranger in the House.

Mr. Broadbent: Remember, there is no supplementary.

Mr. Mulroney: Let *Hansard* show that the NDP responded with affection.

Mr. Gauthier: With surprise.

Mr. Mulroney: I believe that the policy of the Government of Canada with regard to the actions of the Government of South Africa is well known. The Secretary of State for External Affairs, I, and others have articulated on many occasions that we are in the process of putting in place further sanctions to demonstrate the revulsion of all Canadians with regard to the policy of apartheid. The position of the Government of Canada and the Parliament of Canada is well known to all Canadians, including Premiers.

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ENVIRONMENTAL AFFAIRS

NIAGARA RIVER CLEANUP PLAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. Last week the Minister released the plan for the cleanup of toxic chemicals moving into the Niagara River from the dump sites. When can the people in the Niagara Peninsula expect the cleanup of the toxic chemicals to begin?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I assume the Hon. Member for Davenport has read the Niagara River Toxic Management Plan. That report states that by July, 1987, we hope to be able to set targets and schedules for the actual cleanup of the river based on the scientific information we are seeking through the process put in train.

START OF OPERATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, can the Minister be less vague and give us a specific date? In May of this year in this House he said: "We are to begin immediately to clean up the toxins in the Niagara River from the dump sites". Rather than postponing until next July, could he tell us exactly when the cleanup operation will begin?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I just said that the four jurisidictions concerned, New York, Ontario, the Government of the United States and that of Canada, have mobilized their scientific resources to monitor the river, to assess the extent of the pollution, to identify the specific pollution sources, and to quantify the relative amounts of toxins going into the river from all sources. By July, 1987, we hope to be able to set a specific date by which we will achieve the cleanup.

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES ACTIONS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Prime Minister, for whom the NDP does indeed have affection this week because on Monday, at the United Nations General Assembly, Canada voted to endorse the World Court decision condemning United States terrorist attacks and mining of the harbours of Nicaragua.

Some Hon. Members: Hear, hear!

Mr. Heap: That is for you, Mr. Prime Minister. Will the Prime Minister now assure this House that he will call on his good friend, President Reagan, to stop funding any more terrorist attacks on Nicaragua? Will he warn El Salvador and Honduras that if they continue to allow their territories to be used for these attacks of the President on Nicaragua, Canada will cut off bilateral aid to them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will call on my good friend, Ambassador Stephen Lewis, to continue to represent Canada with the degree of independence and effectiveness with which he has done so at the United Nations. I believe that an examination of Canada's voting record over the last few years at the U.N. will indicate an unusual, and perhaps unprecedented, degree of independence at all times. It is our judgment that it is important for us to assert that independence and sovereignty in all fora, including the U.N. There will be other occasions for us on real grounds to do that. Our alliances and friendships and our support of common values are not in question, but the independence of Canada shall be constantly asserted by this Government at all times.

REQUEST THAT PRIME MINISER MEET VICE-PRESIDENT OF NICARAGUA

Mr. Dan Heap (Spadina): Mr. Speaker, I agree with the sentiments which the Prime Minister has expressed. I hope he can dispel the rumour which has arisen today that he is alleged to have snubbed the Vice-President of Nicaragua, Sergio Ramirez, by refusing to meet with him. It is suggested that perhaps our Prime Minister does not want to encourage any more displeasure from Mr. Reagan. Will the Prime Minister dispel that rumour by announcing very soon that within this year he will arrange a meeting with Vice-President Sergio Ramirez of Nicaragua?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know that I have to dispel any rumour. I set out the policy of the Government of Canada in regard to Central America quite clearly in a speech to the Hemispheric Press Association in Vancouver in September. I believe that was a fairly straightforward and appropriate approach which I understand was commented upon by other Members of this House.

The Government of Canada, through the Secretary of State for External Affairs, has constantly been available to meet with leaders from all walks of political life. We, of course, remain available to do so with courtesy with anyone who is interested in visiting us.

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CANADIAN HUMAN RIGHTS COMMISSION

RESIGNATION OF ANTONIO ARCANGEL FROM HUMAN RIGHTS TRIBUNAL

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the Minister of Justice. Earlier this week allegations were made in this House with regard to the integrity and qualifications of a member of the Canadian Human Rights Tribunal, one Antonio Arcangel. Has the Minister had an opportunity to investigate those allegations? If so, what has his investigation revealed?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I had an opportunity to consider the matter. Today I received a telegram from Antonio Arcangel in which he indicated that he is withdrawing his name from the list of members of the Canadian Human Rights Tribunal because " . . . Ms. Sheila Copps' unfair remarks and unjust allegations have seriously impaired my ability to serve effectively as a member of such a Tribunal".

Mr. Axworthy: Good.

Mr. Hnatyshyn: I have accepted his decision in that regard.

Mr. Turner (Vancouver Quadra): Did you ask for his resignation?

Mr. Gauthier: That's phoney.

Mr. Mazankowski: Why don't you clean up your act?

Mr. Hnatyshyn: That's an assassination.

Mr. Turner (Vancouver Quadra): You asked for his resignation, that's what.

Mr. Mazankowski: Come on!

* * *

[*Translation*]

ENERGY

INQUIRY WHY GASOLINE PRICES INCREASED ONLY IN QUEBEC

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question was intended for the Minister of Energy, Mines and Resources, but in his absence, perhaps I may direct it to the Prime Minister or the Acting Minister.

Point of Order—Mr. Gauthier

Mr. Speaker, yesterday the Conservative Caucus bragged that they managed to stop the two-cent increase in postal rates announced by one of our Crown corporations, Canada Post. Meanwhile, another Crown corporation, Petro-Canada, raised the price of gas on the Quebec market by two cents a litre.

I would like to ask the Prime Minister: why the inconsistency? Why, in the case of Canada Post, did the Conservative Caucus get terribly upset and block the increase, and why is Petro-Canada, also a Crown corporation, allowed to increase the price of gas by two cents a litre, and to do so—and this is particularly outrageous—only in the Province of Quebec?

• (1500)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I have explained to the Hon. Member, there is no constitutional authority for the federal Government to set prices. That is a fact; that is the reality. We have to live with that. We have a responsibility to ensure a competitive market, which we are trying to do to the best of our ability. If the Hon. Member has any evidence that the market is being manipulated in some fashion to the detriment of consumers, let us know and we will act immediately.

[*Translation*]

REQUEST THAT GOVERNMENT REVIEW CERTAIN INCREASES SUGGESTED BY CROWN CORPORATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister of Consumer and Corporate Affairs has a responsibility to monitor this kind of thing. There is nothing in the Canadian Constitution, however, that says a Government cannot tell a Crown corporation that falls under its jurisdiction: You can't raise your prices. So again, I want to ask the Minister, and it seems to be the Acting Minister of Energy, Mines and Resources, no connection with consumer protection: Why is the Government so inconsistent? They stopped a two-cent increase in postal rates proposed by a Crown corporation, but they refuse to take action when another Crown corporation raises the price of its gas.

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, when the Liberal Government established Petro-Canada it said the company should operate in the commercial market-place as if it was a commercial corporation. As such it is under the jurisdiction of the Competition Act which is there to ensure that Petro-Canada, Ultramar, or anyone else acts in a proper fashion.

I repeat, if the Hon. Member has any evidence that Petro-Canada or anyone else is not operating in compliance with the Competition Act, let us know and we will take action.

Mr. Speaker: The Hon. Member for Burnaby, one question, please.

[*Translation*]

OFFICIAL LANGUAGES

STATUS OF ENGLISH IN RCMP

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Justice. A recent report of the Official Languages Commissioner and many people at Division C have condemned the administration of the RCMP by saying that, for all practical purposes, English is virtually the only language of work at Headquarters. My question is this: What action will the Minister take to put an end to this discrimination, not to say this unacceptable racism, on the part of the RCMP?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have already asked my colleague the Sollicitor General to present to me as soon as possible an action plan to ensure that the bilingualism objectives for this agency will be met in the prescribed time limits.

* * *

[*English*]

POINT OF ORDER

TABLING OF TELEGRAM READ BY MINISTER IN HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, during Question Period the Minister of Justice (Mr. Hnatyshyn) referred to a telegram he received from Mr. Arcangel. Since he read from that telegram I request that it be now tabled.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): On the same point of order, Mr. Speaker.

Mr. Hnatyshyn: Wait a second. Your Whip has already spoken.

Mr. Turner (Vancouver Quadra): Before you table it. When the hon. gentleman tables it, will he say whether he asked for that resignation.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, this is highly unusual. I will simply say that I did not ask for this resignation—

Mr. Garneau: Somebody else did.

Mr. Hnatyshyn: —and I am glad to table the telegram.

I think the Right Hon. Leader of the Opposition (Mr. Turner) should take care in using the protection of this House in making allegations concerning citizens of this country.

Some Hon. Members: You should, too.

Mr. Mazankowski: It is not becoming, John.

Mr. Speaker: The Hon. Minister wishes to table the document and has done so.

* * *

PRIVILEGE

RELEASE OF INFORMATION BY MINISTER PRIOR TO INTRODUCTION IN HOUSE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a question of privilege. Earlier today the Minister of Consumer and Corporate Affairs (Mr. Andre) called a press conference and provided detailed information regarding a Bill which had not yet been introduced in this House. In the information presented to journalists there was an indication that a Bill had been introduced. It went on to detail very specific amendments prior to any Member of Parliament having an opportunity to see the Bill and review its contents. I simply bring this to your attention and ask that you examine the information presented at the press conference to determine whether or not there has been a breach of the privileges of every Member of this House.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as those of us who have been here for some time are aware, the Standing Orders exist to cover the basic operations of the House. In addition to that, however, there are numerous practices which are unwritten but nevertheless essential to the proper operation of the House. One of those practices, which at least this Government applies as a matter of courtesy, is to give the Opposition advance warning of the Government's intentions. We do not have to do that according to the Standing Orders but we do it. In keeping with that tradition, and in trying to maintain decorum and order in the House, as well as a certain amount of respect for each other's opinions, I arranged for a representative of the NDP and representatives of the Liberal Party to be briefed on the Bill at ten o'clock this morning in advance of our introducing it. I thought it was a matter of courtesy so that they could respond to it. The net effect of that courtesy was that they were able to assemble various techniques to prevent us from introducing the Bill.

If it is the decision that we should not extend that courtesy to the Opposition any longer, that we should just sneak up on them so to speak, then so be it. However, the institution will lose. I question whether the House Leader of the NDP thinks it is right, after we extended the courtesy of briefing his official critic, to use that information to try to frustrate the Government in its attempt to expose this legislation to the public.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to draw to the attention of the House that the Government gave notice on the Order Paper, on November 4, that this Bill was forthcoming.

Mr. Andre: Any day.

Mr. Gauthier: If the Minister will listen, we had notice 48 hours ago. The second point is that until the House has pronounced itself on whether the Bill will be read the first time or not, I do not think the Minister has the right to prejudice that decision which we made today.

Mr. Andre: I just want to make it clear, lest there be some misinterpretation, that except for members of the Opposition who were briefed this morning, no one else has been given a copy of the Bill and there was no intention that anyone else would get a copy. The legislation we would like to introduce and expose to the public if we can is, as I have said in this House on many occasions, essentially the same as the draft Bill exposed to the public on June 27. The fine tuning we talked about is relatively modest. The Bill has not been shown to anyone else except to members of the Opposition as a matter of courtesy, which apparently they do not want.

Mr. Speaker: The Chair has listened with interest to the exchange and I think it would be appropriate to consider the matter carefully and return to the Chamber with comments at an appropriate time. The Chair will be in touch with Hon. Members.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on the usual business question. I wonder if the Government House Leader could inform the House what Bills he intends to call tomorrow. As well, given that the House is not sitting next week, can he give us the agenda for November 17?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will be glad to do that. Today we will continue with Bill C-17, the Petroleum and Gas Revenue Tax, followed by Bill C-14, the Excise Tax Act, followed by Bill C-16, amendments to the House of Commons Act. If we conclude with those, we will move to the unemployment insurance Bill.

* * *

POINTS OF ORDER

PETITIONS—ALLEGED MISREPRESENTATION BY MEMBERS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have reason to believe that the actual wording of the petition tabled by the Hon. Member for Windsor—Walkerville (Mr.

McCurdy) varies quite considerably from the language used by the Hon. Member when he presented it. I was unable to raise a point at that time, although I was skeptical about the wording he was using, because I was unable to get a copy of the petition which I now have. I want to point out that according to the electronic transcript, the Member said: "The petitioners protest as well the fact that this legislation is a product of American blackmail". Very close examination of the petition gives no indication whatsoever that the petitioners said any such thing, and I believe that the Hon. Member has probably unwittingly misled the House and misrepresented his petitioners. I would ask if the Speaker would be kind enough to review the "blues" and tomorrow's *Hansard*, and the petition, to see what representation we should make and what we should do in the way of ensuring honesty and courtesy in the House.

• (1510)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on the same point of order. At the same time as you are examining the petition presented by the Hon. Member for Windsor-Walkerville (Mr. McCurdy) and the wording therein and the words he used in presenting the petition, I would also draw your attention to the words used by the Hon. Member for Spadina (Mr. Heap) who stated very clearly, according to the "blues": "They point out that it bears particularly upon the aged and infirm and upon any who needs drugs on an ongoing basis and that the profits will go primarily to the United States and not Canada". I have examined the petition, the wording of these petitions all being the same, and those words are not contained in that petition.

Mr. Keeper: They are not all the same.

Mr. Lewis: We have not had a chance to get all of them and I say with specific reference to the Hon. Member for Winnipeg North Centre (Mr. Keeper), that when he presented his petition he said very clearly: "The petitioners point out that the Government has caved in to the lobbying of multinational corporations". That is not in the wording of the said petition. I would ask you to examine that as well.

Now we go to the petition presented by the Member for Comox—Powell River (Mr. Skelly) who has recently returned to the House from an unfortunate experience in British Columbia. He says: "The petition states that it is on the subject of the Government proposal to harm severely senior citizens—". That is not in the petition: "—and many other Canadians by providing for unlimited increases in drug prices". Those words are not in the petition either. He goes on to take a shot at my colleague, the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway), and says the people of that riding are outraged. Those words are not in the petition either.

There is nothing more basic to our democratic tradition than presenting a petition from the people of the country. For a Member of Parliament to get up in the House and misrepresent deliberately or unwittingly what petitioners say in writing is an absolute outrage. I would ask that you examine what was said on flights of fancy and compare it to what is very clearly written and brought forward by the petitioners. If you find, as I have, that there has been a complete variance, I would ask and suggest that it is appropriate that those Members apologize to the House.

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise on the same point of order. It is interesting that the Parliamentary Secretary to the Government House Leader (Mr. Lewis) should be getting up again to try to stall, prevent and thwart the wishes of Members of Parliament who wish to present petitions to the House.

Mr. Mazankowski: We are trying to hold you guys accountable.

Mr. Murphy: It was interesting that before the lunch break the Deputy Prime Minister (Mr. Mazankowski) was trying to insinuate that he should have prior access to all petitions that are presented in the House.

Mr. Mazankowski: Mr. Speaker, I rise on a question of privilege. That is absolutely incorrect. All I asked, and all I sought—and you were in the chair—was to look at the petitions which were to be deposited on the Table.

Mr. Keeper: No, you did not.

Mr. Speaker: Order. The point that is being debated here, to which the Chair must address its attention, is whether Members, at the introduction of their petitions, went beyond what in fact was the substance of the petitions when describing those petitions. I would ask Hon. Members, all of whom have the right to make a contribution in this debate, to confine their remarks to that issue.

That is the issue with which the Chair must deal. Certainly the Chair is not assisted by Members wandering away from that particular central point. The Hon. Member for Churchill (Mr. Murphy).

Mr. Murphy: Mr. Speaker, in his point of order the Parliamentary Secretary talked about a number of clauses and other concerns. He said that the petition itself does not mention pensioners. That may be true, but the petition does say that the measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. I submit that many people across this country to whom this applies are indeed pensioners. I know for a fact that the people who signed the petition that I presented in the House were pensioners from my riding. An Hon. Member certainly has the right to rise in the House and say he is speaking on behalf of pensioners.

The Parliamentary Secretary said that we were referring to blackmail by the United States. That may be a term which he finds offensive, but the petition itself states: "The proposed changes are another example of Canadian Government concessions to the United States, at the expense of average Canadians, in the free trade negotiations".

Mr. Lewis: Where is the word "blackmail"?

Mr. Murphy: The point I am making is that there are clauses in the petition which directly relate to the statements made by members of the New Democratic Party caucus in presenting these petitions on behalf of their constituents. They have the right not to read word for word what is in the petition, but to follow the themes that are presented in the petition. For example, quite often those who would need to use prescription drugs on an ongoing basis are pensioners, and that this issue is something that we and the people who signed the petition deem to be related to the Government concessions on the matter of the free trade talks.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I thought it was a longstanding practice in the House that a Member who has not debated a motion or resolution could not get a copy of the preliminary transcript, which is better known as the "blues". In the past I wanted to know what some Member said in the House and attempted to get the "blues". I was told that another Member is not allowed to see them before they were sent to the Member who made the statement in the House.

I have been watching this debate very closely and I noticed that the Hon. House Leader is in full possession of the "blues", referring to a debate that just took place.

Mr. Mazankowski: No.

Mr. Prud'homme: Not the House Leader, but the Hon. Parliamentary Secretary. I apologize to the Hon. House Leader.

I do not know where they are now but the Hon. Parliamentary Secretary to the Government House Leader was in full possession of the "blues" dealing with something that took place moments ago. I have always been led to believe in the past that this was not allowed because the "blues" belonged to the Member until they were released.

Of course, now we have television and this can be revised. However, while this is a serious matter, if there is a more furious debate in the future, it may be beneficial for the Speaker, who is held in esteem by all Members of the House, to take this into consideration or rule today on the propriety of a Member being in possession of the "blues" of another Member.

Mr. Lewis: Mr. Speaker, perhaps this is something you may want to examine in view of my hon. friend's point that we now have the benefit of television in the House. One can easily recall that particular moment on the television screen and then inscribe it and we would have the same thing. I think you might want to take that into account, Mr. Speaker, when you consider this matter.

• (1520)

I appreciate the fact that I have already spoken once on this matter, but the key to our argument is that there are two very important words in a petition which is presented, "humbly showeth". If one says: "I am presenting a petition which humbly showeth—", and the petition, in writing, shows what the petitioners mean, then it should not be misrepresented in the House. The point I am making, and the point I think the Chair should zero in on, is whether or not when a Member of Parliament presents a petition, he or she should stick strictly to the wording in the petition which the petitioners themselves have signed and not go off on a flight of fancy.

I have no difficulty whatsoever with Hon. Members presenting petitions. However, I do think if petitioners sign something and point to the prayer when they sign it—and, after all, we have had some discussion on whether or not that prayer has to be on every page—then anyone who comes into this Chamber and alleges blackmail in writing, had better be darn sure there is blackmail in writing and it is not just an allegation or flight of fancy.

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I would also like to join in this debate because I think this is a matter of utmost seriousness and importance. When a Member of this Parliament rises on a Bill the principle of which we are debating, we are all subject to puffing on a number of points. However, when I rise and speak on behalf of my constituents in presenting a petition, it is incumbent upon me in this highest court of the whole land to present it accurately. You practised in the courts for many years, Mr. Speaker, and you know that the court is the search for truth and the judge must be able to rely totally on the words of the officials who have the right to be there, such as lawyers who are representing their clients. A judge cannot tolerate for an instant people misrepresenting the facts. That is a contempt of court for which people can be suspended and disbarred.

I submit that with respect to petitions, it is exactly the same. The New Democratic Party has gotten carried away with its flight of disinformation, as it tends to do, but that should not be done on petitions. In debate, it is one thing, but with respect to petitions we have to be exactly specific. I believe this matter has to be referred to the appropriate committee for follow-up.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Parliamentary Secretary to the Hon. House Leader referred earlier to the "blues" as he was making his presentation. I would ask the Hon. Member to table those "blues" so we can examine the date in terms of the point made earlier that in fact these "blues" only go to Hon. Members' offices. I am simply asking, if he believes in what he is saying, that he simply follow the typical process of the House and provide us with the date.

I want to refer to some of the wording used by my colleagues in the presentation of their petitions. The Hon. Members opposite, particularly the House Leader of the Government, indicated a concern about the language used in the presentation of petitions. I simply want to bring to his attention that if he thinks the language used by my colleagues in the presentation of petitions was strong, he should have heard the language of the people signing the petitions.

Point of Order—Mr. McKinnon

Mr. Keeper: Mr. Speaker, the Deputy House Leader made the claim that when I presented my petition in the House today I misrepresented that petition. He also mentioned something about "sticking to the words". Are we to say, therefore, that the only way to represent a petition accurately is to stick to the exact words, or is there another test, that being the communication of the meaning of the petition?

Mr. Lewis: Oh, I see, the interpretation.

Mr. Keeper: This is the fundamental question of what is "representation" and what is "misrepresentation". I would suggest that the accurate communication of meaning is a fair representation of a petition. With that in mind, I will read from the "blues" which I had to get from the Deputy House Leader, through whatever magical powers he has. These are the words he quoted: "The petitioners point out that the Government has caved in to the lobbying of multinational corporations", and I will read the exact words which were in the petition which was signed by my constituents:

WHEREAS, the proposed changes are another example of the Conservative Government serving the interests of multinational corporations and increasing their profits, at the expense of Canadian consumers.

I ask you to consider, Mr. Speaker, whether that accurately represents the meaning of the words I used, to which the House Leader objects, which were "caved in".

Mr. Lewis: Where are the words "caved in"?

Mr. Keeper: Surely that is what is meant by "serving the interests of the multinational corporations and increasing their profits at the expense of Canadian consumers".

Some Hon. Members: Oh, oh!

Mr. Keeper: Surely that is an accurate representation of the meaning.

My hon. friend quoted me as saying: "the Government has caved in to the lobbying of multinational corporations". Every adult in this country knows that the way any interest group gains the attention of Government and gets the policy it wants from Government, is through a process which is commonly known as "lobbying". How else does the Hon. Member imagine that those people who signed this petition think the Government arrived at its conclusion? The petition states, wherein the proposed changes are another example of the Conservative Government serving the interests of multinational corporations, increasing their profits, at the expense of ordinary Canadians.

I suggest that what I said in this House, Mr. Speaker, accurately represents the meaning of this petition. To the extent that those were the very words the Hon. Member himself used when he evaluated my words in this House, when he talked about misrepresentation and misleading, surely the same standard of test should be applied to him and his description of what I did and the way I conveyed the meaning in these documents.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I too feel honour bound to take part in the debate. As all Hon. Members of this House know, there are times when we must, on behalf of our constituents, table a petition in the House of Commons with which we may or may not agree. It may be something to which we are fundamentally opposed, but our constituents have asked us to submit a petition on their behalf. I submit that if we are allowed to stray from the wording of the petition we are tabling, we could undermine our constituents by adding or detracting from their statement. The Hon. Member for Lethbridge—Foothills (Mr. Thacker) has made the point very adequately. I only submit this, Mr. Speaker, because I am sure you have had the experience, as I have, and as have all Hon. Members here, that when you submit a petition you do not agree with, you are duty bound to do so because your constituents have asked you to submit that petition.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I regret I was not present to hear the initiation of this debate. I listened very carefully to the intervention of my hon. colleague moments ago when he suggested certain problems might be created if we are tabling petitions with which we disagree. I would hasten to point out I could not agree more strongly with petitions which were tabled this morning.

I would like to mention that I understand that it is an abrogation of the rules of the House for someone to have acquired the "blues" in advance of their acquisition by the Hon. Member whose speech or utterances are recorded therein. I think that is a matter which should be looked into. However, it is my understanding that in the proffering of a petition Hon. Members ought to avoid repeating every word contained in the petition. That is a principle to which I tried very hard to adhere. In doing so I tried to paraphrase the contents of the petition in order to spare the House the unnecessary consumption of time. When I saw a phrase in the petition which states: "Whereas the proposed changes are another example of Canadian Government concessions to the United States at the expense of average Canadians in the free trade negotations", I could only think of one word to substitute for and summarize that phrase. That word was "blackmail".

• (1530)

Mr. Chuck Cook (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I have heard enough of this nonsense. I simply say to the Chair with the greatest of respect that the duty of the Speaker in this regard, and I would like to go back to first principles, is with respect to the question of privilege raised by the Hon. Member for Victoria (Mr. McKinnon). I think out of their own mouths members of the New Democratic Party have condemned themselves and, quite frankly, have pointed out that what they said was not what was contained in the petitions.

I would also bring to the attention of the Chair that it is your duty, Sir, only to find a prima facie case, not to determine the matter. If Your Honour finds that there is a prima facie case of breach of privilege, and Members opposite have surely indicated with their own words that there is a prima facie case, then with the greatest of respect to the Chair it is your duty, Sir, to refer the matter to the Standing Committee on Privileges and Elections so that it may be investigated and so that a judgment on the Members' conduct can be made followed by censure or absolution.

To you, Mr. Speaker, I say enough of this nonsense. I honestly submit that Your Honour should refer the matter and let us be done with it.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, surely what we are dealing with here is a question of form and of proper procedure rather than a question of privilege. I would ask you, Sir, if you would investigate the rulings, and if there were not rulings then at least the requests, of former Speaker Mr. Lloyd Francis concerning a number of petitions presented in a similar manner by members of the New Democratic Party concerning the Crow issue. I believe at that time we were requested not to read out petitions but, rather, to summarize them, giving the gist of them. I ask Your Honour to review the earlier rulings and requests of a former Speaker.

Mr. Speaker: The Hon. Member for Annapolis Valley—

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, it is obvious I should rise more often in the Chamber if Your Honour has a form of amnesia concerning the riding I represent.

Quite frankly, I was here this morning when these petitions were presented. I understand the reasons that they were presented. Frankly, I was amazed that someone representing the leadership of my Party did not rise, not to protest the first protest raised, but to protest the editorial comments concerning the petitions. I do not have to read the "blues", although they have been referred to. As far as I am concerned, I agree with my friend, the Hon. Member for North Vancouver—Burnaby (Mr. Cook). It is not the "blues" with which we are concerned but the fact that any person watching these proceedings will be totally blue and depressed at what has taken place here during the last half-hour. Not one Member, other than the Hon. Member for Victoria (Mr. McKinnon), referred to the Standing Order concerning petitions, which is Standing Order 106. In particular I refer to Standing Order 106(2) which states that every petition shall contain a clear, proper and respectful prayer. How in the devil can one have a respectful prayer if a great many editorial pejoratives are put forward?

The other point I wish to make is that Standing Order 106(6) states that Members presenting petitions shall be answerable that they do not contain impertinent or improper matter.

I think Your Honour should consider this issue so that we can avoid this type of farce in the future. This will ensure that petitions will be factual and that editorial comments from Hon. Members will not be permitted, in which case the petition should not be read.

Mr. Speaker: The Chair has listened carefully to the representations, some reflective and some vigorous, which Hon. Members have made. It is appropriate for me to consider the matter with some care and return to the Chamber at an appropriate time.

The Chair is also concerned about the issue raised by the Hon. Member for Saint-Denis (Mr. Prud'homme). Certainly, the practice at one time was very clear. Use of the "blues" was not to be made in the Chamber. At one time the "blues" were not to be given to another Member until the Member involved had a chance to scan the record. That is probably a matter that ought to be discussed among Members since with electronic recording that particular practice may not be as acutely necessary as perhaps it once was. However, the Chair is not making any ruling or decision on that point but indicates that through the appropriate process I will ask Hon. Members to discuss the matter further.

With respect to the debate on this issue, it is important that members of the public who watch the proceedings of the Chamber ought to realize that the Hon. Member for Victoria (Mr. McKinnon) raised what was a perfectly appropriate point of order. It was not a question of privilege but a point of order. The point of order is that he feels that those presenting petitions earlier in the day had said more about them and more about the contents of them than was in fact contained in them. That is the issue that is before the Chair. That is the issue that the Chair will consider. After having carefully considered the petitions and what was said, and if it is the sense in fact that the introductory remarks went beyond what the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) clearly points out are strict words in the rules, then the Chair will rule accordingly.

I thank Hon. Members for their interventions. I know that the Hon. Members who presented petitions this morning are reflecting views that Canadians have expressed to them. These petitions are most appropriately brought to the Chamber. Those views, of course, must be vigorously espoused, as I think all Members will agree they were. The question is, was some of that vigour earlier today, perhaps on occasion, excessive? The Chair will consider that matter and come back to the Chamber to rule on the matter. I thank all Hon. Members for their interventions.

APPROPRIATENESS OF QUESTIONS—MATTERS BEFORE COMMITTEE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on another point of order. While you are reflecting on the previous issue, I ask you to consider something that has been developing over the past little while with regard to questions asked in the House that have a bearing on committee work that is going on. Citation 357 of Beauchesne's Fifth Edition clearly outlines certain limitations on the putting of questions. I quote from the citation which states:

Point of Order—Mr. Mazankowski

In putting a question a member must confine himself to the narrowest limits.

One of the limits has to do with subsection (*hh*) which states:

—seek information about proceedings in a Committee which has not yet made its report to the House.

In the past few weeks there have been occasions in the House on issues with respect to certain appointments to, in particular, the Human Rights Committee, when Members have raised questions about appointments and their reference to committees. As you know, Mr. Speaker, Standing Order 103 provides for a review of all Order in Council appointments made by the appropriate committee.

The point I wish to make and ask Your Honour to consider is with respect to whether questions such as this are in order when they are before or have the opportunity of being before the appropriate committee and when they are presented in the House of Commons. I can refer Your Honour to some specific examples in this regard. The first is found at page 426 of *Hansard* of October 16, a question raised by the Hon. Member for Hamilton East (Ms. Copps). Another example appears in *Hansard* of October 29 on Page 856 where a question was raised by the Hon. Member for York Centre (Mr. Kaplan). Yesterday, a question was raised by the Hon. Member for Burnaby (Mr. Robinson), and that question appears at page 1097 of *Hansard*. In *Hansard* of October 28, a similar question appears on page 819. Similar questions appear on page 855 of *Hansard* of October 29 and page 907 of October 30.

• (1540)

I raise this matter, Mr. Speaker, only to seek your guidance for all Members of the House, since I believe this matter could establish certain precedents which may not be in keeping with the spirit of Beauchesne's Citation No. 357 which in effect is the written rule by which we guide ourselves in the House, along with Standing Order 103.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I listened with interest to the point made by the Government House Leader. I have some concerns about his reference to Beauchesne's Citation 357 and particularly about his indication that issues that have the opportunity to be before a committee ought not to be raised in the House. I suggest that an issue that has the opportunity to be before a committee could be almost any issue. Any issue may be before a committee or may be referred to a committee some time in the future.

The House Leader's suggestion that issues that have the opportunity to be before a committee should not be raised by Hon. Members during Question Period seems to me to be totally out of order and inappropriate. We would not have any opportunity at all to raise issues in the House, particularly since the new Standing Orders adopted as a result of the reform committee suggest that any committee may take up any issue it deems appropriate whatever its terms of reference.

It concerned me to hear the House Leader suggest that we ought not ask questions about an issue that may have the opportunity to be before a committee. Perhaps I will seek clarification from him. Did he mean what I have just indicated or was that simply an elaboration which he had not intended?

Mr. Mazankowski: Mr. Speaker, I appreciate the Hon. Member raising the point and I might just clarify it. I was looking at the matter in the context of Standing Order 103 which deals with the review of certain Order in Council appointments. If he were to examine the examples I have given he would see that in most cases those particular issues are before their respective committees.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I find this interesting but I have difficulty following the logic of the Government House Leader. Indeed, I am not familiar with all the citations from Beauchesne's quoted by the Minister but I do think the spirit of them is to prevent repetition in Parliament. I believe they apply most particularly to legislation.

If a piece of legislation is before a committee, I could see the argument being made that that same subject matter could be the object of some duplication and therefore should not be raised in the House. However, I do not understand the argument of the Hon. House Leader when he says that Orders in Council could perhaps be the object of study in committee.

Personally, I feel that an individual's capacity to comply with the requirements of a job to which he has been appointed could be before a committee but the matter at hand, which is whether or not the individual in question was the object of a criminal investigation or something of that nature, is in the public domain and can be raised. The behaviour of that individual, for example, could be the object of questions in the House. I cannot see how we could avoid asking those questions.

I would ask for clarification from the Minister as to what he means when he is talking about Order in Council appointments. The appointment itself is before a committee, not the behaviour of an individual at his job.

Mr. Mazankowski: Mr. Speaker, my point was to seek your guidance and clarification on this issue. I merely cited some examples to try to make the point. On reflection, I believe you will find that in many of those cases the issues raised on the floor of the House of Commons are issues that are currently under consideration in respective Standing Committees.

I agree that there must be a certain amount of latitude. I believe past practices would reveal that, notwithstanding the fact that there may be a piece of legislation before a Standing Committee, questions are not necessarily prevented from being asked in the House. That is quite normal. However, I think the practice has been increasing and if it is considered to be appropriate, that is fine. I simply raised it with you, Sir, to seek your guidance and clarification to guide us in the future.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have one brief point to make in addition to the points that have been well made by Members on all sides of the House. The time of Question Period is valuable. Members from all sides of the House who wish to ask a question and hold the Government accountable may do so during that 45-minute period. If there are things such as the appointments review, which all Members of the House have agreed would be more properly dealt with in committee, it seems to me we would be better advised to use the time of the committee rather than the time of Question Period.

Mr. Speaker: Hon. Members have contributed to the debate on this point of order, and I take with very good grace the comments of the Deputy Prime Minister (Mr. Mazankowski). The Chair might comment on the definition of a precedent. A precedent is something that happened once upon a time and that everyone decided to follow. Looking at a precedent in legal terms, it is usually the consequence of a decision made after argument has been proffered to the Chair or a judge on a certain point.

I would point out to Hon. Members that just because something may turn up in the record of this Chamber which seems to abridge the rules does not of course mean that it creates a precedent. It may be something that slips by because the Speaker did not notice it or the Speaker might very deliberately let something slip by, given what was going on at that moment. Sometimes, as Hon. Members know, it is advisable for the Speaker to not hear something or to let something go.

I do not want Hon. Members to think that if something has happened and is recorded in the minutes of this Chamber, it necessarily creates a precedent. The Chair is sometimes in difficulty but sometimes guided on occasions when there has been a ruling made by a Speaker on a point that has been argued and which is apposite to the point that is causing the concern for Hon. Members.

The Hon. Deputy Prime Minister will know that I have not at this point been able to look at the references which have been put before me, but I will look at them. I am aware of some of them in any event because there were some questions which gave the Chair some momentary difficulty.

I might just make the following observation out of caution and out of concern for good manners and as much fairness as we can bring to bear in our deliberations, without impinging on the duty all Members have to speak fearlessly on matters of public interest. There is concern on the part of some Hon. Members in the Chamber about the fact that certain people, who may or may not be about to be appointed but who will go through the new reform process whereby their qualifications will be examined by all Hon. Members, are mentioned in Question Period, sometimes not in a complimentary way. Perhaps that is something Members will want to consider. In any event, I appreciate the comments. I repeat that Members should not think that because the Chair may choose to let something go under certain circumstances in the interests of good order, common sense, and a happy relationship here, that necessarily creates a precedent. The Chair does not consider that it does.

• (1550)

Mr. Murphy: I rise on a point of order and one that you have referred to when speaking in regard to the intervention of the Hon. Member for Victoria (Mr. McKinnon). It was mentioned by the Member for Saint-Denis (Mr. Prud'homme) that it was apparent that the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) was indeed using the "blues" of this House. It was my understanding, Mr. Speaker, that you did not say you would look at that matter, but that it was a matter that Members should look at. I would suggest that it is matter that you should look at.

Mr. Speaker: Perhaps I can allay any fears. The Chair will look at that matter. The resolution of it may well involve a discussion with the Members. I take seriously the point that was raised a few minutes ago.

Mr. Mazankowski: Mr. Speaker, may I seek unanimous consent to revert to Introduction of Bills for the purpose of introducing, under the name of the Minister of Consumer and Corporate Affairs (Mr. Andre), an Act to amend the Patent Act.

Mr. Speaker: The Hon. Deputy Prime Minister has asked for unanimous consent to revert to an earlier proceeding. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: There is not unanimous consent.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, November 5, consideration of the motion of Mr. Hockin that Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a Legislative Committee.

Mr. Speaker: Resuming debate.

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I am pleased to lend my support today to the Government's decision to terminate the petroleum and gas revenue tax, better known as the PGRT. From the outset I should say that I do not know a heck of a lot about gas and petroleum production. There is no gas or petroleum production in my riding. There is no gas or petroleum production in the Province of New Brunswick. We do have a company which is well known both nationally and internationally that refines these products. I have always believed that what is good for one part of the country is good for other parts of the country. Therefore, I am delighted to be able to say a few words on this Bill.

About a year and a half ago I had occasion to visit the oil sands operation in northern Alberta with the Member for Athabasca (Mr. Shields). I had a chance to see first hand this gargantuan operation. When we were students in high school we heard and read about this operation, but you have to be there to appreciate its size.

For a while it was a booming operation. In the City of Fort McMurray with a population of around 35,000 over 7,000 were from Atlantic Canada. This means that we in Atlantic Canada have traditionally gone elsewhere to seek employment. We have travelled to central Canada and western Canada. Therefore, when I say what is good for one part of Canada is good for the other, that in great measure and essence is what I mean.

The heady days were short lived. Unfortunately, many of those from the Maritimes who went out west to seek employment and new opportunity had to return. As we now know, the National Energy Program was a disaster. It was a disaster for the West, and a disaster for the oil producers.

The prime effect of the PGRT was western alienation. However, it was not the sole effect. Equally appalling was the signal that it gave to industry. The Government collected taxes from western oil producing companies—collected on revenue not on profit—then proceeded to turn this money over to finance oil exploration in a different area of the country. This was saying, in effect, that you who are successful in generating revenue with oil are not smart enough to know where to search for oil. But we are, so we will appropriate the funds to do so.

This signals to industry that a successful and regionally critical industry had better watch out, because Ottawa will want a piece of that action, and will invent new ways to get it. That type of taxation also creates disincentives to growth. What business will want to expand and generate revenue when the very act of doing so will increase the tax burden? The thinking behind this tax was that a strong and profitable business can be abused by Ottawa. It means that they will get little support from the average Canadian voter. This is a very dangerous thought, and gives little credit to the sense of fairness held by the average Canadian. Sure, we do want industry to pay its fair share, but only what is fair. This is what Canadians want. Industry creates jobs. Industry creates employment. It needs incentive and not disincentive.

The Minister of Energy, Mines and Resources (Mr. Masse) is helping to prove that when it comes to sensible and fair treatment of the oil companies, the Western Accord is far superior to the National Energy Program. Continuous improvements will indeed bring us closer to national reconciliation.

Hon. Members know that the price of oil on international markets has created a climate in which the oil producing companies in western Canada need cash flow simply to survive this temporary world-wide situation. This situation was not created in Canada, but Canadians have to help to rectify it.

The House has been asked to approve legislation which will accelerate the phase-out in direct response to the immediate needs of the oil industry. I do not think that this is too much to ask to help our friends in a time of need.

Simultaneously, two areas of concern are being addressed in Bill C-17. First, the repeal of PGRT, which will be beneficial to the oil industry retroactive to September 30. Second, in the continuation of the spirit of the Western Accord, this legislation continues the process of healing the rift between the energy producing areas and the federal Government in the area of revenue and taxation. It is important to note that the federal Government's revenue expectations are down because of the fall in world oil prices. Although the removal of the PGRT will result in a further drop in federal revenues of $150 million, the Government has seen fit to finally shelve this offensive tax.

• (1600)

Most experts agree that the present price for oil will not remain low. Indeed we have seen the change in the leadership within OPEC and the signal which Saudi Arabia sent out to oil producing countries. Therefore oil producing areas of Canada can look forward to more prosperous times, and we hope it will be soon. It is a task of the federal Government, along with all others concerned, to ensure that our oil companies are still operating and functioning when that happens.

The removal of the tax will greatly improve confidence in the Canadian oil and gas sector. As we know, it is the real catalyst to economic prosperity in western Canada. It is very important to all Canadians that main industrial sectors in all regions of the country have equal chances to contribute to the over-all economic picture.

With petroleum products, agriculture, lumber, manufacturing, and fishing, we have diversification that is the envy of much of the world. We in Government must work to keep all these sectors strong and growing. One way to do it—and I believe it is a critical point—is by ensuring that no sector is asked to provide more than its fair share of taxes to Government. The reasoning is simple; not only will the industry itself be hurt, but all sectors will live under the threat of an inequitable tax system, which destroys confidence and goodwill among all industries.

The public must be made aware that we are not granting windfall profits and benefits to the oil and gas sector. We are simply returning to them what was theirs in the first place. For the first time in many years we have a Government which is actually doing something about fairness in the tax system at both the corporate level and personal level. As consultations proceed, the Department of Finance will bring before the House tax reform proposals which are of the same cloth as this action. That is what Canadians want.

We see a Government which cares enough to act, not just listen. Under the terms of the Western Accord, the PGRT was scheduled for phase out in 1988. This was not good enough, and the Government was willing to bring this action to the forefront, proving again that it is able to deal with the needs of all Canadians when the need arises. I am proud to be associated with a Government which has this attitude, takes the initiative, and responds in a responsible and determined fashion.

As the Hon. Member for Northumberland—Miramichi, my hon. colleagues may wonder what stake my constituents have in the matter. I alluded to it earlier. But all Canadians stand to benefit from decisions which lend strength and fairness to an industry as important as the oil industry. It is within the interest of New Brunswickers to see a strong and prosperous West. It is with great pride and fellowship that we in the Miramichi watched the world visit Expo 86 at Vancouver. Likewise, it is with trepidation that we watched the oil industry backed into a corner by the National Energy Program of the former Government. We know that such arbitrary policies could be directed toward the East as well as toward the West.

Two weeks ago I attended the opening of the $250 million mill in my riding, the most advanced of its kind in the world. As this new mill becomes the backbone of local economic activity, can I expect to see fairness and well thought policies with regard to the growth of that industry in my area? Yes, of course, I can expect this treatment with the present Government. This is why the repeal of the PGRT means so much to all Canadians from coast to coast, from east to west. It is a signal that industry will be rewarded for excellence, as it should be.

Mr. Taylor: Madam Speaker, I would like to make a short comment. I enjoyed the Hon. Member's discourse very much. I congratulate him on what he said and the manner in which he said it.

The Hon. Member was not in the House when the PGRT matter was brought in, so he did not hear the very strong debates by Hon. Members from Alberta and from other parts of the country against it. It was an unfair tax under the Liberals, and it is an unfair tax under the Progressive Conservatives. It was not any better under the Progressive Conservatives than it was under the Liberals. It was a tax on production, the only tax on production in Canada of which I know. It certainly did not apply to hydroelectric production in Ontario or Quebec. I am glad to see it being wiped out. I agree with the Hon. Member that it should have been done immediately. I wish it had never been brought in.

Yesterday I was somewhat amazed by some of the comments of members of the Liberal Party who were party to bringing in this tax which utterly ruined an industry in the Province of Alberta.

Some time ago there was a very strong indication of support for the extension of a pipeline from Montreal into New Brunswick, into the Maritimes. Could the Hon. Member tell us whether there is still quite a demand for a pipeline to deliver oil and gas from the western part of the country through Montreal and into the Maritimes, or has that demand somewhat subsided at the present time?

Mr. Jardine: Madam Speaker, my hon. colleague is quite correct that I was not in the House at the time of the PGRT debate. However, during my visit to the oil producing area of the West that topic came up time and time again. I really had to plead ignorance about it because I did not appreciate its full impact upon the industry. Whatever gathering I was at, whether I was visiting the companies or in a social setting, I heard the topic talked about. Indeed my colleagues from the West whom I accompanied spoke out on the subject. Indeed, the Hon. Member for Athabasca presented his case loud and clear, so we from the East had to become aware of it. I am sorry that I missed the opportunity when it was first raised a few years ago.

With regard to an oil pipeline, while it may not be hitting the headlines at the present time it is something eastern Canada would like to see. It would give those of us in the East an opportunity to benefit from the gas and oil which central and western Canada have been benefiting from for years.

As the Hon. Member will know, petroleum products are more expensive in the East than in the rest of the country, I dare say. With a pipeline, we would like to see not only access to Canadian products but also a drop in the price we are now paying.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2. An Act to implement conventions between Canada and the Kingdom of the Netherlands and Canada and Japan and agreements between Canada and the People's Republic of China and Canada and the Republic of Malta for the avoidance of double taxation with respect to income tax, to which the concurrence of this House is desired.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

The Acting Speaker (Mrs. Champagne): Order. It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Etobicoke North (Mr. Pennock)—Canadian Broadcasting Corporation—financial management system; the Hon. Member for York Centre (Mr. Kaplan)—Crown corporations—corporation's undisclosed liabilities. (*b*) amount of liabilities; and the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Education—Student Loan Program—request for consideration of bursary program. (*b*) Minister's position.

• (1610)

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Madam Speaker, I welcome the opportunity to speak on this legislation to do away with the PGRT. The PGRT was part of the National Energy Program. This debate gives me the opportunity to remind all Members of the House, but particularly Conservative Members, that contrary to a great deal of the rhetoric to which we have had to listen since the introduction of the National Energy Program about how the NDP and the Liberal Party were as one with respect to it, if Members check the record they will see that the NDP voted against the PGRT. We said that it was an unfair tax and all the other things which members of the Conservative caucus said about it. Yet, year after year after the implementation of the National Energy Program we were subjected to inaccurate charges about our blanket acceptance of the Liberal National Energy Program. That simply is not true. It may have been a very effective political tactic in the West, but it was based on something which was fundamentally false. The PGRT is a good example of just how false those accusations about our blanket support of the NEP were.

In debate dealing with legislation implementing the National Energy Program I said that it was a mistake to speak about western Canada as though it was a homogeneous political society. I said that because often Members, particularly Conservative Members from western Canada, said that the National Energy Program was not supported by western Canadians. Yet, there were obviously many western Canadians who supported elements of the National Energy Program, as did the NDP. Many western Canadians thought the 25 per cent backin provision was a good idea. They thought it was a good idea to have more Canadian ownership. They thought it was a good idea to strengthen the role of PetroCan. The point I am making is that there was legitimate difference of opinion among western Canadians about the best energy policies for the country.

During that debate I was bothered to no end by the insistent claim of western Progressive Conservative Members of Parliament that only they represented western Canada with respect to energy policy. They assumed that all western Canadians were in agreement with their every utterance on this subject. That was obviously not the case. It is time for that to be acknowledged by certain Members of the House. Events in recent days have proven me right on that.

During debates on the PGRT and the NEP I often said that when Progressive Conservative Members of Parliament spoke about western Canada they really spoke only about a segment of western Canada, only about a segment of the energy sector which was congregated in the board rooms in Calgary and Edmonton. I remember claiming that the people in the board rooms in Calgary and Edmonton did not speak for me as the Member of Parliament for Winnipeg—Birds Hill or for others from Manitoba.

The Progressive Conservative Party's definition of "western Canada" was becoming much too narrow. It was preoccupied with the energy sector. It is not bad to focus on that and care about it, but the understanding of Progressive Conservatives of the interests of western Canada was becoming very narrow.

We have seen the fruits of that narrowness of vision in the CF-18 decision. The Progressive Conservative Government believes it is able to respond to the oil and gas sector of Alberta, but it is not able to respond to the legitimate aspirations of the people of Manitoba. Aerospace is a major industry in Manitoba. The people of Manitoba have a merited desire not to have it unraveled and seriously damaged by a federal Progressive Conservative Government decision.

This decision illustrates the narrowness of understanding of western Canada which took root in the Progressive Conservative Party during the debate on the National Energy Program and the Petroleum and Gas Revenue Tax. It was at that time that the interests of provinces such as Manitoba began to be excluded from the Progressive Conservative vision of possibilities for western Canada. That exclusion has manifested itself in all kinds of decisions made to the detriment of Manitoba since the election of the Progressive Conservative Government. An example was the immediate deferral of the VIA Rail shop which was to have been built in Manitoba. The continued delay in the ordering of the transcontinental equipment affected Alberta as well as Manitoba and I cannot, therefore, understand why the decision has not been made. Other examples are the cancellation of the manufacturing technology centre in Winnipeg and the continued delay of needed construction of the new Transcona diesel shop.

I could go on at great length, Madam Speaker, but I am sure that you would call me to relevance if I tried to articulate all the ways in which Manitoba has been unrepresented or badly represented since the Progressive Conservative Government took power in 1984. In all sincerity I believe that during the debate on the National Energy Program Progressive Conservatives reached the point of saying "western Canada" when in fact they meant only the oil and gas sector of Alberta. They convinced themselves at that time that they were the only legitimate spokespersons for western Canada and that those of us who may have disagreed with them on certain elements of the National Energy Program, although we agreed with them on others such as the PGRT, did not speak for western Canada. Yet we did speak for western Canada and we speak for western Canada now when we say the Government has not paid attention to the legitimate needs and concerns of the Province of Manitoba on the CF-18 contract. The effect of that decision in western Canada will be far-reaching.

• (1620)

I imagine a great many people in Alberta are concerned about that decision as well. For decades they were told by Progressive Conservative candidates that this kind of thing would happen only under the auspices of the big bad Liberals. If a Progressive Conservative Government were elected that kind of thing would never happen. So what have western Canadians, particularly those in Manitoba, found? They have found that these kinds of things happen under the Conservatives. For years they were told something that was not necessarily true. The worst of it is that they were told this by people who knew it was not necessarily true when they told them. It is for those reasons that I am glad to have had the opportunity in this debate to have said those few words.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Edwards: Madam Speaker, this is a wonderful opportunity to try and set the record straight. I am very pleased that the Hon. Member gave credit to this Government for properly living up to its election promises to the people of western Canada, particularly regarding today's event which is a wake in honour of the death of the National Energy Program.

Does the Hon. Member not recognize that the electorate in western Canada has been pronouncing his party to be the party of reaction and the *status quo*? Does he not recognize that the Progressive Conservative Government of Canada has been responding to the needs of individual, small enterprise Canadians and workers in the oil fields without any kind of giveaway to the oil companies? Far to the contrary, the abolition of the PGRT is the final discharge of promises made by the Right Hon. Prime Minister (Mr. Mulroney) on July 6, 1984. At that time, in his famous red barn speech, he said the Liberal Government had decimated the western economy through the NEP.

Does the Hon. Member not recognize the total extent of federal financial assistance to western Canada, including Manitoba, over the two years this Government has been in office? Does he not recognize that total federal assistance to agriculture is $4.5 billion compared to $2.8 billion during the last two years of the previous Government? That does not even take into account the $1 billion promised by the Prime Minister a couple of weeks ago. Does the Hon. Member not recognize the relief a western Canadian farmer now experiences when he fills his 100-gallon tank with diesel fuel? An Alberta farmer paid $115 for that fuel in September, 1984. He will now pay about $40. That will save a farmer with 1,200 acres over $5,000 annually on his fuel bill.

I wish to leave the Hon. Member a little time to respond to my questions but I would just ask him whether he will not acknowledge that this Government has done more for western Canada in agriculture and in the critical energy field than any Government since that of the late Right Hon. John Diefenbaker?

Mr. Blaikie: Madam Speaker, very strange claims are being made by the Hon. Member. He claims the people of western Canada have been particularly mean to the NDP of late. I remind him that we got more votes than the Progressive Conservative Party in Saskatchewan. In the most recent Alberta election we made a major breakthrough and elected 16 Members. In Manitoba we were re-elected. We have the possible exception of B.C., which I would not like to exaggerate, but in the three prairie provinces it does not exactly look as if the NDP has been taking a beating.

Mr. Edwards: The farmers of the west have rejected you totally.

Mr. Blaikie: The Member was not listening to the claim I was making. I did claim that the Progressive Conservative Government had lived up to the promises it had made to the oil and gas sector. I never quarrelled with that. What I argued was that that was too narrow a focus if you were interested in responding to the needs of western Canada.

Mr. Edwards: What about the farmers?

Mr. Blaikie: I argued that the Progressive Conservative Government has paid absolutely no attention to Winnipeg. In fact, it has actively harmed its future. I notice the Hon. Member did not get up and try and deny that. That is the point I was making and I wish he would pay more attention in future.

He talked about all this federal money going to the provinces. What about the cut-back in transfer payments to have-not provinces like Manitoba? It is all well and good for him, being from Alberta, to not pay attention to that. However, provinces like Manitoba depend on equalization payments and EPF. What has been the behaviour of his Government in that area? It has looked for each and every way it could possibly find to cut back on transfer payments. Do not give me a lot of crap about how generous his Government has been to Winnipeg because it has not been. The Government's Manitoba Members might as well not even be on that side for all that has happened to Winnipeg since the Government was elected. We have been shafted left, right and centre and it is about time it stopped.

Mr. Edwards: What about the farmers?

Mr. Thacker: Madam Speaker, I want to clarify the record for my friend opposite concerning equalization payments. He knows that the Liberal six and five program was the real cutback in transfers to the provinces. At a time when inflation was 12 per cent to 15 per cent, the former Liberal Government cut back to six and five. That was a real cut in transfer payments. What we did a year and a half or so ago was to reduce the increase in the amount being transferred from 7 per cent or 8 per cent to about 5 per cent when inflation was actually 4 per cent. The provinces are still getting much, much more than inflation would call for. As well, Manitoba received a special sweetener, a lump sum, from this Government. So I do not think he is quite correct when he says this Government has not been fair to Manitoba under the equalization program.

Mr. Blaikie: Madam Speaker, I did not have time or I would have reminded the House that the Liberals also sought to undercut federal transfer payments to the provinces. The Hon. Member and I sat on a task force together which recommended the Government not do that. It went ahead and did it anyway. In any event, at that time the Progressive Conservative Party criticized the Government of the day for tampering with those arrangements. Yet it went on, when it became the Government, to tamper with those arrangements and reduce the amount the provinces would otherwise have received had the Government not amended its fiscal arrangements.

As to the special allocation for Manitoba, that was a result of the new formula which had a particularly deleterious effect on Manitoba. It was not some special gift given to Manitoba, it was a special compensation as a result of quirks in the formula which led to a drastic lowering of the money Manitoba would have received had there not been that special measure.

• (1630)

I agree that the Hon. Member is historically correct about what the Liberals did. However, despite the Hon. Member's arguments, when the Conservatives came to power they still proceeded to break their promises that they would not unilaterally change federal-provincial arrangements.

You were not here, Madam Speaker, but I remember the Conservatives spending hours in the House criticizing the Liberal Government for acting unilaterally on federal-provincial fiscal arrangements. They reacted as if it were the most heinous sin on earth, but when they became the Government they changed the federal-provincial fiscal arrangements unilaterally.

Mr. Orlikow: Madam Speaker, I want to direct a question to my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). I am sorry the Hon. Member for Edmonton South (Mr. Edwards) is not here but I see several Conservative Alberta Members in the House.

I want to return to whether or not the Government fulfilled its so-called promises. Will the Hon. Member remind the House of the attacks the Conservatives made on the energy policies of the Liberal Government when they were in opposition? They attacked the National Energy Program and said that by eliminating the National Energy Program and getting rid of all the regulations to let the market operate, everything would be fine.

The Member for Vancouver Centre (Miss Carney) who was Minister of Energy, Mines and Resources, said that a Conservative Government would create 200,000 jobs in the energy sector, most of them in Alberta. We have seen the opposite, with the loss of 50,000 jobs. Let us get some facts on the record.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) on a short answer.

Mr. Blaikie: Madam Speaker, of course one could say much about this, but the fact is that there is a great irony in what is happening in western Canada. The Conservatives always argued to let the market-place determine the future of the energy sector and that everything would come up roses if only the Liberal Government did not get involved in that sector. The fact is that the more the market-place has been allowed to operate, the worse the situation in Alberta has become.

I acknowledge that the situation could improve some day. However, during the debate on the National Energy Program, Progressive Conservative Members from that province predicted that all would be well again if we simply let the market-place take its course. Everything is not well again.

[*Translation*]

Mr. Guy St. Julien (Abitibi): Madam Speaker, the petroleum and gas revenue tax will probably be remembered by Canadians as one of the worst tax measures ever implemented by a Government. I say this first of all, because the tax was based on corporate revenue, not profits, so there was no connection with the actual ability to pay. Second, it came on top of the whole existing tax structure. Third, it was an important element of the Liberal Government's new energy policy which cost this country so many jobs and so much investment. Fourth, it was the very symbol of confrontation politics as practised by the previous Government in its dealings with the provinces.

Why is a Member from Northern Quebec speaking to this issue today? There are companies doing exploration work in the northwestern part of my riding, and those companies are creating jobs. That is why I rise to speak to a Bill that marks the end of an era of Government intervention in the business of oil companies, the end of a period during which Western Canada has felt alienated by federal policies.

Madam Speaker, I am also very proud of our Government's decision to move the date on which this tax will be eliminated up to October 1, 1986. This shows that our Government has the flexibility to adjust to the needs of Canadians and it also demonstrates our determination to respond effectively to the needs of regions across this country, in East and West, that are facing serious economic problems today. It also reflects the new climate of co-operation and dialogue with the provinces and industry which the Conservative Government managed to create since it came to power in 1984.

Madam Speaker, by immediately eliminating the PGRT, the Government is meeting its commitments in this area, which I would like to mention very briefly.

The commitment to reduce and eliminate Government intervention in the energy sector has been met by replacing a system for setting oil and gas prices with a system that is market-oriented.

The costly and interventionist grants system which guided drilling activity has been replaced. Another commitment made by our Government was to restore investor confidence in Canada by eliminating the 25 per cent retroactive Crown interest in the Canada Lands and by creating Investment Canada.

Another commitment made by our Government was to promote a climate of co-operation between the federal and provincial Governments, and I am thinking of the Western Accord, the Atlantic Accord and the Nova Scotia Agreement.

The commitment to provide a more equitable petroleum revenue tax system was met by this Government by raising the small producer tax credit as of November 1984, and by declaring that production after March 31, 1985 would not be subject to PGRT.

Furthermore, the Government has provided compensation for the PGRT to help companies without taxable income. Tax rates will be reduced as of January 1986, and there will be a $10,000 deduction for persons and companies receiving royalties after January 1, 1986.

Another point is that synthetic production will not be taxable after May 1, 1986. Small producers will benefit from a higher tax credit as of May 1, 1986 and, two more points, Madam Speaker, the $1.5 million retroactive deduction for individuals and companies, and the abolition of the petroleum and gas revenue tax on October 1, 1986.

The Government has honoured its commitments in the energy sector, and the decision was made in co-operation with the provinces. I am confident that the abolition of the PGRT and the political initiatives taken by the provinces will soften the impact which falling world prices may have had on the oil industry.

Another factor is the re-investment of these funds in exploration and development projects which will protect and create jobs in this vital industry.

This past summer, Madam Speaker, I had an opportunity to visit northern Alberta, and I went to Fort McMurray, Norman Wells, and Inuvik in the Sea of Beaufort. I had a chance to meet with workers from Val-d'Or in my riding, about ten of them who went west under the previous administration. They stayed there because they have jobs.

This decision flows from lengthy discussions the Minister of Energy, Mines and Resources had with spokesmen for sector organizations and major companies who gave the assurance that savings resulting from the abolition of the PGRT will be re-invested in the industry.

Madam Speaker, this amendment will guarantee a fairer tax treatment for quite a number of smaller oil and gas companies which depend on royalties and which were unable to take full advantage of the recent tax credit increase available to them under the provisions of the PGRT legislation. This assistance attests to the leading role played by these companies with respect to development and job creation in certain industries throughout the country.

The Government has repaired the damage done by the national program established in 1980. Madam Speaker, wherever we may come from, including my vast riding of Abitibi, we all know that gas prices have been going up and down like a roller coaster, prices have always been going up and down since the early days of this country, just like a roller coaster.

[*English*]

The Acting Speaker (Mrs. Champagne): Questions or comments? Resuming debate.

[*Translation*]

• (1640)

Mr. Raymond Garneau (Laval-des-Rapides): Madam Speaker, I welcome this opportunity to speak to this Bill, but I wonder who wrote the speech for the Hon. Member for Abitibi (Mr. St. Julien). It seems to me he should have checked his notes, which may have been prepared by others, before saying what he did. Basically, what the Hon. Member for Abitibi told us is that his constituents did not get any benefit from the national energy policy.

Madam Speaker, I would like to ask the Hon. Member for Abitibi what would have happened during the years 1982-83-84 if there had been no national energy policy that made it possible for his constituents, and Canadians across this country, to pay far less for their heating oil than they would have if the market to which he referred had been completely free. We all know, Madam Speaker, that in the North, the price of energy, especially during the winter, has a major impact on the purchasing power of the taxpayer and represents a major expense for the family budget. If the national energy policy had not been in place for several years, Canadians, and especially Canadians in Eastern Canada and the Canadian North who have to spend a substantial part of their budget on energy for heating purposes, would have been in a very tight spot.

I am surprised that the Hon. Member for Abitibi, usually a diligent defender of the interests of his region, took this position in the House today.

Madam Speaker, the national energy policy was a series of measures. Today, we are talking about eliminating the petroleum and gas revenue tax, but this should be seen in its proper context. It was part of a whole. The national energy policy made it possible to promote Canadianization. Without this program, we would never have had so many Canadian enterprises getting involved in petroleum and gas exploration and development. Without our national energy policy, we would not have been able to spend the substantial amounts that were spent on petroleum exploration in the North and in our northern seas. Without the national energy policy and the assistance given energy development, we would never have been able to carry out oil and gas exploration in the East, especially in Newfoundland and other parts of the Atlantic region.

Ever since the Conservative Government, to all intents and purposes, eliminated the national energy policy, drilling rigs operating in the Maritimes have virtually disappeared. A few weeks ago I was in Halifax to deliver a speech and I put some questions to observers and journalists. It seems there is only one drilling platform left in Halifax harbour and it too is about to disappear.

Madam Speaker, another sector to which the Hon. Member for Abitibi did not refer and which has to be tied in with the national energy policy is the fact that the previous administration made a concerted effort to promote a home insulation program which was part of Canada's overall energy policy. In a recent address in Montreal even the present Minister openly admitted that the home insulation effort which was part of the national energy policy now accounts for an annual saving of 17 million barrels. Talk about a saving! This was made possible through the national energy policy.

Madam Speaker, if we were to consider this policy as a whole and prevailing conditions when it was implemented—oil prices were skyrocketing and most observers felt the price of a barrel of oil would go as high as $56 or $60—I think it was normal that a self-respecting Government would intervene and not let multinationals alone set and regulate not only prices but also the over-all economic development policy as well as the canadianization of this industry, most of which was essential to us. These are some of the very significant achievements made through the national energy policy.

So now we have a Conservative Government in office, and they tell us that the only thing that really works is the marketplace.

Madam Speaker, I would like to ask you who creates the market for petroleum products in Canada right now? Is the price set by the Canadian companies? By the Government? By the producers, the smaller oil companies? Certainly not. All policies and prices are determined by a group of ministers from what is called OPEC, who meet in Geneva and say that the price will increase or decrease.

The roller coaster mentioned by the Hon. Member for Abitibi (Mr. St. Julien) is not the effect of a well-balanced market. It is a monopoly controlled by a small group.

For my part, I have always said in this House, and I am still saying today, that if there is an efficient market, if a large number of producers and consumers are in competition each in their own sector and a fair price is set by producers who are not being forced to sell and buyers who are not being forced to buy, this is what a fair market should be.

However, this is certainly not the case here. That is not what is happening. Ten or fifteen Ministers from OPEC meet and decide that the price will go up or down. Now, our own Government says: As Canadians, we accept that. We have had enough of policies, of prices for consumers, of oil exploration, we are no longer going to bother with all that, we are getting rid of all those instruments.

We shall let the Kuwait Emir, the Arab Sheik, and so on, have their OPEC meetings and set the prices for Canadians. That is so true that this Government has neither the courage nor the political will to influence the decisions of its own Crown corporation, Petro-Canada.

I had some questions today for the Minister of Energy, Mines and Resources (Mr. Masse), and in his absence, the Minister of Consumer and Corporate Affairs (Mr. Andre) replied for him. Why is it that, in a situation where the market is for all practical purposes non-existent in my opinion, our national corporation Petro-Canada has decided to increase the price of gasoline in Quebec by 2 cents a litre even though the price was already higher in Quebec than in other regions of Canada?

The Conservative Government was more than ready to take the credit through its backbenchers for preventing a 2 cents increase in the postal rates. Imagine! At least, that is what the Conservatives said, but the Minister himself stated the same day that, rather than taking effect now, the increase would take place at the end of March. However, that is not the object of my argument. The fact is that we were told that the Conservative caucus could reverse the decision of a Minister to support the plans of a Crown corporation called Canada Post. It seems that the caucus blocked or at least postponed a 2 cents increase in the postal rates.

Yet, at the same time, another Crown corporation, Petro-Canada, is increasing the price of gasoline by 2 cents a litre in the province of Quebec, but this same Conservative caucus says that nothing can be done. These two Crown corporations belong to the same Government, are owned by Canada; in one case, the price increase for postal stamps is being blocked; in the other case, they say: If there has been collusion between the various companies, let the Hon. Member say so, and I will investigate.

However, I am not asking him to investigate, but to make a decision as a shareholder and to tell Petro-Canada, as a Crown corporation: You are not going to get in on this game, you are not going to follow the movement initiated by Ultramar and increase gas prices in Quebec. We are in a situation where we, as Canadians, have no longer any leverage or say in the area of energy. They abolished everything and now they are bragging . . . Madam Speaker, they have the gall to tell us that by getting rid of the PGRT, they are fulfilling an election issue promise.

Madam Speaker, when the prices for crude oil reached $27, then $28, and finally $30 a barrel in Canadian currency, this brought the Canadian Government over $1 billion in revenues. The Minister of Finance (Mr. Wilson) said: No, we are not going to cut that. But when the price of a barrel of oil went down, the Minister of Finance realized that he would be losing over $150 million in revenues and said: We are going to get rid of it and fulfil our election promise. The only reason this Government is acting now is because the revenues are no longer there; since there are not getting anything anymore, they say: We are going to get rid of the PGRT, short for Petroleum and Gas Revenue Tax.

Madam Speaker, this is really laughing at Canadian producers.

I say to this Government: If we want to help Western producers . . . As a consumer from Eastern Canada, I have always maintained, both during and after the election, that the National Energy Policy had a built in adjusting factor. It could work both ways. When the prices were as high as $40 a barrel, the purpose of the National Energy Policy was to reduce slightly the profit margins of multinationals and offer Canadian consumers more equitable prices. But this factor had to play correctly. Now, the Conservatives have destroyed that mechanism so that it can no longer benefit Western producers. They are getting rid of the PGRT. When it brought in a $1 billion, they did not touch it; now they say it is going to cost $150 million. Who will benefit from that? Multinationals will to a great extent. And what is going to happen to small producers, to Canadian producers who took great financial risks? What is going to be done for them? Zilch, or just about! I maintain that if the national energy policy had been allowed to play the role it was supposed to play, today we could have used that policy to provide assistance to producers other than the multinationals or to producers with a daily production of so many barrels, so that at least those Canadian producers who responded to the appeal of the people of this country and the national energy policy, and who took the concept of Canadianization seriously, could be helped today. Now, what did we on this side of the House have to say about that? We must have a national energy policy that can cope fairly and flexibly with rising and falling prices. We cannot expect Western producers to let us take the icing off the cake when prices are high and expect them to take care of themselves when prices drop. What did our party have to say about this? We suggested that the Government should have an energy policy that would guarantee Western producers—I am not referring to the multinationals but to the other producers who contributed to Canadianization—a minimum price for the period when the price of oil declines. That, I think, would have been fair to Western Canada. It would have been fair to Western producers, and especially to companies that rank as average and small producers.

However, this Government believes that our Canadian economy and the price of our petroleum products should be regulated from Geneva or Bern or the countries where OPEC holds its meetings. This Government has washed its hands of the whole situation. It has eliminated every instrument for intervention, so that Western producers are now at the mercy of decisions made by Arab sheiks or other members of OPEC, and the Canadian Government could not care less. What is particularly outrageous is, that while proposing that these measures should be eliminated, this Government is setting itself up as the saviour of the petroleum and gas industry in this country. Mr. Speaker, in a few years we shall see what the Conservative Government's lack of policies in this area will have done to Canadianization. This Government will be responsible for the fact that many of our Canadian producers will have to sell their oil reserves to the multinationals. It will be the only way to get out of this situation because the multinationals have cornered the refinery and delivery markets, and they stand to make huge profits right there. Sure enough, hardly a few days ago the profits reported by refineries and dealers in this market made headlines in the newspapers. They exact inflated prices from consumers, laugh all the way to the bank, but they simply will not pay Canadian producers a fair price for their products. If we had a Government which would stand up to them and not be afraid to step in when the long-term interest of Canadians is involved, we could have had this kind of measures. I simply cannot understand how western Conservative Members can make speeches such as we have heard when we know that the impact of the national energy policy has been the more encouraging of two trends which the Hon. Member for Abitibi (Mr. St. Julien) described earlier in his reference to a roller coaster ride. When prices went down they sidetracked the train so that we can no longer help these producers. One thing for sure, Madam Speaker, is that when there is nothing, not even a sound program to help the oil industry—especially Canadian producers—get through the doldrums, no-one can object if the Government should hand out a few goodies, which just about sums up this Bill. So how can we really oppose this minimum hand-out! However I must emphasize as strongly as I can that, by doing away with any Canadian energy policy related to the development of an extremely important natural resource which is vital to Canada, in the long run this Government will have done serious harm to the Canadian economy.

• (1650)

[*English*]

Mr. Taylor: Madam Speaker, I am absolutely amazed at some of the comments made by the Hon. Member for Laval-des-Rapides (Mr. Garneau). I take it that he was not in the House—and he should have found this out—when Alberta was shipping oil to eastern Canada, not at the world price but at a low price. The people of Alberta gave up at least $5 billion in doing that. If we could have charged the world price then we would not have needed any help from anyone else, not the producers or the Government.

If that were not enough, when we exported our oil they slapped on another tax bringing millions of dollars into the federal Treasury. Surely some of that money should now be given back to the people of Alberta who gave up so much—who shared, as the Hon. Marc Lalonde used to say, with other Canadians. How about sharing the other way? The Government of the day took millions of dollars from the sale of our oil, money which it would not have had had we not produced that oil. All we are asking for is a fair deal. We are not asking for anything special, just a fair deal. We are not getting one.

The Hon. Member suggested that the National Energy Program helped Alberta. It ruined Alberta, and it was intended to do so. Hundreds of our workers had to leave the country. With them went our drilling rigs and our expertise. I remember that the Hon. Member for Lethbridge—Foothills (Mr. Thacker) brought in a picture showing rigs lined up trying to get across the border because they could not stand it in Alberta any longer. We drove them out. The Liberal Government, with its National Energy policy, impoverished Alberta. I am simply amazed when I hear the Hon. Member talking about giving the producers a better price. If they had the proper price before and had not been taxed to death by the Liberals, then they would not need any help right now. They would be financially sound.

[*Translation*]

Mr. Garneau: Madam Speaker, the Hon. Member has understood nothing in what I have said. In fact, the Hon. Member is partly right, but now that these $5 billion could have been returned to the West thanks to a national energy policy, you have abolished this policy. What instruments does the Government have now to help those producers? None. This particular oil crisis has developed since his Government was elected. Before, I was in the private sector. The Hon. Member says that there were no investments. Yet, Eastern investors rushed to finance the various projects. The big banks were putting up buildings in the West. Everyone was trying to invest.

What I was saying in my speech is exactly what the Hon. Member would have liked to see when we skimmed the cream off the top, because the prices were high, to distribute this wealth throughout the country and set lower prices for consumers.

What I am saying now is that this money should be returned to the West. But how can we do that? With what policy? You have destroyed the national energy policy! The funny thing is that the Conservatives are criticizing the national energy policy and destroying it at the very time when it could have played in their favour. What can I say? We have to be fair, and since we used the policy to benefit Eastern Canada, that is Ontario, Quebec and the Maritimes, when the prices were high, we should have been able to reverse this policy when the prices went down. But now there is nothing. We have to ask the provincial Governments to reduce their royalties. The PGRT has been abolished when it no longer brings in any revenue for the Government, and once more, who will benefit? It will be the multinationals, not the smaller producers.

Mr. St. Julien: Madam Speaker, as my colleague for Laval-des-Rapides (Mr. Garneau) said, perhaps we had well-prepared notes, but mine were personal notes and I was reluctant to them on to the page earlier because they were very poorly written and the Government would not have been able to read them. But any way, what I intended to say on that subject is, that it is easy to take notes because we have a good Government.

But as suggested earlier by the Hon. Member for Laval-des-Rapides, we will see in a few years from now the results of our Government's efforts as shown by this legislation.

The two questions I would like to raise with him are as follows. He referred to oil. I for one remember that in the East end of Montreal, when Ultramar was closed down despite union efforts to keep the plant open, I very well remember that under the previous Government a few years ago, grants were given to oil consumers. Many people in the East end of Montreal, and I know what I am talking about, because I was attending the College Roussin and I knew that this college had oil heating, converted to electricity. This is what caused those refineries to shut down. Those refineries were closed under the previous Government of course. This all started in 1981, 1982, 1983, 1984, and kept going on.

I would like to ask him this question: Why did the refinery shutdowns start in 1981 in the East end of Montreal?

Here is the second point I would like to raise: when speaking of take-overs, what comes to mind is Petro-Canada first and foremost. And speaking of Petro-Canada, no Member in this House, not even the Member for Laval-des-Rapides can gain access to the previous Cabinet's confidential notes on the purchase of Petro-Canada. We would very much like to know who pocketed the profits, who was involved in the discussions. These are the two points I wanted to raise with him, and on which I would like to have his comments.

Mr. Garneau: Madam Speaker, one has to be really confused to come up with a question such as the one the Hon. Member for Abitibi (Mr. St. Julien) has just asked.

The national energy policy has had an extremely beneficial impact in his region. His was probably one of the regions most victimized by soaring gas and heating oil prices, remote as it is from major urban centres.

Imagine, the Hon. Member for Abitibi is pleased as Punch and tells us in his remarks: I come from a region where untapped natural resources are plentiful and I am very glad to see that the national energy policy is to be shelved, because this will be good for exploration.

Madam Speaker, today the Hon. Member for Abitibi urges the Government to scrap the whole thing—more than that, he is glad the Government does not intervene—yet the other day he made a speech in which he stated that the same Government had to step in to maintain flow through shares. That is Government interference on the market place!

The Hon. Member for Abitibi cannot have it both ways. If the Government does not intervene at all, then the Hon. member is in favour of abolishing flow through shares, because this is one way the Government can give money, as was done through the national energy policy, taking money with one hand and giving it with the other. He has to be logical.

Madam Speaker, with respect to the Canadian policy concerning home insulation and the switch to electricity or natural gas, these are two measures which were implemented.

I read the speech of the Minister of Energy, Mines and Resosurces, and he was pleased about that. He said it had been a good thing because it made it possible to save a non-renewable energy, oil and gas, by using instead a renewable energy, electrical power.

Well, the Hon. Member must at least try to be logical in his train of thought.

• (1700)

[*English*]

Mr. Blaine A. Thacker (Lethbridge—Foothills): Madam Speaker, I am absolutely delighted to speak on Bill C-17 because it finally marks the death of the PGRT and the National Energy Program. Finally we in the West are feeling a sense of justice, albeit very late. We are in deep trouble now, but a piece of legislation that was most unjust is being taken off our backs.

It was not only the PGRT that affected us so badly. I suspect that even most western Canadian Members forget that there were some five or six taxes imposed on the industry including the natural gas and gas liquids tax, the Canadian-ownership charge, the petroleum compensation charge and the incremental oil revenue tax. A whole series of taxes were imposed on an industry which was located in one region of Canada, a region from which there were no elected Members in the governing Party. That was most unjust.

At this time I feel it is appropriate for me as a Member from Alberta who lived through that period of time to express my deep personal appreciation for Progressive Conservative Members of Parliament from Ontario who, in those three years, voted directly against the position of the Ontario Conservative Party, at least three times of which I am aware. They did this because they knew that the National Energy Program was not right for Canada. They knew it was inherently unfair and they voted against it even though the Liberal Government of the day described the program as being in the best interests of the consumers of central Canada. It was a deliberate, open attack on one region of Canada for the benefit of another region. It took three years for Progressive Conservative Members of Parliament from Ontario to get the people of Ontario as well as the people of Quebec and Atlantic Canada to finally realize that the program was unfair, unjust and not in their best interests either. I express without any hesitation my thanks to those Hon. Members.

What was the National Energy Program? History will show it to be the meanest attack on a region that has ever occurred in the history of Canada. It was a tax imposed on only one source of energy. There would have been no kicking and shouting from the West if the tax had been imposed on hydro-electricity and on energy across the entire country. It is fair and legitimate for a central Government to raise money but it should not raise money in an unfair way. Of course, we knew that there would never be a tax imposed on hydro-electric power because it is produced in Ontario and Quebec, provinces represented by then governing Liberal Members. That is why the National Energy Program was so wrong.

With great respect to my friend, the Hon. Member for Bow River (Mr. Taylor), I believe he was thinking of another figure when he said that $5 billion was drained out of western Canada. That $5 billion was drained out in a different way. These taxes drained over $60 billion out of western Canada. That figure is just incredible. The reason for this was to block British Columbia, Alberta, Saskatchewan, and to a lesser extent, Manitoba from receiving the full difference between the world price of oil and the cost of producing relatively cheap western sedimentary crude. All of the difference was taxed away to Ottawa. It was a deliberate plan, as Marc Lalonde acknowledged, to prevent those provinces from becoming too rich as compared to the federal treasury.

The Alberta Heritage Trust Fund should contain at least $30 billion to $40 billion rather than the $10 billion to $14 billion it now contains. If the province and the owners of the resources had that money, Alberta would not be in trouble today. It would not have to turn to the rest of the country for help.

The PGRT hurt the oil companies. I can remember hearing Mr. Lalonde say in the House that we had to get the multinational corporations. That kind of statement always triggers an ideological response from members of the NDP who say: "Right-o, anything anti-American is fine, let's go after them". But it was not those six or seven multinational corporations that were hurt, it was the over 600 small Canadian oil and gas producers and the service industry composed of the people who do seismic work and the servicing of wells. Those are the ones who went broke by the tens of thousands in western Canada.

I have spoken to men and women who were 50 years of age and had gone into the oil industry at the age of 18 or 19. These people usually started out working for multinationals and then hived off by creating their own Canadian corporations. They built them up until they were worth $500,000 or $1 million and then they lost everything. The hatred that was directed toward central Canada is something I hope we will never experience again. The fires of separatism were fanned dramatically by this action. I can remember walking out of this House on occasion thinking that I should go home and devote the rest of my life to separatism. I felt that way because the actions of the Government were wrong. They were unfair. The only thing that kept a great number of us from doing that was the fact that a letter would be received from someone in Ontario, Atlantic Canada, or Quebec, saying that they agree it is unfair and will put pressure on our Members of Parliament. They did. That is why the Liberal Party was voted out of power as much as anything else. The people realized that it was truly an unfair attack.

• (1710)

I hope the Members of the House will get on side. The solution is simply an elected Senate which is weighted to the regions of this country. In this lower House represented by population it will be dominated by Ontario and Quebec because that is where the population is. That is a principle for which many of our ancestors fought and died. We need to have a balance to that, and that can be in the upper House. It should be weighted to the provinces; it should be elected, therefore, they are responsible. One of the deepest hurts I personally experienced was in watching the Alberta Senators appointed by the Liberal Prime Minister vote for the National Energy Program. It was an actual attack on their own region. That hurtful action which caused a great deal of pain to many people.

The National Energy Program was a whole new economic policy *vis-à-vis* energy. Before the National Energy Program the companies drilled for oil where their seismic and geological experts told them they would find oil. Under the tax system if they found oil and had revenue they would be able to deduct the cost of searching for that oil from whatever profits they had. Therefore, you drilled where you thought there would be oil, depending on your experts. After the National Energy Program it did not matter where oil might be found. You drilled based on a region of the country chosen by bureaucrats in Ottawa, and based on Canadian ownership. People literally drilled wells in regions where they knew there was no oil because of the way it was structured. It will always be that way when you take power and have people sitting in Ottawa trying to comprehend an industry. They were actually getting more than the cost of the well, because they could set up subsidiary corporations and have them supply goods and services. They would end up making 130 per cent or 140 per cent for drilling a well. They were not drilling for oil at all, they were drilling for the Government PIP grant, the Petroleum Incentives Program.

It also was centralization of ownership. Another branch was Petro-Canada. Petro-Canada could not make it in the oil industry and the Government had to ensure that it did make it, so year after year the taxpayers had to pump $400 million and $500 million into Petro-Canada. It spent it all around the world, but that was not enough, so the Government had to come back and give it a back-in. We had to give Petro-Canada the right to expropriate 25 per cent of the oil and gas that had been found by Canadian corporations. People bought shares, went out and did the work, would find oil and gas, and then Petro-Canada would come in and take 25 per cent off the top. It was an incredible program, but that is what it amounted to.

Over-all Canada was hurt by the National Energy Program. It is a tragedy that during those prior years enough money could have been built up in the provinces and the companies to see themselves through this time now when they are hurting because of a decline in world prices. Had we let them accumulate that money at that point it could be used now, rather than having to come hat in hand, down on their knees. Nobody in this country likes to come to another part of the country, get down on their knees, and beg for some help. That is not the way this country should be structured. That is why support for separatism in the West rose dramatically.

Canada does have serious problems. During that same period the Government of the day did the traditional trick of Governments, particularly socialist type Governments. It offered people all sorts of programs, kept a low tax, and built up a deficit and a national debt. Over-all Canada still is a land of opportunity, a land where millions of people want to come. Our population is educated. There is a political system that does respond. The lesson of the National Energy Program for me is that Parliament does respond, and the Canadian people do respond. They threw out the Liberal Government and put in a new Government. That is the strength of this country. We do have a stable political climate. We also have independent and ambitious people. We are tolerant and generous. We can be proud to be Canadians because the nation came through. I hope these values will be retained.

My greatest fear is that people will once again succumb to the blandishments of a Government that wants to centralize things. I always point to the NDP because they make no bones about it, they stand for a strong central Government that will take power. They say to people: "Vote for us and we will look after you". I know from my study of history, and talking to constituents, particularly those who come from the eastern European countries, that you can get sucked in by those votes. Once the Government takes over one area it has to take over another area, then another area. The laws then become more and more repressive. People lose their freedoms. That is why I hope people in Canada will retain their independence. When they have their independence they can snap their fingers at Governments. If they have $500,000 of capital gains property they do not need to turn to the Government and be caught by that old age penchant, if they do not obey this Government then the Government will cut down their revenues. They need not come with their hats in their hands and beg to anybody. They can say "we are independent".

An Hon. Member: Hear, hear!

Mr. Thacker: Those were truly wonderful days. I can remember those bells ringing for days. That was a very aggressive act in a parliamentary democracy. Many of us wondered if it was the right thing to do. In fact, it was the right thing to do, because history has shown us to be correct. The Canadian people in central Canada, Ontario, Quebec, and Atlantic Canada did not find it to be a fair policy that attacked one region. I am delighted to be a Canadian. I am delighted to rise in this House and see the end of the PGRT.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Orlikow: Madam Speaker, I could not help but note the suggestion by the Hon. Member that, unlike the former Liberal Government which always favoured central Canada—meaning Ontario and Quebec—this Government was fair to all regions. The Member for Lethbridge—Foothills (Mr. Thacker) would not get much sympathy or support from the people of Manitoba who believe that for political reasons the CF-18 contract went to Montreal instead of to Winnipeg where the company submitted the lowest and best tender.

I wish to ask the Hon. Member some questions. The Member is happy that the NEP has gone, and the PGRT taxes will be gone, and the other taxes. When those taxes were put into effect the price of oil was close to $30 a barrel. I ask the Hon. Member what is wrong with a Government trying to get what it considers to be a fair share of the profits? It was not just the federal Government, but the federal Government, the NDP Government of Saskatchewan, the Conservative Government of Alberta and, to a lesser extent, the Social Credit Government of British Columbia, all of which were trying to get what they considered to be a fair share of the huge profits that were being made. I do not see anything wrong with that. It is ludicrous to compare that objective by all the Governments with the failure of the federal Government to tax the hydroelectric systems of Manitoba, Ontario, and Quebec. Those were the three that the Hon. Member mentioned. Those are publicly-owned systems which provide power. Their instructions from their Governments—not a socialist Government in Ontario, it was a Conservative Government that started Ontario Hydro—under which they operate were to provide power at cost to the people they serve. To tax them would be to add cost to all the people who use electric power in those provinces.

• (1720)

When we talked about taxing the oil and gas industry, whether it be federal or provincial, we were talking about industries, with the exception of Petro-Canada, which were privately owned and making huge profits. I remind the Hon. Member that the price in the early 1980s was somewhere between $25 and $30 U.S. per barrel of oil. At that time all Governments—the federal, the Conservative Government of Alberta, and the NDP Government of Saskatchewan—believed that the price of oil would go up every year until it hit $60 or $70 per barrel. This is why they were trying to get some of the profits for their needs. What is wrong with Governments trying to get a share of the profits?

I have another question for the Hon. Member. He is happy that the Government is taking its hands out of the energy industry and letting it operate according to the market. I come from the consuming Province of Manitoba. Our people buy large quantities of natural gas. Does the Hon. Member support the idea that natural gas produced in Alberta, and probably in British Columbia, will be sold to customers in the United States at a lower price than it will be sold or is sold to Canadian consumers in Saskatchewan, Manitoba, Ontario, and probably Quebec?

Mr. Thacker: Madam Speaker, with regard to the profits tax, of course as the price of oil went up Governments at all levels shared in it under the system before the National Energy Program. Provincial Governments shared in the sense that land rents went up and in the sense that their royalties went up. Both the federal and provincial Governments shared by way of sales taxes and other direct taxes, because as the price went up oil companies searched for more oil and bought more trucks and cars. They also shared in the income taxes, federally and provincially. When we deduct all those extra taxes, there were not any real windfall profits.

I should like to refer to the second principle of self-sufficiency, which is even more important. Does the Hon. Member know that we are on the edge of the production of conventional crude that it will go down geometrically? I am sure the Hon. Member for Winnipeg North (Mr. Orlikow) knows that the amount of oil we can produce from western sedimentary basins will drop precipitously. We needed the extra price rise in order to bring on tar sands plants.

I can remember the Alberta Government issuing a guarantee to the rest of the country that if it were given world prices, enough synthetic plants would be on stream so that as the conventional dropped, the synthetic would go up and Canada would be self-sufficient.

The National Energy Program taxed away that money. It allegedly distributed it in PIP grants, but as I explained earlier, PIP grants were not finding oil. Thus we run into the problem where conventional is now dropping and we do not have synthetic coming on stream. Self-sufficiency for Canada is truly a problem with which we in Parliament will have to deal. It is much more serious than people realize.

With regard to natural gas to the U.S.A., a home in California at the burner tip will not be facing a cheaper price because transportation is a bigger cost. Some buyers in the United States may be able to get one cent or two cents off per thousand cubic feet because they guarantee to take a huge volume for a set period of time. That would be available in western Canada if some distributor wanted to do it.

Mr. Orlikow: Madam Speaker, I have another question. The Hon. Member and members of his Party have spoken frequently about getting the Government out of the energy industry and letting the free market work. Given the world price of oil, have not all private energy companies in the United States, in Canada, and in other countries cut back drastically on exploration? One cannot blame them. They are in business to make a profit, and there is certainly no profit to be made with the present world price of oil.

If we want to start planning for the time when conventional sources of oil about which he talked are gone, and if we want to start developing new sources in offshore Atlantic, in the Beaufort, or in the tar sands, will the Hon. Member not face up to the fact that the free enterprise system is not working and will not work? Will he not face up to the fact that it will take Government support, possibly in the form of a floor price, for companies to have enough cash with which to operate? If the Hon. Member and his Party think that the free enterprise system works well when the economy is growing—and I question that—will they not face up to the fact that when the economy is in the doldrums, as is the case in the energy industry at the present time, it takes Government planning and support to get the industry to do what is needed?

Mr. Thacker: Madam Speaker, there is no doubt that the Government will have to play a role in that regard. Our Party has never shied away from that historically, whether it was CPR, Air Canada or whatever. We see a role for Government, but the National Energy Program was not the mechanism. It was fundamentally flawed from the start. The Minister of Energy, Mines and Resources is now trying to come up with a sensible program, but we will still retain those market principles so that we have the necessary flexibility. Whenever we let Government in, we lose flexibility.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

An Hon. Member: Question.

Mr. Gauthier: Madam Speaker, I was under the impression that the Hon. Member for Edmonton South (Mr. Edwards) was to rise. Those were the instructions I was given. I am sorry to see that some people—

Mr. Lewis: He is going to speak.

Mr. Gauthier: Either we have an agreement here and the Hon. Member for Edmonton South will speak or he will not. If not, I will speak.

Mr. Jim Edwards (Edmonton South): Madam Speaker, I should explain the jack-in-the-box routine. When I saw Your Honour on her feet, of course I sat down.

I am pleased to have the opportunity to intervene, however briefly, in this debate. As was said earlier this afternoon, today we are observing the wake of a late but not lamented tax.

I should say one or two things about the situation in Alberta as it stands today. The result of the National Energy Program and the compounding effect of the plummeting world price of oil are resulting today in over 50,000 people being unemployed in the oil and natural gas field in the Province of Alberta. As a result of the implementation of the Western Accord in the spring of 1985, it is true that 1985 was a banner year in the field of oil and gas in the Province of Alberta. It was an example of the kind of instant recovery which such an industry can stage given the proper tax environment.

When the world price of oil plummeted at the end of 1985 and the beginning of 1986, it was clear that the last vestige of the National Energy Program, the PGRT, would have to go.

Alberta Members of Parliament were assiduous in their campaign to have the tax removed, and of course we had support from all corners of Alberta society. They had support from the workers, the individual entrepreneurs who serviced the rigs and the hotel keepers who had to board up their hotels with the fading of activity in the oil patch. Those of us who spent the summer in our ridings heard stories of tragedy, of opportunities lost, of families destroyed and of people whose ancestors had come to this country as immigrants and had, in the second and third generation, hoped to build up old money, some kind of capital vestige with which other parts of Canada are familiar. All those opportunities were lost.

• (1730)

It is estimated that approximately $95 billion of potential investment capital was driven or sucked out of Alberta during the life of the National Energy Program. I would like to indicate what kind of lost opportunity that represents.

Speakers during this debate have referred to the situation in Manitoba. Those who are familiar with Manitoba history will be aware that the grain fortunes which were made in the early part of this century were readily convertible during the depression of the 1930s into the insurance industry. That opportunity was lost in Alberta because that $95 billion was not available for reinvestment and diversification.

I am proud of Albertans. I am happy that we saw evidence last summer and this fall of their resilience and determination to recover. There are those who say that the removal of the PGRT has been long in coming. However, thank God it has finally arrived. This is a banner day in the history of Canada and Alberta. I mention Canada because I have never seen such genuine understanding of the situation in Alberta as I have seen in Members of Parliament from the Government Party and in the odd one from the Parties opposite. They have recognized the interrelationship of the petroleum and natural gas industry of Alberta with industries elsewhere. There is a causal connection between the diminishment of activity in the oil sands plants in the Fort McMurray area and the shutdown of steel mills in Sault Ste. Marie. I am very proud of the 30 or 40 Members of Parliament from central Canada who took it upon themselves, on their own time and at their expense, to go to western Canada to see the facts for themselves. I congratulate them for their statesmanship and wisdom in supporting the removal of the National Energy Program and, in particular, the PGRT.

In conclusion, I would like to say something about the Alberta Heritage Trust Fund. There are those who ask why Alberta is not addressing this situation. There are two major reasons for that. One is that the Alberta economy is so devastated the Alberta treasury does not have the capability to respond in full. The budget deficit projected by the Alberta Government for the current fiscal year is $2.5 billion and it could go considerably higher.

Beyond that there is the issue of the Alberta Heritage Trust Fund. That fund has a liquidity of only about 18 to 20 per cent of its total value. It is true that it has deemed book assets of $13.5 billion to $14 billion, but that money is invested in hospitals, medical research and outside of the Province of Alberta in what I would submit is the Quebec heritage saving trust fund, Quebec Hydro, and the Ontario heritage trust fund, Ontario Hydro, and in similar low-cost loans to provincial Crown corporations and provincial Governments across the country. I think that is an excellent example of Canadian co-operation from coast to coast.

The death of the PGRT signals the happy salutory abandonment for once, and I hope for all, of an intrusion by the federal Government into matters which are totally of provincial jurisdiction. The ownership of a resource in the country, as defined in our Confederation pact, is with the province. For another jurisdiction to tax a provincial resource is heinous, wrong and a betrayal of Confederation. That betrayal is being rectified today.

Mr. Orlikow: Madam Speaker, I would like to direct three questions to the Hon. Member for Edmonton South (Mr. Edwards). Around 1980 the industry was buoyant and the price of oil was around $30 a barrel. The Member said that $95 billion in revenues was given up. Is the Member suggesting that if the oil companies had been able to keep a large part of that money they would now be involved in major exploration with the world price of oil as low as it is? If he really believes that, would he explain why in the United States, which has never had a National Energy Policy and which, since 1980, has had the most conservative president it has had in the last 50 years, the oil companies which also operate in Canada have cut back on exploration as sharply as they have in Canada?

Finally, does the Member really oppose Government involvement in the energy industry? If he does, we can say goodbye to exloration off the Atlantic Coast and in the Beaufort Sea. The Conservative Governments of Newfoundland and Nova Scotia would be very interested to know whether it is the view of the federal Conservative Government that, when the price of oil is so low that the private sector has opted out, the Government of Canada should not, through tax policies or subsidies, help maintain the exploration and development of the energy we will need in the future?

Mr. Edwards: Madam Speaker, as always, I appreciate the very pointed questions of the Hon. Member for Winnipeg North (Mr. Orlikow). In response to his first question with regard to oil company profits, the issue here is not profits. However, I will say something about the reinvestment record of the oil industry in western Canada. I speak of the western sedimentary basin rather than nonconventional sources such as the oil sands, heavy oil, or the offshore. The record of the industry in that area is remarkably positive. It has varied over the last six years from 85 per cent of profits to as high as 110 per cent in certain years. It is not a question of putting money into the hands of the oil companies. It is, rather, an issue of $90 billion made up of $60 billion in subsidizing low-cost Canadian gasoline and another $30 billion differential between what Ottawa collected during the dying days of the Liberal regime and what it reinvested in Alberta. We are now talking about an issue of justice within Confederation.

[*Translation*]

Justice with respect to oil products, jurisdiction, the economy and employment—

[*English*]

We are indeed talking about Government involvement in the energy industry. I am happy to be able to say that Government involvement in the conventional energy industry in this country is not justifiable from the point of view of imposing federal taxes on a provincial resource. That is what is at issue here today.

• (1740)

If we examine the offshore, the oil sands and heavy oil, and if energy self-sufficiency and security of supply are the goals, of course there will have to be investment. However, let that be private investment and let us not add inordinately to our deficit by more state intervention and control.

Mr. Orlikow: Madam Speaker, I urge the Hon. Member to explain why the major oil companies have cut back such that there is virtually no exploration going on in the U.S. They have cut back exploration everywhere. Yet they were not harmed, hobbled or hindered, as the Hon. Member for Lethbridge—Foothills who thinks everyone to the left of Genghis Khan is a socialist, said, by a Liberal Government in the U.S. Therefore, why have they cut back so drastically?

Mr. Edwards: Madam Speaker, it is some hobbling when 472 rigs go south from Alberta to Montana, Wyoming and Colorado. It is some hobbling when they go down to Oklahoma and Texas. If that is hobbling in an unfettered environment, why in heaven's name did those rigs make the journey south at a cost of about $75,000 each?

Mr. Orlikow: I ask the Hon. Member if he will join me in the parliamentary library. We can look through a recent issue of *The New York Times* and we will see a picture taken in a Texas field where hundreds of rigs are sitting rusting away. They will soon be scrapped. I am not talking about 1981 or 1982 when they moved from Alberta to the U.S. They are not operating now because there is no profit. Why would the energy companies be exploring in Canada now when the price is as low here as it is in the U.S. and they cannot see a profit in the foreseeable future?

Conservative Members of Parliament have to stop blaming the NEP and recognize that the world price, which was high then and is low now, plays a very important role in what these companies, private or public, will do.

Mr. Edwards: Madam Speaker, the Hon. Member has posed an interesting implicit question in his overt question. The only conclusion I can come to is that he appears to be in favour of leaving the PGRT in place. Coming from a Member from western Canada as he is, I can only put it down to ideological integrity on his part. I would never accuse him of anything else knowing and respecting his political stripe. However, to suggest that it would be wise to continue to inflict a front end revenue tax on companies owned by Canadians struggling to stay alive, many of them the backbone of the economy of Alberta, Saskatchewan and southwestern Manitoba, is irresponsible. It is also a suggestion which the electorate of western Canada would be most interested in knowing about.

Mr. Orlikow: Madam Speaker, the Hon. Member can check *Hansard* and he will not find where I said one word indicating that I am opposed to getting rid of the PGRT. What I am putting to him is that he should give serious consideration to the fact that, if we are to have an assured supply and energy sufficiency, given the low price of energy now, the only way we will get it is if the industry and Governments work together. Governments have to provide a tax system or floor price or some method by which the energy companies can operate rather than closing down and dying. That is something the Conservatives have never wanted to think about.

Mr. Edwards: Madam Speaker, I would be most happy to check *Hansard* to see the Hon. Member's record. I will also be watching with great relish how he votes.

Miss Aideen Nicholson (Trinity): Madam Speaker, I am aware of the agreement to complete consideration of this stage of the Bill by six o'clock and I will speak briefly.

This Bill before us, C-17, removes the PGRT of 1980. The tax was part of the NEP and one has to look at it in the context of related Bills dealing with things such as PIP grants and the Crown share. At the time this legislation was introduced energy prices were high. This was a tax on the net operating revenue of oil and gas producers after their operating costs were deducted. Through this controversial wellhead tax the federal Government sought a share of oil and gas revenues. Indeed, its share was considerable. The PGRT collected large sums of money for the federal Treasury, about $6.6 billion in the period 1983-1985. For 1985 alone the figure was $2.5 billion. These funds were utilized for programs such as energy conservation, oil substitution, renewable energy, alternative fuels, and construction of natural gas pipelines. These initiatives were all designed to reduce Canada's dependance on oil. Indeed, the present Minister of Energy, Mines and Resources (Mr. Masse) commented on the success of Canada's conservation programs. He said the amount of insulation installed in Canada over the last six years has given rise in 1986 to energy savings equal to approximately 17 million barrels of oil.

Since then the world has changed. The price of energy has collapsed. As well, the Government cancelled most of the renewable energy and alternative energy programs. This is what I wish to express concern about. I am in agreement, in a difficult time, with assisting the Alberta oil energy program, but I have concerns about security of supply because that goal seems to have been temporarily lost sight of.

• (1750)

It is popular to blame the Alberta recession solely on the National Energy Program, as did the Member who just spoke. However, we must remember that the oil industry in California and Texas, and countries dependent on oil such as Mexico and Nigeria, have also been pushed to the edge by the tight energy market.

I believe both sides of the House would agree that there is a need to provide assistance to the energy sector at the present time. However, we on this side of the House would have preferred to see the assistance directed to some of the small producers. This Bill is a tax break without strings. Most of those who will benefit from the removal of the petroleum and gas revenue tax will be the large multinationals, at a cost of $1.5 billion to the federal treasury. Admittedly, these multinationals account for 90 per cent of Canada's oil production, 70 per cent of the workforce and 80 per cent of PGRT revenues. However, these are not necessarily the neediest oil companies.

The Senate Energy Committee pointed out that the most distressed producers at the present time are the smaller, mostly Canadian-owned firms which: "Drill the majority of Canadian oil wells and are more efficient than the larger companies at finding and developing small oil pools". If we are thinking in terms of security of supply and in terms of looking to the future when the conventional resources which are now well exploited by the multinationals are depleted, we should be looking to those small Canadian-owned producers. This Bill does nothing to help the very people who we may need most if we have to be concerned about security of supply in the near future.

We would have preferred to see a price stabilization program which would assist the small producers. That is also a proposal which has come from the Senate Energy Committee and, in fact, the Alberta Government.

My other concern is that the PGRT is removed without any conditions. The Government tells us that it expects that the companies which benefit will invest this money in the industry, but there are no firm guarantees. We have no assurance that the windfall gained by these large companies will be spent on exploration and development of new sources of oil and natural gas. The industry tells us that it will reinvest savings properly, but what does that mean? There is nothing to stop the multinationals from using their money to buy up struggling Canadian oil firms at low prices, or indeed from making non-energy investments that will not add one barrel of oil to our dwindling reserves.

I hope that Members opposite, to whom the free market ideology is very important, will remember that we also have to consider very much the question of security of supply. We must look to the future because we are, in fact, very open to manipulation by the OPEC cartel. While the measure before us gives some relief to a prosperous sector of the oil industry, it does nothing for the small Canadian firms who have proved themselves to be more innovative at trying to find new sources. The Bill does not concern itself at all with the goal of self-sufficiency and security of supply. I am sure that Members opposite have the same concerns about this issue and I hope we will see it dealt with soon.

Members of an energy lobby group were warning that Canadians will be at the mercy of oil-producing countries in a very few years unless exploration for our own resources is increased.

[*Translation*]

Mr. Gauthier: Madam Speaker, I found the speech by the Hon. Member for Trinity (Miss Nicholson) very interesting, and since we share the same philosophy, that of the Liberal Party, I know we will not object to adopting the second reading stage of this Bill. However, the Government that dismantled this energy policy has failed to replace it with appropriate tools. The Hon. Member mentioned security of supply for Canadians with respect to energy resources. Madam Speaker, both in the course of this debate on Bill C-17 and during the election campaign, we said we would be quite willing to see this policy modified or revised to restore a degree of equity to the way our resources are shared, so that the West does not feel alienated or deprived of its rights.

I would ask the Hon. Member to tell us briefly whether she would be agreeable to an approach that, while eliminating the PGRT, would give serious consideration to establishing a revenue stabilization program which we, as Liberals, would have liked to see the Government set up. Its purpose would be not only to guarantee security of supply for Canadians but also to maintain Canadianization, so that Canadians will have real control over their energy resources and will not, as the Hon. Member for Laval-des-Rapides (Mr. Garneau) said earlier, be at the mercy of an OPEC that controls prices on the international market.

So my question is quite simple: Does she favour price stabilization as opposed to eliminating all these energy programs?

Miss Nicholson: The answer is simple: Yes.

[*English*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Mr. Hockin, seconded by Mr. Mazankowski, moves that Bill C-17, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act and to repeal the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a Legislative Committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): May I call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CANADIAN BROADCASTING CORPORATION—FINANCIAL MANAGEMENT SYSTEM

Mr. Bob Pennock (Etobicoke North): Madam Speaker, I want to begin by offering my congratulations to the CBC on the occasion of the corporation's fiftieth anniversary. For half a century it has provided quality Canadian programming, first on radio, later on television.

In recent years the CBC, like all other Crown corporations, has had to deal with the reality of our times. Parliament has been forced to deal with years of neglect to the public treasury. Every Government Department, every Crown corporation, every Government agency is being subjected to necessary restraints.

For a Crown corporation to give a legitimate argument about lack of funding is one thing, but to do so when it is revealed that gross neglect has occurred in that corporation's accounting practices is entirely another matter. Several weeks ago in his annual report to Parliament the Auditor General stated that the CBC books were in such bad shape that:

• (1800)

I am unable to express an opinion as to whether these financial statements are presented fairly in accordance with generally accepted accounting principles.

In my opinion the corporation did not maintain proper books of accounts from which these financial statements have been prepared.

This is the first time an Auditor General has been unable to report on the financial statement of a Crown corporation. This controversy revolves around the problems with the CBC's multi-million dollar computerized accounting system. The CBC moved to create a centralized accounting system after a 1984 audit by the Auditor General found that the Corporation had no standardized method of keeping financial records. The CBC had four incompatible computers operating out of Toronto, Montreal, Ottawa and Winnipeg.

In going to one standardized computer system, the idea was to give more direct control of financial expenditures to CBC head office. There is nothing wrong with that. This system was supposed to begin on April 1, 1986, but CBC management made a decision to bring it into operation in July, 1985, a full nine months early. More important, it was a CBC management decision to bring in a new system without a parallel accounting system to back it up in case of breakdowns in its early stages.

Regional managers were instructed to follow the new system of accounting, but many of them actually kept separate accounts in case of a foul-up in the main system. We have learned that these hip-pocket accounts turned out to be the only reliable source of information on the CBC's financial accounts. *Maclean's* magazine, in a recent article aptly portrayed the difficulties with the centralized accounting system:

Because of programming errors, the computer had all along been unable to recognize the electronic labels on certain entries and, like the overworked executive with a bottomless wastepaper basket, had been routinely tossing them into the so-called "suspense accounts" with the result that they never appeared on the printout. According to the CBC Vice-President Stephen Cotsman, "the dollar amounts grew monstrous".

Monstrous indeed, to the tune of $57 million. The CBC had spent the money but the financial system had lost track of the reasons for the transactions.

Mr. Cotsman's candid comments on the state of the CBC's suspense accounts surprised me when I read the *Maclean's* article because he was certainly tight-lipped when he appeared before the Communications and Culture Committee in May of 1986 when we were examining the Estimates.

The Hon. Member for Broadview—Greenwood (Ms. McDonald) asked Mr. Cotsman directly:

Rumours I have received say there is a problem in reconciling books. The CBC cannot account for money spent on joint productions as a result of this new accounting system and there are really quite astounding differences in figures coming out.

Mr. Cotsman replied:

I am not aware of any large, significant numbers where we cannot account for the expenditures. I am not aware of those instances.

How are we to believe that the Senior Vice-President of Finance of the CBC was not aware of $57 million of taxpayers money that was not accounted for? In that same meeting, when commenting on the problems with the centralized accounting system, Mr. Cotsman stated:

Most of those problems, we feel, are behind us and we are looking forward to 1986-87 being a successful year.

However, according to a report to the CBC Board of Directors from the Auditor General dated September 3, 1986, the Auditor General warned the CBC to get its financial house in order because "public funds are at risk." He also added: "—there is no tangible indication that the situation has significantly improved". Again, Mr. Cotsman's comments to the standing committee were not consistent with the facts as stated by the Auditor General.

It is obvious to me, as well as to many Members of Parliament that CBC senior management made a terrible decision in trying to rush its centralized accounting system into operation without maintaining a proper back-up system.

• (1805)

As I stated before, this was a senior management decision. Thus the senior management should take the blame for the resulting chaos in the books. When confronted with this situation, CBC management claimed that it was impossible to operate a parallel accounting system because of a lack of resources due to Government restraint measures. That is garbage! The CBC regional managers kept hip-pocket accounts with personal calculators.

In conclusion, I want to reiterate my view that the President of the CBC, who is responsible for the senior management decision, should appear before the Public Accounts Committee and the Standing Committee on Communications and Culture to explain his actions. An audit commissioned by CBC management itself will not suffice in this instance. Taxpayers' money is at risk—and Parliament needs some answers.

Mr. Pierre Blais (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to respond to the concerns of the Hon. Member for Etobicoke North (Mr. Pennock). As Hon. Members know, the Auditor General has expressed concern over the implementation of a new financial system at the Canadian Broadcasting Corporation. The situation at the CBC has been the source of considerable speculation, both in the media and in the House. While I share the concern of all Members, I would like to clarify a few misconceptions and inaccuracies that have found their way into the debate.

The Canadian Broadcasting Corporation is a large and complex organization, employing over 11,000 employees and managing an annual budget of over $1 billion. That is a great deal of money. The corporation's mandate is equally overwhelming. In fulfilling it the CBC operates two television networks, four radio networks, and provides northern, regional and local broadcasting services, as well as international service.

[*Translation*]

My colleague will admit that in such a complex environment it is difficult to design and set up a new fully automated financial system, yet the CBC did undertake to do just that. There was the odd mistake here and there, we all know that, but I would suggest that such technical difficulties as may have led some people to believe that $57 million were unaccounted for, have been adequately explained in subsequent weeks.

Madam Speaker, I think it is important to keep in mind that—

[*English*]

—it is true that by year-end some $57 million worth of transactions had been placed into the suspense account. While this is cause for concern, no loss of funds was involved. That is the most important point. Indeed, the Auditor General himself has said that he found no evidence of misappropriation of resources. The management of the CBC has informed the Minister of Communications (Miss MacDonald) that these entries have since been reallocated into their proper expense accounts.

[*Translation*]

In concluding, Madam Speaker, I think we must be thankful to our colleague and commend Hon. Members for seeing to it that CBC funds are wisely expended. Canadians have to be assured that indeed there were no losses in these circumstances, that it was an administration matter.

[*English*]

CROWN CORPORATIONS—CORPORATION'S UNDISCLOSED LIABILITIES. (B) AMOUNT OF LIABILITIES

Hon. Bob Kaplan (York Centre): Madam Speaker, I listened with a sense of rapt interest to the Hon. Member for Etobicoke North (Mr. Pennock) doing a bit of CBC-bashing in regard to some $57 million, which is a great deal of money. The Parliamentary Secretary has just assured us that this money has not been lost or misappropriated. I have a good one to tell the Hon. Member for Etobicoke North.

I rise this evening because a few weeks ago *The Fifth Estate* revealed that after selling de Havilland Aircraft of Canada to Boeing, the Government is now responsible for paying tens of millions of dollars in claims against de Havilland. This was not revealed to the Canadian people when the company was sold. In this case the Canadian people were persuaded that a very big deal was being negotiated. The figure of $165 million was put forward, although we know that the full amount will never be paid. We have learned subsequently of tens of millions of dollars the Boeing company is not paying but the taxpayers will have to pay to creditors and claimants of de Havilland.

• (1810)

When I complained to the Minister of Regional Industrial Expansion (Mr. Côté) about this, he said that no information concerning this issue was withheld in any manner and that it was fully provided by the Minister in January of 1986 when he appeared before the committee of the House which was looking into the transaction. That statement was absolutely wrong. That information was not given to us in the House or in committee.

When I asked for the production of documents, the documents were not produced. When I put in a request for access to information from the Government, the information was not made available and I was not given a refund. When I wrote letters to the Minister asking for it, I did not receive the information. My colleague and I, the Hon. Member for Laurier (Mr. Berger), even took the Government to court to try to get an order requiring the Government to give us this and other information but we were unsuccessful. The information is still the confidential property of the Government.

I do not think this is right. I think a Government that is committed to open Government and claims to be concerned about the waste of $57 million by the CBC ought to be concerned about this and ought to be more forthcoming. No one agrees more than I that de Havilland Aircraft of Canada Ltd. has benefited from its association with a company that is successful, believes in the discipline of the market-place and knows how to make money. However, Boeing has been successful with de Havilland because of the investment of the taxpayers of Canada. Canadians have invested talent in the creation, innovation and design of propeller aircraft for this modern age. We are entitled to get something out of de Havilland for our contribution.

As you well know, Madam Speaker, we are not getting $165 million. The millions we are receiving are offset by liabilities like these. As I said, I am glad that de Havilland is successful and I know that Boeing is making a contribution to its success and that jobs are being created. However, we are not receiving a return on our investment because the Government gave the company away on more favourable terms than it had indicated. As demonstrated so effectively by *The Fifth Estate* just a few weeks ago, the hidden, continuing liabilities and obligations of taxpayers more than cancelled out the multimillion dollar purchase price.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, where I come from, they would say it takes bloody nerve to rise in the House and criticize our Government for the decisions that were made in the course of the sale of De Havilland.

I think the Hon. Member's memory fails him, because on October 15, the Minister referred in his reply to losses of over one billion dollars incurred by this company, which meant that the Government was forced to intervene several times every year. Their Government made a habit of considering the public treasury as an inexhaustible source of funds. The deficit, 200 billion or 300 billion, it all didn't matter. There was never any consideration of the fact that Canadian companies could be helped and supported by the Government in other ways than by just injecting new funds every time there was a shortfall.

The approach taken by this Government was to proceed with the sale of a company to Boeing, a private enterprise, and to ensure that Boeing will maintain existing jobs and to ensure, I have a few notes here, that in Winnipeg the company will proceed with the maintenance—

For instance, in the case of the 747, the Super Jet, facilities in Winnipeg will produce the necessary equipment for this aircraft. The contract will provide 250 jobs and $11 million worth of economic benefits across Canada, and we at least made sure that we would not be constantly spending public funds.

And I am surprised at the Hon. Member's criticism, especially since we took every precaution to ensure that the transaction would be carried out properly, that the private company would be in a position to carry out its main function which is to manage a company and even make a profit, and to maintain jobs for Canadians, and that is what we need, so that we don't have to spend public funds to the tune of hundreds of millions and even billions of dollars every year. That is what they did and we are still paying for their mistakes.

Of course they have conveniently forgotten about that, but it all means that every year, our children and our grandchildren will have to pay back these debts.

You mentioned vigilance, but where was your vigilance when you were supposed to consider those factors and ensure that the Canadian Government was living within its means and knew where it was going?

You did not have those considerations, and, Madam Speaker, I do not agree with the comments made by the Hon. Member today. I think it is a good deal and I think our actions as a Government were entirely appropriate.

• (1815)

[*English*]

EDUCATION—STUDENT LOAN PROGRAM—REQUEST FOR CONSIDERATION OF BURSARY PROGRAM. (B) MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, on November 4 I raised a question in the House regarding the Canada Student Loans Program and the desperate plight that many students now find themselves in with very high debt loads that they are bearing at the end of their university days when they get into the workforce to start their working careers.

The Secretary of State (Mr. Crombie) was fairly positive in his response. He said that he would be discussing the question with the provincial Ministers of Education. He invited me and other Members of the House to sit down with him afterward to go into the question more thoroughly. I promptly accepted that invitation.

In the meantime, we do not even have a very good idea of how bad the situation is. The last Canada Student Loans Program annual report was for the year 1982-83. This was before the Conservative Government came into office. We know from *ad hoc* evidence, from the letters we are receiving from constituents, from parents who are telling us the situation of their own children and from the Canadian Federation of Students that the situation is getting tougher and tougher. Debt burdens of $8,000 to $20,000 are not uncommon these days.

We have no definitive information. To devise a reasonable plan we have to look at the present situation. We know that the situation is worst in British Columbia. British Columbia does not have a bursary program, it is entirely a loan program. The Canada Student Loans Program was designed to be complementary to a bursary program at the level of the provinces. Any bursaries previously given out by B.C. no longer exist.

The University of British Columbia financial aid department makes the following dire predictions. The average debt of the 1985 graduate was $10,000. The average debt of the 1984 graduate was $3,700. The predicted debt of the 1986 graduate is $15,000. There are some students who have a debt of $25,000.

The Director of Student Aid at the University of Victoria agrees that British Columbia's student aid program is the worst in Canada. The shortage of aid is causing changes in the types of people who are able to attend university. There are fewer coming from the interior of B.C., which is distant from the university, fewer from low income families and single parents. The causes are obvious. The Social Credit Government cancelled student grants, and immediately there was an enormous increase in the debts. Previously the ceiling was $1,800 a year and now it is $5,400 a year. Student fees have tripled in the past five years in British Columbia. The situation is desperate.

• (1820)

In the case of the Canada Student Loans Program, I should like to look at a few facts. Since 1964, 22 years ago, the federal Government has doled out $3.8 billion in guaranteed loans to about 1.5 million students. Of those 1.5 million students, about 12 per cent have defaulted. Default has a certain connotation. I wonder about the 12 per cent figure. We know that the unemployment rate is about 12 per cent. I wonder whether that is the relevant figure.

The Government has paid $377 million to Canadian banks to cover defaulted loans. A substantial amount of that has been recovered, some $179 million. The rest is still owing. Then the collection agencies come into play. Sometimes they are inflexible and sometimes they are positively brutal in their methods of collection. I note that the Government has been willing to forgive other loans but not student loans. I wonder about its priorities.

The case of female students is an even more difficult one. Women have to pay the same fees and the same rent, yet their opportunities for summer jobs are not as good. Of course the money they make after graduation is not as much as that made by male students on average. Any fairness for female students must mean equal pay for work of equal value.

I do not realistically say that we could decrease the fees or increase the loans to female students to make that up, as it would entrench inequities in the system. However, female students are clearly the worst off. Female students who are single parents are the worst off in that group.

We could be doing more for parents who are students. In many cases education is a desperate need so that they will be able to make their way, get out of debt, and be able to use their education, as we want them to, to earn their livelihood.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Madam Speaker, the Secretary of State has already indicated that, in the view of the Government, the indebtedness of students is an important matter which deserves serious consideration. I might add that provincial administrations as well are looking into the problem caused by the indebtedness of post-secondary institution graduates.

As a matter of fact, at their last meeting held in Winnipeg in September, the Council of Ministers of Education of Canada decided to set up a federal-provincial advisory committee to review both the Canada Student Loans Program, which they administer, and the student assistance programs sponsored by the provinces themselves. I have no doubt that at their next meeting early next year the provincial Ministers will examine the issue of student indebtedness, among other things.

But a lot of other people are interested in this question. It was raised recently during a meeting of Secretary of State officials, the Canadian Federation of Students, and various other interested parties.

The Hon. Member must be aware that the Canada Student Loans Program has been a resounding success over the years. That is a fact. But problems do crop up, including the cumulative debt load of students, and they can be traced back to several factors. For one thing, in 1983 the Government raised the ceiling on student loans, practically doubling the amounts available. Adjustments were made as well to provincial student assistance programs so that, in some cases, students must borrow more to continue their studies.

It is interesting to note, Madam Speaker, that quite a large majority of students manage to repay their debts after they graduate. You are well aware of course that those who have difficulty repaying their debts, for lack of a job for instance, can apply for coverage under the interest remittal program.

On another point, it goes without saying, Madam Speaker, that the Government will consider any new initiative that may be recommended to it to increase accessibility to post-secondary education, whether through scholarships or grants. However, this will have to be done in a manner consistent with fiscal constraints.

I would finally like to inform the Hon. Member that certain difficulties of an administrative nature have delayed the publication of the annual reports of the Canadian Student Loans Program for 1983-84 and 1984-85.

However, I would like to assure the House that those two reports will be tabled before Christmas.

If in the meantime some Hon. Members would like to have information on those two years of loans, I would suggest that they contact the Student Assistance Directorate in the Secretary of State Departement.

The Acting Speaker (Mrs. Champagne): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3.(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Friday, November 7, 1986

The House met at 11 a.m.

[English]

THE LATE LUCIE GRATTON

Mr. Speaker: I would like to inform all Hon. Members of the House that Lucie Gratton, whose services as a procedural clerk with the House of Commons have been greatly appreciated since 1978, passed away yesterday at the age of 30 years after a long and valiant fight against cancer. On behalf of the Members and staff of the House of Commons, I have expressed my deepest sympathy to her husband, Michael Kirby, one of our Principal Clerks, and to her mother, Pierrette Gratton, Administrative Assistant to the Sergeant-at-Arms.

STATEMENTS PURSUANT TO S.O. 21

[Translation]

QUEBEC CHAMBER OF COMMERCE

ANNUAL CONFERENCE IN HULL

Mr. André Plourde (Kamouraska—Rivière-du-Loup): On Saturday and Sunday November 14 and 15, Mr. Speaker, in the City of Hull the Quebec Chamber of Commerce will hold its annual convention. This apolitical organization includes over 210 local and regional Quebec chambers of commerce.

I want to focus on this annual event because it highlights the socio-economic prospects in the Province of Quebec.

On behalf of the Government of Canada I extend a warm welcome to all delegates and wish them great success in their endeavour, more particularly to the representatives of the chambers of commerce of the Kamouraska—Rivière-du-Loup riding who have accomplished an outstanding job in their respective municipalities.

Mr. Speaker, on behalf of all chambers of commerce members, I should like to thank the Prime Minister (Mr. Mulroney) for responding to their invitation to be the guest speaker at the annual dinner next Sunday. This is the first time a Canadian Prime Minister has agreed to make an appearance at a Quebec Chamber of Commerce convention, and we are very proud indeed. Best success to all participants.

SOCIAL SECURITY

DELIVERY OF CHEQUES—NEED TO IMPROVE SYSTEM

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, a number of workers in my riding who are entitled to labour adjustment benefits are not treated quite as well as the recipients of other Government services—unemployment insurance, old age security, family allowances and so on—who all receive their benefits on the appointed date.

Unfortunately workers who depend on labour adjustment benefits are not as lucky. Those who have to complete a questionnaire every other week must sometimes wait for four or five weeks before they get their cheque, which is a source of untold problems since the amounts involved are not very big to begin with. Every time they receive a cheque they have no idea when the next one will arrive.

I would therefore ask that a special effort be made so these people will not be victimized by delays resulting from administrative bottlenecks in the Department of Manpower and Immigration or from Canada Post delivery problems.

There is room for improvement in this service, and the recipients are frustrated by the response they get from some of the civil servants who handle their case.

* * *

• (1105)

[English]

ATOMIC ENERGY CONTROL BOARD

REQUEST FOR APPOINTMENT OF LABOUR REPRESENTATIVE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, as you may know, the federal NDP is conducting an inquiry into the nuclear industry in Canada, partly as a result of the failure of the Progressive Conservative Government to live up to the promise that it made to the Canadian people to have such an inquiry.

We had our first hearings in Toronto last week at which we had the opportunity to meet with representatives of CUPE 1000, the union local that represents most of the workers at Ontario Hydro. One of the matters they brought to our attention was the request by the Canadian Labour Congress for the Government to appoint a labour member to the Atomic Energy Control Board.

S.O. 21

I wish to take this opportunity to call upon the Government to accede to that request and to appoint a labour member to the Atomic Energy Control Board. While the Government is at it, it could consider appointing a wider variety of people to the Atomic Energy Control Board, people who represent energy consumers, environmental concerns and other interests and views which should be brought to bear upon decisions made about the future of nuclear energy in Canada.

* * *

CANADIAN BROADCASTING CORPORATION

REPORT ON CHARLOTTETOWN DRIVING PARK DENOUNCED

Mr. Mel Gass (Malpeque): Mr. Speaker, I would like to address a negative report which was aired on CBC's *The Journal* on October 14, 1986, regarding the Charlottetown Driving Park in Prince Edward Island.

The CDP is considered the heart of the harness racing industry in P.E.I. and has been referred to as the Kentucky of Canada on many occasions. The Charlottetown Driving Park has operated since the late 1800s, has one of the highest wager rates per capita in Canada, and is one of the few tracks making a profit. The CDP has turned out such greats as Rumpus Hanover, a pacer who holds the world record for two-year-old colts, and was home to Captain Jamie, who has a trotting record of 1.57.

The harness racing industry is a major contributor to tourism in P.E.I. Therefore, Prince Edward Islanders were angered and appalled when CBC reporter Tom Alderman chose to portray the CDP as a small-time track at which racehorses were of poor quality, no money could be made, and as a track which neither the public nor the harness racing industry should take seriously. Tom Alderman, the reporter for CBC, should not be taken seriously. This type of biased, negative reporting is disgusting and disgraceful.

* * *

[*Translation*]

PHARMACEUTICAL INDUSTRY

DRUGS—UNPROTECTED CONSUMERS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday the Conservative Government tabled another Bill that puts an additional burden on senior citizens, low-income families and the sick.

Mr. Speaker, after imposing a 10 per cent tax on drugs and thus taxing illness in this country, just to reduce the deficit, that same Government has now decided to give in to blackmail by the multinationals, the excuse being that it will create jobs.

Mr. Speaker, pretty soon the Government will be praying for people to die in this country, to create more jobs in funeral homes.

Mr. Speaker, this Conservative Government has decided to lean on the poor. Today, 4,000 Canadians have no protection as far as drug costs are concerned, neither from Government or private plans, and these 4,000 Canadians are going to suffer as a result of the incompetence and injustice of the Conservative Government.

* * *

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, my Government was elected in September 1984, because it promised Canadians jobs, jobs, and I want to take this opportunity to prove this was not an empty promise.

Mr. Speaker, in October the unemployment rate was 9.4 per cent, the lowest since March 1982. This means that since 1984, 610,000 jobs have been created in Canada, that we have 255,000 fewer unemployed in this country and that 339,000 more women are working today than was the case in September 1984.

Mr. Speaker, youth unemployment has gone down from 18.4 per cent to 14.9 per cent. Over 80 per cent of the jobs created are full time jobs.

In the Atlantic region, jobs are being created at a rate of 1,080 per month, twice the figure of 509 produced under the Liberals.

Since September 1984, 303,000 jobs have been created in Ontario and 5,760 jobs in Quebec—eight times as much as under the Liberals.

Mr. Speaker, that is a performance that is hard to beat.

* * *

• (1110)

[*English*]

PORTS

PORT OF CHURCHILL—PERMANENT STAFF LAID OFF

Mr. Rod Murphy (Churchill): Mr. Speaker, it is apparent from the Government's recent action that it has no intention at this time of making a commitment to the support of the Port of Churchill. The Government stalled for months before making public yesterday the results of four independent studies which looked at the viability of the port. As has now become known, these studies have shown that the port can be made viable.

The studies point out the unique value of the port as Canada's only Arctic seaport with a rail connection to the south. However, the Government has moved recently to lay off the permanent staff at the port and to shut down the facility completely during the winter for the first time in three decades. This was done in the full knowledge of these studies which were kept hidden.

It is time for the Government to stop pretending Churchill is not viable and to offer this unique resource the support it deserves. It is no wonder that Conservative MLAs from Brandon are suggesting that provincial Tories need a new name.

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PENITENTIARIES

OPENING OF PRISON IN RENOUS, N.B.

Mr. Alan Redway (York East): Mr. Speaker, according to the November issue of *Atlantic Insight*, the new maximum security prison in Renous, New Brunswick, is about to open. According to the magazine, it was built as a result of a 1980 election promise made by the former Liberal Government.

The prison was built despite the fact that experts said it was not needed and that it could be built elsewhere for $10 million less. It was built despite its isolated location, and despite opposition from the John Howard Society, the Elizabeth Fry Society, the Salvation Army, and the Criminal Justice Association.

According to the former Member of Parliament for the riding in which it was located, the prison was built because:

"It is the Government of Canada . . . My job was to get what I could for this riding and I have a very firm belief that the free citizens of this country have more rights than prisoners do."

Does that all sound familiar, Mr. Speaker?

* * *

NATIONAL RESEARCH COUNCIL

REVIEW OF PROGRAM CUTS

Mr. David Berger (Laurier): Mr. Speaker, the Minister of State for Science and Technology (Mr. Oberle) has announced that he will be appointing a committee to review the cuts at the National Research Council, cuts which he himself told the Council to make. Now he is telling council members that he does not like or trust their judgment. This begs the question: why is the Minister questioning the judgment of council members whom he himself has undermined by making ill-advised demands? Why does he not just back off, go back to square one and cancel the cuts?

The Minister has also said that he is dismayed to learn that council members are sitting beyond their term. I think he should be grateful that these people are willing to serve Canadians. Why did the Minister not learn of this before? Did he expect the Council to shut down its operations and wait for him to wake up and name replacements? I would hope that members of the Government, and the Minister, would start reading the correspondence that they are receiving from Canadians and that these harmful cuts are reversed in the shortest time.

* * *

• (1115)

EXTERNAL AFFAIRS

NICARAGUA—CANADIAN POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, yesterday the Member for Spadina (Mr. Heap) questioned the Prime Minister (Mr. Mulroney) about the Government's inconsistency in voting in the UN to condemn U.S. support for Contra terrorism in Nicaragua while at the same time providing aid to Honduras and El Salvador where Contra bases are located. The Prime Minister answered that our alliances and friendships are not in doubt.

We believe that the Prime Minister's refusal to meet Vice-President Ramirez does cast considerable doubt on where this country stands and its degree of independence. That is also true of the Nicaraguan Government, which has recalled its ambassador because of the snub that country's Vice-President received from our Prime Minister. If the Prime Minister wants to show his Government's independence of policy and principle, it should extend an invitation to the Vice-President of Nicaragua.

* * *

NATIONAL RESEARCH COUNCIL

APPOINTMENT OF TASK FORCE TO REVIEW PROGRAMS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, in recent weeks considerable concern has been expressed in this House and throughout the country with respect to program cuts at the National Research Council. The facts surrounding these cuts have been seriously distorted, and the rationale for some of them is weak, at best.

The Minister of State for Science and Technology (Mr. Oberle) will announce today the formation of a three-person task group to undertake consultations on behalf of the Government with the President and members of the National Research Council in respect of programs, management, and budgetary considerations at the NRC. My colleagues and I in the Conservative Party strongly applaud this initiative. Our lobbying efforts and our strong voices have been heard again as responsible recognition that the intellectual wealth and

long-term economic importance of the NRC must be maintained and enhanced.

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SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—
WINNIPEG CITY COUNCIL RESOLUTION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Council of the City of Winnipeg passed this resolution unanimously:

That the Council of the City of Winnipeg convey to the Prime Minister and Government of Canada this city's profound anger and regret over the Government's decision respecting the CF-18 maintenance contract, and its dismay at the undermining of both the public tendering process and the principle of orderly and equitable regional economic development.

That sense of betrayal has only been compounded by the revelation yesterday by the Minister of Energy, Mines and Resources (Mr. Masse) that it was a sheer political choice made last August. At the same time the people of Manitoba and the Bristol contractors were being misled by Conservative Members of Parliament for Manitoba that everything was all right.

People from Winnipeg are part of Canada too. They are part of the national interest. They want a number of questions answered. They want to know why that crass political choice is not being revealed, together with the documents, so that we know exactly what is going on with this Government, and the people in Winnipeg can feel that they share in the proper development of this country.

ORAL QUESTION PERIOD

[English]

PHARMACEUTICAL INDUSTRY

PROPOSED EXTENSION OF PATENT RIGHTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. I had the honour of bringing in the current drug price legislation in 1968. At that time we had among the highest drug prices in the world. Since that date we have had among the lowest drug prices in the world.

The independent inquiry appointed by the previous Government recommended that, in order to encourage more research and jobs in Canada, the patent protection be extended for four years. The Government has extended that period from four to ten years. Why did the Government choose to give two and a half times more protection to the pharmaceutical companies in order to get those jobs in research than the independent inquiry suggested? Was it not because there was pressure from the United States as one of the prices for free trade negotiations?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the right hon. gentleman is correct that in the 1960s drug prices in Canada were above the United States. In the 1980s they are below the United States, even where there is no generic competition. The Patent Act has nothing to do with that fact. The market has changed.

Some Hon. Members: Oh, oh!

Mr. Andre: A great many things have changed since 1968 of which the Hon. Member should be aware. If the Opposition would be so gracious as to allow Parliament to examine this Bill and look at the clauses it will be amply demonstrated that the benefits of what we are proposing are of an overwhelming nature. They will restore to this country vigour in the research and development area, which apparently every Party wants in general but not in specific.

[Translation]

INQUIRY WHETHER UNINSURED WILL BE PROTECTED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister stated that the price of drugs would not increase as a result of this Bill. At the same time, however, he had earmarked $100 million for the provinces to protect them against price increases.

Does he really think Canadians are so naive they don't know realize what the real reason is? And didn't the Minister protect sick Canadians who are not protected by drug insurance plans?

• (1120)

[English]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is not the naivete of the Canadian public about which I am concerned; it is the naivete of the Opposition. Every drug now on the market, brand name and generic, will remain on the market. Whatever market forces are establishing price will continue. That simple, elementary economic lesson should be comprehensible even to the Leader of the Opposition. There will be no increases in those drugs. In terms of the drugs in the so-called pipeline in the future, time in Question Period does not permit an answer to that.

Mr. Axworthy: You can't answer it.

Mr. Andre: Let us introduce the Bill. Let us look at that in committee. Let us examine it. I am sure, if the hon. gentleman is fair minded, he will find out that in fact the prices will be very reasonable and the benefits will overwhelm any minor costs that might be there.

CANADIAN PATENT SYSTEM—REPORTED EXAMINATION BY UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Hon. Minister compared American and Canadian drug prices. Canadian drug prices are appreciably lower than American drug prices, so much so that is he aware that the United States Department of Health has been examining our current patent system in order to try to give lower drug prices to Americans? Why, in this instance, would the Government attempt to adopt an American-styled system when the American Government itself is looking at ours?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will try again. Ninety-three per cent of drugs do not have generic competition. For those 93 per cent of drugs the prices in Canada, without generic competition, are cheaper than they are in the United States. The reason is that it is a different market. It is a different country. We have a different way of selling drugs. The provinces are the big buyers.

Mr. Axworthy: That is right. Let's keep it that way.

Mr. Andre: That will remain in place. We are going to keep it there. In exchange for granting patent protection to inventors or creators, we will gain at least 3,000 high-tech jobs in an area from which it is unforgiveable that Canada should be excluded.

* * *

LABOUR CONDITIONS

REGIONAL UNEMPLOYMENT—REQUEST FOR NEW POLICIES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Finance. While the national rate of unemployment has declined to 9.4 per cent—

Some Hon. Members: Hear, hear!

Mr. Allmand: —I want to remind the Government that there are still 1.2 million Canadians unemployed. That rate is still far above the pre-recession rate of 7.5 per cent in 1981. However, most disturbing is the continual deterioration in the regions of Canada—in Quebec, Alberta, and especially the Atlantic provinces. The rate of unemployment increased in every Atlantic province. When will the Government recognize that reliance upon a free market economy will not cure these regional problems? When will it recognize the growing gulf between the rich and poor regions in the country; change direction; and bring in policies which will stimulate growth in these regions and create new jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is quite right that the level of unemployment today is higher than it was compared with the pre-recession lows. However, it is an awful lot lower than it was in September, 1984. It is down from 11.7 per cent to 9.4 per cent. The youth unemployment rate went down three percentage points during that same period. I agree with the Hon. Member that the rate is still too high. We are doing everything we can to get it down.

The Hon. Member pointed out the problems which have been felt in the regions of the country. Yes, we are acting there as well. We have acted in the Province of Alberta, as he knows. He referred to the Province of Alberta. We have introduced the Atlantic Enterprise Program, the Atlantic Opportunities Program, and the Cape Breton tax credit. We have maintained the investment tax credit—

Some Hon. Members: Hear, hear!

• (1125)

RESULT OF GOVERNMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, whatever they have done has not had much effect in Atlantic Canada and the regions of the country. Does the Minister not realize that if he sticks with the *laissez-faire* approach of the Government, the comparison made by the Minister of Transport of Atlantic Canada with the Third World will become a reality? That is what is happening in Canada, with the division between the rich and the poor.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no question that 610,000 jobs have been created since September, 1984. The Hon. Member should admit that a number of those jobs have been created in Atlantic Canada, Quebec, and regions of western Canada. If the Hon. Member had a sense of fairness he would be repeating that as well.

We have stated quite clearly that more must be done about the problems of regional disparity, particularly in the Atlantic provinces and the Province of Quebec. More is being done, and we are continuing to work on that. If the Hon. Member would give us credit for what is being done he would know that a tremendous amount of progress has been made.

* * *

PHARMACEUTICAL INDUSTRY

PROPOSED AMENDMENT OF PATENT ACT—COST OF DRUGS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In defence of the Government's move to amend the Patent Act for pharmaceutical products, he stated that this policy will not cost Canadian consumers any additional money and will not cause drug prices to rise. Will he not agree with a critic of this policy that Canadians in fact will end up paying anywhere from $100 million to $250 million more on the cost of prescription drugs because of this policy?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have indicated that every drug now on the market, generic and brand name, will remain on the market. There will be no change. Therefore, what will cause this tremendous price increase that the Member is projecting?

In terms of drugs not yet discovered, one has to make assumptions about what will happen to price. If you assume today is Tuesday, you can prove that tomorrow will be Wednesday. But what does that prove?

Mr. Gray (Windsor West): Today is Friday.

Mr. Andre: The assumption can give you any number that one wants.

REQUEST FOR PUBLICATION OF STUDIES

Mr. Neil Young (Beaches): Mr. Speaker, the Minister should understand that the critic I referred to was the Conserative Member for Hamilton—Wentworth who, on April 11, 1983, said exactly what I just said in the House.

The Minister has just told us that he cannot determine what the cost impact will be. I made an application under Access to Information to get that information and the Minister said that cost impact studies of the proposed policy are cabinet confidences. Will he not come clean with Canadians and release these cost impact studies so that we can see very clearly how much this policy will cost the average Canadian consumer?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the New Democratic Party would allow this Bill to go to committee—

Some Hon. Members: Oh, oh!

Mr. Andre: —we could have those discussions and he would know the facts. Let me quote a statement made by the Consumer and Corporate Affairs critic of the New Democratic Party, the Member for Winnipeg North, who said: "If the higher prices went into a fund which would really be used for research and development, I think that consumers could live with that". That is what we are doing.

* * *

REGIONAL DEVELOPMENT

DISTRIBUTION OF EXPENDITURES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The orgy of expenditures to improve the political standing of the Conservative Party in Quebec and Ontario has taken place at the expense of the poorer regions of the country.

Mr. Wilson (Etobicoke Centre): Absolute nonsense.

Mr. Dingwall: Will the Minister explain to the House and Canadians why his Department, the lead Department for regional economic development, has intentionally gone out and cut adrift the people of Manitoba, Newfoundland, Nova Scotia, Prince Edward Island, and the other poor regions of the country? Why?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, obviously the Member is not aware of the assistance that has been given to all the regions. I will point out to him some of the most important ones. For instance, there is the $1 billion in assistance we have given to farmers in the west. There is the $580 million for the stabilization program. I could go on to the removal of the PGRT. There is the Atlantic Enterprise Program that cost $600 million, as well as the Atlantic Accord. These are examples of assistance to the regions.

• (1130)

REGIONAL DISPARITIES—REQUEST FOR NEW POLICY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I tell the Minister sincerely that by 1984 the number of jobless in Nova Scotia increased by 4,000. Per capita income in 1984 was 81 per cent of the national average. In 1986 it is less than 78 per cent. Will the Minister introduce a policy to address regional disparities instead of pork-barrelling his friends in Quebec and Ontario?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, no Government has helped the regions more than this Government has since 1984.

Some Hon. Members: Hear, hear!

Mr. Côté (Langelier): Just to help my friend so that he is aware, I invite him to read the record of our accomplishments since 1984. It is available for him.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Minister responsible for trade my question is directed to the Deputy Prime Minister. I have here a secret cabinet document—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —dated October 27. The subject matter—

Mr. Siddon: Sticky fingers again.

Mr. Broadbent: —is Canada-U.S. trade negotiations and the automotive agreement. Will the Acting Prime Minister now confirm that the Canadian team negotiating a deal with

the U.S. now believe that the Auto Pact safeguards, crucial to investment in Canada, are obsolete? Will he also confirm that they are acting on that assumption in conducting negotiations on the Auto Pact?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, in the absence of the Minister I will take that question as notice. However, I think it has been said many, many times that, if it is working, don't fix it.

Mr. Broadbent: That is precisely the view of the NDP and every Canadian and every one of our automotive communities. We are saying do not touch it, and this document says the Conservatives are about to abandon those safeguards.

[*Translation*]

METHOD OF APPLYING PROVISIONS OF AUTO PACT—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): My question is directed to the Minister of Regional Industrial Expansion, because his name is on this paper. The Minister knows perfectly well that General Motors is considering new investments at Boisbriand in the Province of Quebec. This corporation accepts the principle of the Auto Pact safeguards. My question is quite straightforward. Does the Minister agree the Auto Pact safeguards should be maintained, yes or no?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think the Government has an abiding concern for ensuring that the automobile industry conforms to the provisions of the Auto Pact, and we discuss these matters with the companies that maintain trading relations with us in this respect.

[*English*]

AUTO PACT—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as Canadians will know, particularly those in automotive communities, this matter affects quite literally thousands of Canadian jobs. I want to get something clear from the Acting Prime Minister or the Minister of Finance, someone with authority and responsibility in this domain. Will the Government support what the Secretary of State for External Affairs has said unequivocally in the past, that the Auto Pact safeguards will remain and are non-negotiable?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows from his own personal experience, the Auto Pact has been a very important part of the economic development of our country. We are committed to maintaining the impact and benefits of the Auto Pact in the fullest way possible. The Hon. Member well knows that General Motors announced an expansion project in his own riding, I think something like $2 billion or $2.5 billion. That is well above any commitments they need make in the city of Oshawa. Why? Because the productivity of the company in Canada is good and that is something we are committed—

Mr. Broadbent: What about other communities?

Mr. Wilson (Etobicoke Centre): I am sorry, if the Hon. Member would let me continue? We are committed to maintaining that.

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SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—STATEMENT ATTRIBUTED TO MINISTER OF ENERGY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. In an interview given to *La Presse* yesterday the Minister of Energy blew the Government's cover on the awarding of the CF-18 contract. He said it was a strictly political choice designed to give the economy of Montreal sectors of hope within the strategy designed for telecommunications, aeronautics, and high technology.

I ask the Minister where are the strategies for the other cities whose economies are also dependent upon aeronautics, high technology, and telecommunications? Can they no longer expect to receive federal investment? Can they no longer make bids on federal jobs contracts? When is the Government going to establish strategies for other cities? When is it going to restore hope to the city of Winnipeg whose economy it is destroying right now?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first with respect to the report which the Hon. Member has referred to, I think he is referring to a headline which appeared in yesterday's edition of *La Presse*. I think upon reading the full text of that interview he will find there was some inaccuracy in the way in which that interview was reported. Perhaps he may want to check into that.

On the other part of the question, I do not think there is any question about this Government's commitment to Manitoba, western Canada or any other part of the country. The unemployment rate in Manitoba is the lowest in Canada at 6.9 per cent. The Government can certainly take some credit for that.

In so far as the aerospace industry is concerned, he and his colleagues violently opposed the acquisition of de Havilland by Boeing. That company is now generating some 250 jobs in Winnipeg as a result of the manufacturing of the wing of the Boeing 747. Clearly Manitoba has and will continue to have a leadership role in the aerospace industry.

CF-5 CONTRACT—CLAIM MADE FOR BRISTOL AIRCRAFT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I am going to be very interested to see how the Deputy Prime Minister explains that in Winnipeg on Saturday, and whether people will really believe him.

If he is talking about the aerospace industry, and we now have it clearly in the words of the Minister of Energy that these choices are made by the Prime Minister according to his strategy, will the Government clearly target Bristol Aircraft for the awarding of the contract for the CF-5 so we can restore the aerospace industry in that city?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the decisions this Government takes are Government decisions, not decisions by the Prime Minister. This was a Government decision. The President of the Treasury Board explained the rationale very clearly in this House on many occasions. I wish the Hon. Member would listen to that carefully because in it he will find his answer.

* * *

TRADE

AUTO PACT—CABINET COMMITTEE MEETING INQUIRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Finance. I want to quote from this secret memo which—

Some Hon. Members: Oh, oh!

Mr. Langdon: —which reached us—

An Hon. Member: In a brown envelope.

Mr. Langdon: —and which indicates that "the trade negotiator's office continue in its fact-finding exercise with the U.S." with respect to the free trade discussions with the U.S. Does the Minister deny that the P and P subcommittee of Cabinet met on October 27 to consider precisely the recommendations coming from the free trade negotiator's office and that, in those recommendations, there were precisely these reports that discussions with the U.S. on the Auto Pact have been taking place?

Some Hon. Members: Great speech!

• (1140)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I was not at that meeting and I cannot comment specifically on that. However, I will repeat what I said to his Leader. The Government fully recognizes the importance of the automotive industry to his community, the community of his Leader, and to the entire country. We will not do anything which will undermine the capacity of that industry to create jobs, economic growth or exports, in any part of the country where it is possible to do that. That is the objective which the Government is following and will continue to follow.

GOVERNMENT COMMITMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, how is it possible for the Government do justify its Dr. Jekyll and Mr. Hyde approach? The Government tells the House of Commons one thing with respect to this issue and tells the negotiators from the United States precisely the opposite. This memo proves that. I ask the Government to admit how wrong-headed it has been in its approach.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I totally reject that. During the past two years the Government has achieved a record level of new investment activity in the automotive industry. Surely that is a sign of the commitment of the Government to the automotive industry.

Some Hon. Members: Hear, hear!

Mr. Langdon: The Auto Pact.

Mr. Wilson (Etobicoke Centre): The Hon. Member yells, "the Auto Pact". Yes, the Auto Pact got this all started, but he knows full well that the commitment of General Motors is way above the requirements of the Auto Pact.

Mr. Langdon: That's one firm.

Mr. Broadbent: What about Chrysler and Ford?

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CANADIAN BROADCASTING CORPORATION

REALLOCATION OF $57 MILLION INTO EXPENSE ACCOUNTS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is for the Minister of Communications. Last night during the Adjournment Debate, in response to queries about the $57 million which were unaccounted for in the CBC, the Parliamentary Secretary to the Deputy Prime Minister stated that these entries have now been reallocated into their proper expense accounts. Is the Minister satisfied that the reallocation of the $57 million has been completed and entered into the proper expense accounts? Although the Auditor General found no evidence of misappropriation of resources, how can the Government be assured, without an independent audit, that there are no losses and that it was only an administration problem as was stated last night?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I would like to thank the Hon. Member for his question. I am informed that the CBC has indeed now made a specific allocation of these accounts under its new financial management system. As a result of that, the staff of the Auditor General has gone back into the CBC to verify whether this allocation is correct resulting from last year's accounts, and whether it forms the basis for a proper allocation in the future.

It must be understood that, as long as that investigation is going on, the concerns of the Auditor General will not have been fully resolved. As long as those concerns still exist with the Auditor General, they exist with me.

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NATIONAL RESEARCH COUNCIL

APPOINTMENT OF TASK FORCE TO REVIEW PROGRAM CUTS

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Minister has announced that he will be appointing a committee to review the cuts at the National Research Council which he himself told the Council to make.

Mr. Turner (Vancouver Quadra): Unbelievable.

Mr. Berger: He is saying that he does not like their judgment, that he does not trust the members of the Council. Why is the Minister questioning the judgment of the members of a Council which he himself has undermined with his own ill-advised cuts?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, this morning I announced the formation of a three-person task group which will examine the reallocations of the Council's resources, to ensure that programs which would have a significant impact on public health and safety and are consistent with Government priorities are not cut.

Mr. Berger: You have a Council. That's its job.

[*Translation*]

MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, this amounts to a form of trusteeship that is absolutely unconscionable and unacceptable. The Minister also says he is amazed that members of the NRC continue to sit after their mandate has expired, when he should be thanking them for their dedication to the people of Canada. I want to ask him: Does he think the NRC should close its doors until the Minister wakes up and gets around to his appointments? Is that what he has against the NRC?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, for the last two months the Hon. Member has insisted that I should be responsible for everything the Council does. The Council is not some kind of a private club.

Mr. Berger: You're right. It's not a private club.

Mr. Oberle: From time to time Governments establish certain priorities which the Council has historically consistently respected and taken into account in the allocation of public resources and the formation of programs. That is what has been and is presently happening. The task group which I have announced will ensure that I and Members of the House will understand the rationale which was behind the so-called cuts.

Mr. Berger: You had committee hearings. You're ignoring the committee hearings.

Mr. Oberle: It will also ensure that the Council understands the new priority which the Government has established in line with its national strategy.

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PHARMACEUTICAL INDUSTRY

INDUSTRY'S PROFITABILITY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. The report of the Eastman Commission said in part, "that profitability in the pharmaceutical industry in Canada is relatively high and has remained so over the entire period from 1968 to 1982. The profitability of pharmaceuticals clearly exceeds that for all manufacturing industries".

In view of that, what rational explanation can there be for giving companies which are already at the highest rate of profitability the monopoly protection which they have demanded and to which the Minister has cravenly agreed?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have just announced $100 million of investment in new research and development as a result of our plans.

Some Hon. Members: Hear, hear!

Mr. Andre: That figure will reach $1 billion by the end of this decade. I find it passing strange that, on the same day that that Party suggests it wants more taxpayers' money spent on research in such things as radio astronomy, it totally objects to the creation of 3,000 research jobs through the measure we are introducing which will not impact on consumers in any detrimental fashion.

Mr. Young: Prove it.

Mr. Orlikow: Mr. Speaker, the $150 million the Minister is talking about is one-fifteenth of what they promised.

ACCOUNTING FIRM'S FORECAST OF DRUG PRICES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Coopers & Lybrand, one of the biggest chartered accountant companies in Canada, has estimated that by 1995 Canadians will be paying $650 million more per year for prescription

drugs than they have until now. How much more does the Government think those multinational corporations need to induce them to stay in Canada?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the industry of which the Hon. Member speaks is indeed profitable. Through this move some of those profits will be invested in research in Canada which will employ Canadian scientists. That is what this is all about.

Some Hon. Members: Hear, hear!

Mr. Andre: With regard to projections of future costs, I remind the Member of the National Energy Program prediction of $80 a barrel oil.

Mr. Orlikow: And you believed that.

Mr. Andre: Bear that in mind when you predict the future. Let us take this Bill to committee where we can consider the assumptions made in those projections. Hopefully we will come up with a more rational and reasonable evaluation. That is all I am asking.

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NATIONAL RESEARCH COUNCIL

ALGONQUIN RADIO OBSERVATORY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The group of eminent persons to which he has referred, the Associate Committee on Astronomy, voted 11 to 0 in favour of upgrading the Algonquin Radio Observatory in addition to keeping it open. Will the Minister inform Members of this House why the recommendations of this group of dedicated professionals have been so totally disregarded?

• (1150)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I will naturally be in a much better position to answer that question when I receive the report of the task group I appointed this morning to look into these questions.

REQUEST THAT MINISTER CANCEL CUTS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my supplementary is directed to the same Minister. It is quite obvious that the Minister has not listened to this group. It is also obvious that he has not listened to recommendations of the National Research Council or to Canadians. Will the Minister now do the honourable thing and admit his mistake in not listening to these people, cancel the cuts to the NRC, and let this country go ahead in science and technology and research and development as the Conservatives promised in 1984?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, we are very anxious to let the country go ahead with important research and science and technology efforts.

Mr. Gauthier: Then leave it alone.

Mr. Oberle: It is a strange twist of logic that both the Liberal Party and its socialist friends will do everything they can to prevent the introduction of a Bill—

An Hon. Member: You are the one that's doing the cutting.

Mr. Oberle: —that would create 3,000 research jobs—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

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REGIONAL INDUSTRIAL EXPANSION

ALLOCATION OF FUNDS TO SMALLER PROVINCES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. I am sure the Deputy Prime Minister is aware that since the Conservative Party took office in September, 1984, employment growth in Atlantic Canada has gone up by only 3 per cent, while in Ontario it has risen by some 7 per cent. Despite those figures, the overwhelming majority of moneys of the Department of Regional Industrial Expansion has gone to Ontario and Quebec. Does the Government have any plans at all to increase the budget of the Department so that the smaller provinces receive their fair share of money for regional expansion programs?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I have already answered this question. I said earlier today that since 1984 this Government has helped the regions more than any other previous administration ever did.

I referred as well to some of the initiatives taken by our Government, and I should like to remind my colleague that he need only read the Speech from the Throne to see that again we are committed to continue helping the regions. We have already announced the establishment of the Atlantic Canada Opportunities Agency and made it clear we intend to diversify the western economy.

In my opinion, Mr. Speaker, we are making a sustained effort to help various regions of Canada.

[*English*]

SUPPLY AND SERVICES

AWARDING OF CONTRACTS IN ONTARIO

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Now I understand why the Manitoba Conservatives feel awkward about his speech this weekend. The Department of Supply and Services in 1985 and 1986 let out over half its contracts in the Province of Ontario. Is the Deputy Prime Minister satisfied that one province should receive over half the contracts from that Department? Can he tell us what special effort is being made so there will be more fairness in the future for smaller provinces?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): As my colleague as just pointed out Mr. Speaker, this Government has shown deep concern for regional development.

Hon. Members should keep in mind that purchases by the Department of Supply and Services went up by 105 per cent in the first quarter of this year, and that the purchasing program is cyclical, in the sense that some programs expire while others begin. We have amply demonstrated our intention to help the regions wherever they may be.

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INDUSTRY

DECISIONS OF GENERAL MOTORS AND ELECTROLUX—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Minister of Finance.

This morning, the newspapers reported some bad news for Quebec. The unemployment rate in Quebec has gone up to 10.8 per cent, Electrolux is going to close its doors and 372 jobs will be lost. General Motors has announced it is laying off 29,000 workers in North America, which may be bad news for the GM plant in Sainte-Thérèse.

My question for the Minister of Finance is as follows: What kind of action does the Government intend to take to persuade Electrolux to continue manufacturing appliances in Canada that are purchased by Canadians, and what does it intend to do to ensure that the plant in Sainte-Thérèse will remain open?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, as far as Electrolux is concerned, of course we have been kept informed of the company's problems. In recent years, the company has suffered major losses. As a result, it will have to rationalize its entire operations. Actually, it has invested up to $15 million since 1980.

Mr. Speaker, we are doing everything we can, through exhaustive job severance programs and the like, to provide training programs for the workers who, unfortunately, will lose their jobs.

CONSEQUENCES FOR FREE TRADE NEGOTIATIONS WITH UNITED STATES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to get back to the Minister of Finance.

Could the Minister give the House and all Canadians the assurance that what is happening at Electrolux and General Motors is not related to our free trade negotiations with the United States? In other words, are large U.S. corporations getting ready to transfer their production to the United States and serve the Canadian market from their American plants, since free trade will open the door wide to this possibility?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is out of touch with reality.

An Hon. Member: It wouldn't be the first time.

Mr. Wilson (Etobicoke Centre): We have seen 610,000 jobs—

An Hon. Member: That's not reality.

Mr. Wilson (Etobicoke Centre): Yes, it is reality that 610,000 jobs have been created in Canada since September, 1984. The unemployment rate in the Province of Quebec is down 2 percentage points during this same period. Hundreds of thousands of jobs have been created. What is happening with industry in Canada is because of the uncertainty as to whether or not we are going ahead with the trade negotiations. Because of the ferment caused by questions such as the Hon. Member asks, Canadian companies are uncertain as to whether—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Wilson (Etobicoke Centre): That is why we have to get on with these negotiations.

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NATIONAL RESEARCH COUNCIL

TASK FORCE REVIEW OF PROGRAM CUTS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is addressed to the Minister of State for Science and Technology. In light of the Minister's announcement this morning that he is creating a task group to review the NRC program cuts, does he anticipate that some of these cuts may be over-ruled by the group or by the Government?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I do not wish to anticipate anything. I have appointed three eminent persons to consult with the management of the NRC and the Council with regard to its budgetary allocations and other matters. I would prefer to await the outcome of this exercise and for the report.

Mr. Turner (Ottawa—Carleton): Supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member for Ottawa—Carleton on a supplementary question.

Some Hon. Members: Hear, hear!

TIMEFRAME FOR CONDUCTING REVIEW

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, will the Minister indicate to the House the timeframe for the group to report to him?

Hon. Frank Oberle (Minister of State for Science and Technology): Again, Mr. Speaker, I will be bringing the group together immediately. I would not wish to put undue pressure on it in terms of time, or indeed in its terms of reference.

Mr. Berger: By next April, I would hope.

Mr. Oberle: It would be my wish to proceed swiftly since these cuts would not come into effect until the next fiscal year after April. I would expect this exercise to be concluded before the end of the year.

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PRIME MINISTER'S OFFICE

ALLEGED CONDUCT OF PRESS SECRETARY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the Government's policy regarding equality for women in the workplace. The Prime Minister will know by now that there have been additional complaints from a number of women reporters concerning the unprofessional sexist conduct of his Press Secretary. Does the Deputy Prime Minister agree that if the Prime Minister believes in equality, and I think he does, he should take this matter seriously and investigate these allegations which really question the integrity of his office?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister of Justice responded to that question a couple of days ago and indicated at the time that the Press Secretary was acquiring legal counsel to deal with this issue. I think that has been done. I feel it would be inappropriate to comment any further on this particular issue at this time.

• (1200)

REQUEST FOR INVESTIGATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this does not prevent the Prime Minister from taking action within his own office. The question is much broader—

Mr. Speaker: I ask the Hon. Member to put her question.

Ms. Mitchell: Since women across the country—not just women on Parliament Hill—face sexual harassment in the workplace every day but are afraid to make complaints, why does the Prime Minister not set an example for other employers by investigating this matter and by setting a higher standard? Or does he, like some Members of this House, think it's just a big joke?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I hope that the Hon. Member, for whom I have a great deal of respect, will reflect on the last part of her statement. The Minister of Justice has pointed out very clearly that—

Ms. Jewett: It's not *sub judice*.

Mr. Mazankowski: —in the interest of fairness in a matter concerning these types of allegations, in Canada one is usually considered innocent until proven guilty.

Ms. Mitchell: I am talking about allegations.

Mr. Mazankowski: The Press Secretary has obtained legal counsel. I suspect the matter will be handled in that manner.

Ms. Mitchell: That's not good enough for the women of Canada.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in light of the ambiguous reply of the Minister of Finance to the Hon. Member for Oshawa, will the Deputy Prime Minister give us a categorical undertaking that the Auto Pact, particularly the Canadian production and contents safeguards, is not negotiable and is not on the table in the current talks with the United States?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe the Hon. Member was a member of Cabinet when the Auto Pact was negotiated. He knows full well that on one year's notice the Americans can drop out of the Auto Pact.

Mr. Turner (Vancouver Quadra): That's not the question!

Mr. Wilson (Etobicoke Centre): What we have to do is ensure that we keep our automotive industry as competitive

and as productive as possible in order that the safeguards of the Auto Pact never come into play. That is the case with General Motors right now.

Mr. Broadbent: What about Chrysler and Ford?

Mr. Wilson (Etobicoke Centre): It is way above the safeguard level, which is why it is investing $2.5 billion in Canada.

AUTOMOTIVE AND STEEL INDUSTRIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that reply scares me to death.

Some Hon. Members: Good!

Mr. Turner (Vancouver Quadra): My question is for the Deputy Prime Minister. The Government has knuckled under in lumber as a result of pressure from American Senators and Congressmen. After the American elections will we knuckle under on automobiles and steel and open up those situations, too?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there was no suggestion whatsoever in my response that the Government is knuckling under in any way to the Americans on anything. The important point I made was that we continue to encourage and assist the automotive industry in Canada to continue to do the great job it is doing now so that it does not have to worry about the safeguards. Members of the industry are way above the safeguards now. The Hon. Member knows it and is just sowing a lot of seeds of discontent.

* * *

SUPPLY AND SERVICES

CF-18 FIGHTER AIRCRAFT MAINTENANCE CONTRACT—BID BY BRISTOL AEROSPACE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the President of the Treasury Board. Will the Minister respond to the confirmation given this morning in a telephone call by Bristol Aerospace that the price-tag placed on its bid for the CF-18 contract was inflated because of a lack of recognition that Bristol already had in hand much of the technology that was needed, technology not available to Canadair?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer is no, I will not acknowledge that fact.

Mr. Benjamin: It's a fact but you won't acknowledge it.

Mr. de Cotret: The technical team evaluated the bids. The Bristol consortium had some technology, as did Canadair, technology that the evaluation team did not consider necessarily applicable to the contract itself. All three consortia were evaluated on the basis that the cost of technology would be similar if not equal.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA-FRANCE INTERPARLIAMENTARY ASSOCIATION

PRESENTATION OF FIRST REPORT

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I have the honour to table today the First Report of the Canada-France Interparliamentary Association, following the completion of a very successful 9th annual meeting.

Also, Mr. Speaker, the delegation would like to congratulate you for your elegant and competent presentation in French at our meeting.

* * *

[*English*]

COMMITTEES OF THE HOUSE

PRIVATE MEMBERS' BUSINESS—FIRST REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Private Members' Business, in both official languages.

The report deals with the selection of votable items pertaining to the first draw which took place October 21, 1986. I note that, pursuant to Standing Order 36(1)(b), this first report is deemed adopted when laid on the Table.

* * *

[*Translation*]

CANAGREX DISSOLUTION ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel R. Tremblay (Quebec East): As Chairman of the Legislative Committee, Mr. Speaker, I have the honour to table the Report of the Legislative Committee on Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequent thereof, without amendment. This report is tabled in both official languages.

Mr. Speaker, I take this opportunity to thank very sincerely the Members of the Committee, the clerk, staff, and translators, for their invaluable cooperation.

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

[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition which has been duly certified by the Table. In it the petitioners state that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of the average Canadian to buy necessary prescription drugs. The petitioners call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by 137 people from the cities of Ottawa, Hull, Kirkland Lake and others. They state that the proposed measure of the Government will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They state that the federal Government's proposal will result in higher costs to provincial Government drug plans. They call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Les Benjamin (Regina West): Mr. Speaker, pursuant to Standing Order 106 I have the duty and pleasure to present a petition to the House signed by citizens living in a number of locations in Saskatchewan, places such as Wishart, Bankend, Invermay, Rose Valley, Kelliher, Fosston, Margo, Mozart, and even a place called Leslie. The petitioners humbly pray and petition the House to reject proposals to amend the Patent Act which would increase prescription drug prices for Canadians.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I too have the honour of presenting a petition from a significant number of Canadians who are extremely concerned about the changes to the Patent Act which will inevitably increase prescription drug prices and give a much greater degree of control over prices to the multinational drug companies, inevitably allowing them to constitute a monopoly in the field of drug prices. They humbly beg the House to reject the proposed legislation.

• (1210)

Mr. Rod Murphy (Churchill): Mr. Speaker, pursuant to Standing Order 106, the attached petition has been certified correct in form and content. The petitioners from the communities of Flin-Flon, Gillam, Thompson and Herb Lake Landing express their concern with the federal Government's commitment to change the Canada Patent Act in such a way that it will hurt those Canadians who are required to purchase prescription drugs on an ongoing basis and who are concerned that this is yet another example of the Canadian Government giving concessions to the United States at the expense of average Canadians as a result of free trade negotiations.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I too have a petition on the same subject from a number of petitioners from Ontario including residents of Hamilton, Burlington, Stoney Creek, Dundas and other parts of southern Ontario. The petitioners call upon Parliament to reject the proposal to change the Patent Act which would raise the cost of prescription drugs and would hurt many Canadians, and they are also concerned that they are being made a part of concessions to the United States in free trade negotiations.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by a large number of residents of Semans, Saskatchewan, who call upon the Government to reject its proposals which will increase prescription drug prices for Canadians very significantly and will severely restrict the ability of average Canadians to buy necessary prescription drugs. The petitioners are very concerned that the proposals of the federal Government will as well result in higher costs to provincial Government drug plans.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in accordance with Standing Order 106, it is my privilege and responsibility to present a petition signed by a good number of Canadians concerning the proposed legislation dealing with changes to the Patent Act. They feel that this legislation will result in higher drug costs both for themselves and for provincial drug plans and they are very concerned that this is one more example of the Canadian Government giving concessions to the United States at the expense of ordinary Canadians. They therefore call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition which, in accordance with Standing Order 106, has been found correct by the Clerk of Petitions. The petition comes from a number of Canadian residents of Brampton, Kitchener, Waterloo, Stoney Creek, Hamilton, Burlington, Sudbury, London, Alliston and Pickering. The petitioners are concerned that the Government's proposal to change the Patent Act will cause drug prices to become much higher in the years ahead and will hurt those who are on limited incomes and dependent upon drugs, will raise the costs to provincial Government plans and will hurt the health of the Canadian people. Therefore, they humbly request Parliament to reject the proposals of the Government and to stop this increase in drug prices.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition concerning the Patent Act from residents of my constituency who want to present their concerns to the House, namely that these amendments to the Patent Act will entail sharp increases in drug prices for ordinary Canadians.

[*English*]

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I too have the honour to present in the House a petition in which citizens of The Pas, Manitoba, humbly beseech the House of Commons to remove this odious and disgusting proposal put forward by the Conservative Government which represents an unfair attack on Canadians—

Some Hon. Members: Order!

Mr. Speaker: Order. The Hon. Member will know that a number of Hon. Members engaged in a very helpful debate yesterday with respect to the whole question of presenting petitions. While there were differences of opinion, I believe those who took part in the debate would agree that the words used by the Hon. Member to introduce the petition are quite unnecessary.

Mr. Skelly: Mr. Speaker, I wonder if, on behalf of the petitioners, I might continue.

Mr. Speaker: The Hon. Member may certainly continue. I just hope that the Hon. Member would continue in a different way.

Mr. Skelly: Mr. Speaker, I certainly appreciate your guidance on this matter and would conform to your recommendations. In this serious matter, there is an expression of concern by the residents of The Pas, Manitoba, that this provision proposed by the Government will indeed cause them great financial harm and they urge the Government to withdraw the proposal entirely.

[*Translation*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, it is my honour and duty this afternoon to present a petition duly certified pursuant to Standing Order 106 and urging this Parliament to turn down the Government's proposed amendments to the Patent Act. Your petitioners claim that the changes advocated by the Government will cause the prices of over the counter and prescription drugs, to go up, and they humbly call upon Parliament to reject such measures.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, pursuant to Standing Order 106, the attached petition is certified correct as to form and content. This is signed by the Clerk of Petitions.

This petition opposes amendments to the Patent Act of Canada, and the Saskatchewan residents who have signed it state that such amendments will cause problems for the poor and the sick and that this is why they ask Parliament not to grant passage to this Bill.

[*English*]

At this time, I wish to move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That the House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Nystrom) which was negatived on the following division:

• (1220)

(*Division No. 16*)

YEAS

Members

Axworthy	Hopkins	Nystrom
Benjamin	Jewett	Orlikow
Berger	Kaplan	Parry
Boudria	Keeper	Prud'homme
Broadbent	Manly	Robichaud
Gagliano	Marchi	Robinson
Gauthier	Mitchell	Skelly
Gray (Windsor West)	Murphy	Young —28
Grondin	Nicholson (Trinity)	
Heap	Nunziata	

NAYS

Members

Andre	Duplessis	Mazankowski
Attewell	Edwards	McCrossan
Beatty	Ellis	McCuish
Belsher	Epp (Provencher)	McDermid
Blais	Fennell	McDougall (St. Paul's)
Blouin	Fontaine	McKenzie
Bosley	Fraleigh	Nicholson (Niagara Falls)
Bouchard	Gérin	Nickerson
Bourgault	Gormley	Nowlan
Bradley	Gottselig	Oberle
Brightwell	Gray (Bonaventure—Îles-de-la-Madeleine)	Pennock
Cadieux	Gurbin	Plourde
Champagne (Saint-Hyacinthe—Bagot)	Gustafson	Ravis
Champagne (Champlain)	Hawkes	Reid
Cossitt	Kempling	Reimer
Darling	Kilgour	Scott (Hamilton—Wentworth)
Daubney	Lewis	Sparrow
Della Noce	MacKay	Taylor
Desjardins	Mailly	Thacker
Dick	Martin	Towers

Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Weiner
Wilson
(Swift Current—
Maple Creek)
Wilson
(Etobicoke Centre)
Wise—70

• (1250)

Mr. Speaker: I declare the motion lost.

Mr. Robinson: Mr. Speaker, I rise on a point of order. At this point in Orders of the Day I assume we can revert to petitions. I do have a significant number of petitions.

Some Hon. Members: No.

Some Hon. Members: Yes.

Mr. Robinson: I assume we are still at the stage at which petitions can be presented. I have petitions which I wish to present to the House on a number of subjects including local measured service and a range of other subjects.

Mr. Benjamin: Good thinking.

Mr. Robinson: I hope that at this time, Mr. Speaker, you will give me the opportunity to present these petitions on behalf of my constituents who wish to have their various concerns presented to the House.

Some Hon. Members: Agreed.

Mr. Benjamin: We are still on petitions. The Speaker has not called anything else.

Mr. Speaker: I believe that at this time the most appropriate thing for the Chair to do is to see that it is in fact one o'clock.

It being one o'clock p.m., I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Speaker: Order. When the House adjourned at one o'clock we were at the stage of presenting petitions under Routine Proceedings. Petitions had been presented by a number of Hon. Members and then a vote was taken. After the vote was taken the Hon. Member for Burnaby (Mr. Robinson), who had risen earlier and presented petitions, rose on a point of order to argue that he should be permitted to present a further petition. The Chair heard the Hon. Member and the House was adjourned at one o'clock. I indicated that I would consider the matter and return to the Chamber. The Chair is ready to rule on the point of order of the Hon. Member for Burnaby.

I want the facts to be clearly understood. For the clarification of all Members and those who are watching these proceedings, the Hon. Member is asking to present one or more additional petitions after having already presented petitions.

Mr. Broadbent: On a different subject.

Mr. Speaker: The process in the House has been that under the presentation of petitions during Routine Proceedings a Member who rises and is recognized by the Chair can present one, several or many petitions at that time. The petitions do not have to be all on the same subject, nor do they have to all come from the same part of the country. The practice has also been that, once having presented petitions, that particular Member cannot take his seat and rise again later to present another petition.

I draw to the attention of all Hon. Members the ruling of former Speaker Sauvé on October 28, 1983. Speaker Sauvé then said:

> I warn Hon. Members that if they have several petitions they should file them all when they are recognized, because I will not recognize Members twice on petitions.

On June 11, 1985, former Speaker Bosley said:

> There is no rule that says that the Hon. Member cannot present more than one petition. There is a practice that says a Member may seek the floor once to present petitions at which time the Member may try to present more than one petition. —that has been the practice for some years—

Lest any Hon. Member or the public who follows these proceedings think that the petition or petitions which the Hon. Member for Burnaby has in his hand is, as a consequence of this practice, being prevented from being presented to the Chamber and, through the Chamber, to the Government of the day, I remind Hon. Members that there is another procedure for bringing that petition to the table, that is simply to call for a Page and have the Page deliver the petition to the table here in the Chamber. At that time that petition will be noted just as are other petitions presented when Members rise. That petition, along with the other petitions, will be transferred on that day to the appropriate office of the Government of the day, which Government must reply to petitions within 45 days.

Clearly, this practice does not preclude citizens of the country from having their petitions brought before the Government. Members who, perhaps due to the press of duties or forgetfulness, do not present all the petitions they have while on their feet, can always return on the next sitting day of this House and apply to present the petitions and say some words in support of them.

Therefore, the Hon. Member's petition can, of course, be tabled. The citizens of the country who have signed that petition will have it properly dealt with. There are, therefore, two consistent precedents by which the Chair is bound. I have to rule against the Hon. Member for Burnaby. However, in doing so, I will say that as always the Hon. Member for Burnaby understands the rules of this House and uses them skillfully in the advancement of what he and other Hon. Members feel are the interests of their constituents and in the

public interest. In this spirit, of course, I always welcome the interventions of the Hon. Member and his colleagues.

The Hon. Member for Windsor West (Mr. Gray).

• (1410)

Mr. Gray (Windsor West): Mr. Speaker, I would like to present a petition on behalf of a number of citizens of Canada—

Mr. Murphy: Point of order. I move, seconded by the Hon. Member for Yorkton—Melville, that the Hon. Member for Oshawa (Mr. Broadbent) be now heard.

Mr. Speaker: The Hon. Member for Churchill is too late in rising. The Chair recognized the Member for Windsor West. The Hon. Member for Windsor West.

LOCAL MEASURED TELEPHONE CHARGES

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to present a petition on behalf of a number of citizens of Canada who call upon Parliament to direct the Canadian Radio-Television Commission to deny to telephone companies the right to charge for each call, and to order the retention of the monthly rental of telephones.

Mr. Speaker: Introduction of bills.

Some Hon. Members: Hold it.

Mr. Robinson: Point of order.

Mr. Speaker: Is the Hon. Member for Oshawa (Mr. Broadbent) rising?

Mr. Broadbent: I am rising on petitions, Mr. Speaker.

Mr. Robinson: Point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Burnaby (Mr. Robinson) on a point of order.

Mr. Robinson: I see the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the Hon. Member for Oshawa (Mr. Broadbent) are both rising on petitions. I move that the Hon. Member for Oshawa be now heard, seconded by the Hon. Member for Churchill (Mr. Murphy).

Mr. Speaker: The Hon. Member for Burnaby has risen and asks that another Hon. Member be heard. I think it was obvious to all Hon. Members that the Chair had not recognized any Hon. Member. Instead of recognizing one of a number of Hon. Members who stood, the Chair recognized the Hon. Member for Burnaby, so I think the Hon. Member's motion is out of order. The Hon. Member for Oshawa.

Mr. Nystrom: Point of Order. I would like to move that the Hon. Member for Oshawa be now heard—the Hon. Member for Winnipeg-Fort Garry, I am sorry.

Mr. Speaker: The Hon. Member for Oshawa is recognized and has the floor.

Mr. Robinson: Point of order.

Some Hon. Members: Come on.

Mr. Speaker: The Hon. Member for Oshawa has been recognized and has the floor.

Mr. Robinson: Point of order, Mr. Speaker.

Mr. Speaker: I am asking the Hon. Member for Oshawa if he would advise the Chair as to why he is rising.

Mr. Robinson: Point of order, Mr. Speaker.

Mr. Broadbent: I accept your ruling as always, Your Honour, and my purpose for rising is to present a petition.

Mr. Robinson: Point of order.

Mr. Speaker: The Hon. Member for Burnaby rises on a point of order.

Mr. Robinson: Mr. Speaker, I believe that both the Hon. Member for Oshawa and the Hon. Member for Winnipeg-Fort Garry rose to present petitions. I move that the Hon. Member for Winnipeg-Fort Garry be now heard.

Mr. Speaker: The Hon. Member will know that I have dealt with that particular point.

Mr. Benjamin: No, you didn't. It's a votable motion.

Mr. Speaker: The Hon. Member for Oshawa has the floor.

Mr. Robinson: Point of order.

Mr. Nystrom: Point of order.

Mr. Speaker: The Hon. Member for Yorkton-Melville was, I think, rising to indicate that the Hon. Member for Winnipeg-Fort Garry be now heard.

Mr. Nystrom: Yes.

Mr. Speaker: I am prepared to say that that motion is in order.

Some Hon. Members: Oh, oh!

Mr. McDermid: Order.

Some Hon. Members: Come on.

Mr. Speaker: The question is on the motion of Mr. Nystrom that the Hon. Member for Winnipeg-Fort Garry be now heard. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: The Hon. Member for Winnipeg-Fort Garry.

Some Hon. Members: No.

Mr. Speaker: The Hon. Member for Winnipeg-Fort Garry has the floor with the unanimous consent of the House.

Mr. Murphy: I said no.

Mr. Keeper: I said no.

Mr. Speaker: The motion is carried.

An Hon. Member: There were nays.

Mr. Nystrom: Point of order.

Mr. Keeper: Point of order.

Mr. Speaker: The Hon. Member for Winnipeg-Fort Garry has the floor. Has the Hon. Member for Winnipeg-Fort Garry decided not to take the floor?

Mr. Keeper: Point of order.

Mr. Benjamin: Point of order.

Mr. Nystrom: Point of order.

Mr. Speaker: The Hon. Member for Yorkton-Melville on a point of order.

Mr. Nystrom: With respect, Mr. Speaker, when you asked whether or not there was consent for the motion regarding the Hon. Member for Winnipeg-Fort Garry there were some "yeas" and there were some "nos"—

An Hon. Member: Where?

Mr. Mazankowski: I didn't hear them.

Mr. Nystrom: On this side of the House, Mr. Speaker.

Mr. Speaker: The Hon. Member for Yorkton-Melville, I know, is trying to be helpful but the ruling was made.

Mr. Keeper: Point of order.

Mr. Speaker: The order has been made and the order was that the Hon. Member for Winnipeg-Fort Garry has the floor.

• (1420)

Mr. Keeper: Mr. Speaker, I rise on a point of order. I believe I heard Your Honour say—

Mr. Benjamin: Remember the days when you guys were doing this with the big Liberal majority?

Mr. Keeper: Could we have some quiet here, please?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Keeper: Mr. Speaker, with regard to the seeking of unanimous consent in terms of having the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) speak, I thought I heard Your Honour say that there was unanimous consent. I distinctly said: "no", when that request was made.

Mr. McDermid: Nobody heard you!

Mr. Speaker: The Hon. Member is rising no doubt for the purpose of assisting the Chair and Hon. Members. As the Hon. Member knows, the order was made. There is no provision in the rules whereby an Hon. Member can come back after and argue that what the Chair heard was not what the Chair heard when an order is made under those circumstances. So I ask that the Hon. Member accept the fact that the ruling was in fact made.

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Some Hon. Members: Hear, hear!

DESIGNATION OF THE SOUTH MORESBY REGION AS A NATIONAL MARINE PARK

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, with this show of bipartisan support for this important petition I would like to present it on behalf of the residents of South Moresby. They feel deeply about the actions of the Government in disturbing the natural ecological sites in their area. They petition the House to preserve the entire South Moresby region of British Columbia by designating it as a national marine park in order to allow this unique natural resource to be enjoyed by present and future generations of Canadians.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Deputy Prime Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I move, seconded by the Hon. Member for Simcoe North:

That the House now proceed to the next item of routine business.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Mazankowski) which was agreed to on the following division:

• (1430)

(Division No. 17)

YEAS

Members

Andre	Gérin	Reid
Blais	Gormley	Reimer
Blouin	Gottselig	Scott
Bosley	Gray	(Hamilton—Wentworth)
Bourgault	(Bonaventure—Îles-de-	Sparrow
Brightwell	la-Madeleine)	Taylor
Cadieux	Gustafson	Thacker
Champagne	Hawkes	Towers
(Saint-Hyacinthe—	Kempling	Tremblay
Bagot)	Kilgour	(Québec-Est)
Champagne	Lewis	Tupper
(Champlain)	MacKay	Van De Walle
Daubney	Mailly	Vankoughnet
Della Noce	Martin	Vézina
Desjardins	Mazankowski	Weiner
Dick	McCrossan	Wilson
Duplessis	McDermid	(Swift Current—
Edwards	McKenzie	Maple Creek)—53
Ellis	Nickerson	
Fennell	Pennock	
Fontaine	Plourde	
Fraleigh	Ravis	

NAYS

Members

Axworthy	Jewett	Parry
Benjamin	Kaplan	Prud'homme
Broadbent	Keeper	Robinson
Gauthier	Manly	Rompkey
Gray	Mitchell	Young —20
(Windsor West)	Murphy	
Heap	Nystrom	
Isabelle	Orlikow	

• (1500)

Mr. Speaker: I declare the motion carried.

* * *

AN ACT TO AMEND THE RAILWAY ACT (FENCES)

Mr. Neil Young (Beaches) moved for leave to introduce a Bill to amend the Railway Act (fences).

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Young), which was negatived on the following division:

(Division No. 18)

YEAS

Members

Axworthy	Keeper	Rompkey
Benjamin	Murphy	Young —16
Bosley	Nowlan	
Broadbent	Nystrom	
Gauthier	Orlikow	
Heap	Prud'homme	
Jewett	Robinson	

NAYS

Members

Andre	Lewis	Towers
Blais	MacKay	Vankoughnet
Bouchard	Mazankowski	Vézina
Cadieux	McDermid	Weiner
Côté	McDougall	Wilson
(Langelier)	(St. Paul's)	(Etobicoke Centre)
Dick	McKenzie	Wise—25
Ellis	Oberle	
Fennell	Scott	
Fraleigh	(Hamilton—Wentworth)	
Kempling	Siddon	

• (1530)

Mr. Speaker: I declare the motion lost.

Mr. Manly: Point of order, Mr. Speaker.

Mr. Mazankowski: Mr. Speaker, I move that the House proceed to consideration of the Bill standing in the name of the Minister of Consumer and Corporate Affairs.

Some Hon. Members: Oh, oh!

Mr. Robinson: Point of order.

Ms. Mitchell: Point of order.

Mr. Manly: Point of order.

Mr. Robinson: Point of order.

Mr. Speaker: Mr. Mazankowski moved that:

The House proceed to consideration of the Bill standing in the name of the Minister of Consumer and Corporate Affairs.

I want to deal with that.

Mr. Manly: Point of order.

Mr. Siddon: There is a motion on the floor.

Mr. Speaker: In the view of the Chair, in these proceedings the House is bound by the Bills as set out in the Order Paper. I think the Chair is bound to advise that we must follow the Order Paper.

Mr. Broadbent: Good.

Mr. Speaker: In view of that, I must advise the Deputy Prime Minister that it would not be appropriate to accept this particular motion.

The Chair has considered this carefully and the Chair is bound by the order as set out here. That is my ruling.

Mr. Manly: Point of order.

Mr. Robinson: Point of order.

Mr. Speaker: The Hon. Member for Burnaby.

Mr. Robinson: Mr. Speaker, my understanding is that in order to propose a motion, an Hon. Member must have the floor and be recognized by the Speaker. The Hon. Deputy Prime Minister did not in fact have the floor for any purpose whatsoever, including the purpose of introducing the motion.

Mr. Broadbent: He ruled against him.

• (1540)

Mr. Speaker: I know the Hon. Member for Burnaby (Mr. Robinson) wants to assist the House and the Chair. However, the matter he is raising has been dealt with in my ruling. In the interests of decorum and order we should proceed on and the Chair will—

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

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

Mr. Speaker: The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) on a point of order.

Mr. Manly: Mr. Speaker, I was not here when Your Honour read the question with respect to the last vote. However, if I had been here I would have voted with my caucus.

Some Hon. Members: Sit down!

Mr. Speaker: The Hon. Member for Regina West (Mr. Benjamin) on a point of order.

Mr. Benjamin: Mr. Speaker, I rise on a point of order which will be much more pleasurable to deal with than the ones you have had to deal with thus far. My point of order is that today and tomorrow mark an auspicious occasion. I draw to the attention of the House that the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan), the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall), the Hon. Member for Victoria—Haliburton (Mr. Scott), the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins), the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), and the Hon. Member for Hull-Aylmer (Mr. Isabelle)—

Mr. Speaker: Order, please.

Mr. Benjamin: —celebrate their twenty-first anniversaries as members of this establishment—

Mr. Speaker: Order, please.

Mr. Benjamin: —from the class of 1965. I am sure the House would want to recognize that and congratulate them.

Some Hon. Members: Hear, hear!

Mr. Speaker: I am sure that all Members are cognizant of the matter the Hon. Member raises, but it is not a point of order.

Ms. Mitchell: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Vancouver East (Ms. Mitchell) on a point of order.

Ms. Mitchell: Mr. Speaker, I rise to announce that I am sorry that I was not able to be in the House for the vote—

Some Hon. Members: Sit down!

Ms. Mitchell: —but had I been here I would have strongly supported the Bill of my hon. colleague which would have improved the fencing around railway tracks.

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

Mr. Speaker: The Hon. Deputy Prime Minister (Mr. Mazankowski) on a point of order.

Mr. Mazankowski: Mr. Speaker, it should be pointed out that there is some duplicitous action going on across the way—

Mr. Broadbent: That is unparliamentary. Watch it!

Some Hon. Members: Shame, shame!

Mr. Mazankowski: Double-faced action—

Some Hon. Members: Withdraw!

Mr. Mazankowski: The Hon. Members—

Mr. Speaker: The Hon. Deputy Prime Minister has the floor on a point of order. I ask Hon. Members to hear the Deputy Prime Minister out.

Mr. Benjamin: It's not as good as mine!

Mr. Mazankowski: Mr. Speaker, the Private Members' Bill we were suggesting be dealt with which stands in the name of the Hon. Member for Beaches (Mr. Young) in the normal course of events would be proceeded with by unanimous consent. It was members of the New Democratic Party and the Liberal Party who caused a division to take place. As a result, if they want to frustrate—

Mr. Gauthier: That is totally uncalled for.

Mr. Mazankowski: —the passage of their own piece of legislation, then we should not—

Mr. Gauthier: Mr. Speaker, that is totally uncalled for.

Some Hon. Members: Sit down!

Mr. Speaker: Order, please.

Mr. Gauthier: That is totally uncalled for.

Some Hon. Members: Sit down!

Mr. Gauthier: If he can do it, I can do it too. That was totally uncalled for. The Deputy Prime Minister (Mr. Mazankowski) is reflecting on a vote of the House, which he has no right to do.

Mr. Mazankowski: Then Members opposite are out of order, too.

Mr. Gauthier: You cannot reflect on a vote in the House, whether you are the Deputy Prime Minister or not. I don't care who you are.

Some Hon. Members: Shush!

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) may wish to rise on a point of order. Perhaps that is what he was attempting to do.

Mr. Gauthier: I think I rose, Mr. Speaker.

Mr. Speaker: If the Hon. Member for Ottawa—Vanier wishes to rise on a point of order, then the Chair will hear him.

Mr. Gauthier: Thank you, Mr. Speaker. That is what I was attempting to do. I am just making the point that the Deputy Prime Minister was reflecting on a vote of this House, which I think is totally uncalled for and not in the habit or practice of a gentleman.

Mr. Speaker: The Chair might observe that both the Deputy Prime Minister and the Hon. Member for Ottawa—Vanier have now made their points.

Mr. Benjamin: As bad as they were.

Mr. Speaker: They were made in a most civilized way, although we had to wait a minute or two for them.

Are there other Members rising on points of order?

Mr. Robinson: Mr. Speaker, I rise on a point of order. I have before me Citation 320 of Beauchesne's which refers to parliamentary and unparliamentary language—

Mr. Prud'homme: Which edition?

Mr. Robinson: The edition in question is, of course, the fifth edition.

In this particular citation there are a number of expressions which are set out as being parliamentary and unparliamentary. In the course of his discourse in the House the Deputy Prime Minister (Mr. Mazankowski), in his innuendo and in his—

Mr. Broadbent: —intemperate comments—

Mr. Robinson: —used language which I would submit, while it is not specifically referred to in Beauchesne's—

Some Hon. Members: Oh, oh!

An Hon. Member: Sit down!

Mr. Speaker: Order, please. Perhaps the Hon. Member for Burnaby could assist the Chair by stating precisely what is his point of order.

Mr. Robinson: Mr. Speaker, the word in question is "duplicitous". If the Deputy Prime Minister wishes to suggest that Members of this House, such as my colleagues the Hon. Member for Vancouver East (Ms. Mitchell) and the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) who, in good faith, seek to explain their votes in the long-standing tradition of this House, are duplicitous, then I suggest that that falls very much in line with other words which have been ruled to be unparliamentary since 1958. I refer to words such as "crook", "deceive", "dishonest", "distort"—

Mr. Speaker: The Hon. Member for Burnaby is rising to indicate a grievance. I think the matter has passed. It is the disposition of the House to proceed.

Mr. Robinson: Mr. Speaker, I rise on a point of order—

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

Mr. Speaker: The Hon. Deputy Prime Minister on a question of privilege.

Mr. Mazankowski: I rise to state that if the House and you, Sir, find that my language was offensive, I will gladly withdraw it.

Some Hon. Members: Hear hear!

Mr. Speaker: Is the Hon. Member for Essex—Windsor (Mr. Langdon) rising on a point of order?

Mr. Langdon: Mr. Speaker, I rise on a point of order. I would simply like to add my explanation to that of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) and the Hon. Member for Vancouver East (Ms. Mitchell) and indicate my regret that I was not here for the vote and to indicate that I would have very much preferred to vote as my caucus has done with respect to this matter.

Mr. Speaker: I want to thank the Hon. Member for bringing that point to the attention of the House. Are there other Members rising on points of order?

Ms. Mitchell: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Vancouver East on a point of order.

Ms. Mitchell: Mr. Speaker, I rise on a point of order which is quite an important piece of information. It is relevant to an issue mentioned earlier during the presentation of petitions. I would like to tell you, Mr. Speaker, and, through you, the House that we have received a telegram—

Mr. Speaker: I realize that the Hon. Member has a matter of importance, but it is difficult for the Chair to see how it is a point of order that is relevant at this time.

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

Mr. Speaker: The Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. Parry: Mr. Speaker, I too arrived too late to vote. I would like to ask the indulgence of the House to record that my vote as well would have been with my Party.

Mr. Speaker: It is difficult for the Chair to keep from mentioning that on a day when there are so many votes there is certainly plenty of opportunity for Hon. Members to take part.

The Hon. Minister of Justice (Mr. Hnatyshyn), stand.

The Hon. Minister of Justice, stand.

The Hon. Minister of Labour (Mr. Cadieux), stand.

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

Mr. Speaker: The Hon. Member for Regina West (Mr. Benjamin) on a point of order.

Mr. Benjamin: Mr. Speaker, since we are anxious to deal with some Government legislation and since the Minister of Labour (Mr. Cadieux) is here I seek the unanimous consent of the House to proceed with the Bill standing in the name of the Minister of Labour regarding an Act to provide for the maintenance of port operations.

• (1550)

Mr. Speaker: Is there such unanimous consent?

Some Hon. Members: No.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. As you are aware, Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) has not been well. I have had a chance to consult with his office and he has told me that if the House would agree unanimously, I could proceed on his behalf to move his Bill—

Some Hon. Members: No.

Mr. Nystrom: As I said, the Hon. Member is not well. He has not been well for some time. He said that if he were shown the courtesy of unanimous consent, I could proceed on his behalf with a Bill to amend the Canada Elections Act.

Mr. Speaker: Order. The Hon. Member advises that he is seeking the unanimous consent to proceed with a Bill standing in the name of the Hon. Member for Nickel Belt (Mr. Rodriguez). Is there such unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Robinson: Mr. Speaker, I rise on a point of order. I seek leave on behalf of the Hon. Member for Nickel Belt (Mr. Rodriguez) to introduce another Bill which I believe Your Honour has not yet called. There are a number of Bills standing in the name of the Hon. Member for Nickel Belt and I seek leave to introduce, on behalf of the Hon. Member for Nickel Belt—

Some Hon. Members: No, no.

Mr. Robinson: If I might have the courtesy of concluding—

Some Hon. Members: No.

Mr. Fennell: The same courtesy you've given us?

Mr. Broadbent: Not that bad, surely.

Mr. Fennell: At least you're honest.

Mr. Robinson: I seek leave to introduce, on behalf of the Hon. Member for Nickel Belt, a Bill entitled an Act to amend the Combines Investigation Act (promotional coupons and savings stamps).

Mr. Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Nystrom: I rise on a point of order, Mr. Speaker. As I said before, I spoke with the office of the Hon. Member for Nickel Belt and his staff asked me to ask the House if there

might be unanimous consent to deal with the Bill to amend the Bankruptcy Act. This is a Bill with which the Hon. Member for Nickel Belt wanted to proceed. I am sure if he were here, he would do it himself.

Mr. Speaker: The Hon. Member has risen to ask the House for unanimous consent to introduce a Bill on behalf of another Hon. Member. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. Earlier this afternoon, you ruled that we must keep to the items on the Order Paper in the way they are placed on the Order Paper. The last item of business with which we dealt was a Bill standing in the name of the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet). We ought not, therefore, to turn to the items standing in the name of the Hon. Member for Nickel Belt (Mr. Rodriguez). I would suggest that we now proceed with the Bill standing in the name of the Hon. Member for Saskatoon East (Mr. Ravis).

Mr. Speaker: Perhaps the Hon. Member does not realize that there are a number of Bills standing in the name of the Hon. Member for Nickel Belt. The usual procedure is to call the Hon. Member's name once, no matter how many Bills may be involved. Hon. Members are seeking to deal with those particular Bills by seeking the consent of the House to move them. The Chair must say that that is clearly in order.

Mr. Nystrom: Mr. Speaker, if I am not mistaken, I heard the Hon. Member for Western Arctic (Mr. Nickerson) say that we should move to proceed with the Bill standing in the name of the Hon. Member for Saskatoon East (Mr. Ravis). If he did make that motion, I wonder if he has a seconder and we could perhaps vote on it.

Mr. Robinson: I second the motion, Mr. Speaker.

Mr. Speaker: The Chair did not take quite that sense out of the words of the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Nystrom: Mr. Speaker, I respect your ruling and therefore I would like to ask the unanimous consent of the House, once again on behalf of the Hon. Member for Nickel Belt, to deal with his next Bill, an Act to amend the Canada Pension Plan. So that I do not waste the time of the House, I will say now that he would also like to have the unanimous consent of the House, if possible, to deal with the Bill to register lobbyists. As I said before, he is ill and cannot do this himself so he has asked me to do it on his behalf.

Mr. Speaker: No doubt the Hon. Member has good and legitimate reasons to seek the unanimous consent. He has asked that he be able to deal with Bills standing in the name of the Hon. Member for Nickel Belt who is not present. That requires unanimous consent.

Some Hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Robinson: Mr. Speaker, I rise on a point of order. With respect to the Bill which stands in the name of the Minister of State for Privatization (Mrs. McDougall), an Act to authorize the divestiture of Canadair Limited and to provide for other matters in connection therewith, there is a reference immediately following the name of the Bill to the Royal Recomendation and the appropriation of public revenue. It is not clear to me why, in the circumstances set out in the Bill and with the long-standing traditions of the House with respect to Royal Recommendations, it is necessary for us, particularly given the manner in which this whole contract was awarded to Canadair and the diversion of process—

Mr. Speaker: Order. I think I have to point out to the Hon. Member that the Chair is having a very great deal of difficulty understanding just what point of order the Hon. Member is raising and whether or not it is even relevant to the proceedings which, it seems to me, are being followed in accordance with the wishes of all Hon. Members.

Mr. Robinson: Mr. Speaker, on the same point of order, it would be my submission, if I might just conclude my remarks, that—

Some Hon. Members: Debate!

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

Mr. Benjamin: You can't have two points of order.

Mr. Mazankowski: I rise, then, on a question of privilege. The rules are being circumvented here and this is becoming a charade. You have called the Bill of the Hon. Member for Peace River (Mr. Cooper) and dealt with it. We should now move to the next item standing in the name of the Hon. Member for Burnaby (Mr. Robinson). He is now talking about a Bill standing in the name of the Minister of State for Privatization (Mrs. McDougall).

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I always have some difficulty with the understanding of some Hon. Members of the difference between a point of order and a question of privilege. I did hear the Hon. Deputy Prime Minister and Government House Leader (Mr. Mazankowski), a good friend of all of us, rise on a question of privilege. I would like the Chair to rule if it was a question of privilege or a *bona fide* point of order.

Mr. Speaker: The Chair probably ought not to rule on everything on which Hon. Members invite the Chair to rule. Without ruling at all, I must say that that was probably a point of order. I turn now to the Bill standing in the name of the Hon. Member for Burnaby (Mr. Robinson). The Chair

would ask the Hon. Member if he could indicate who is seconding the motion. The Hon. Member for Yorkton—Melville (Mr. Nystrom)?

Mr. Robinson: No, Mr. Speaker, in view of the particular significance of this Bill to the Hon. Member concerned, the Hon. Member for Spadina (Mr. Heap) is seconding the motion.

* * *

AN ACT TO AMEND THE CRIMINAL CODE (CONTEMPT OF COURT)

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce a Bill to amend the Criminal Code (contempt of court).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Robinson) which was negatived on the following division.

(*Division No. 19*)

YEAS

Members

Axworthy
Benjamin
Broadbent
Gauthier
Gray
(Windsor West)
Manly
Mitchell
Murphy
Nunziata
Orlikow
Parry
Robinson
Rompkey
Young —14

NAYS

Members

Andre
Blais
Blouin
Bourgault
Cadieux
Champagne
(Saint-Hyacinthe—Bagot)
Champagne
(Champlain)
Daubney
Della Noce
Dick
Duplessis
Edwards
Ellis
Fennell
Fontaine
Gérin
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Hawkes
Kempling
Lewis
Mailly
Martin
Mazankowski
McCrossan
McDermid
Nickerson
Plourde
Ravis
Reid
Reimer
Scott
(Hamilton—Wentworth)
Sparrow
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Vankoughnet
Vézina
Weiner
Wilson
(Swift Current—Maple Creek)—43

• (1630)

Mr. Speaker: I declare the motion lost.

Some Hon. Members: Mr. Speaker—

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme).

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I would like my constituents to know that I was present in the House, but decided not to take part in the vote. I want my presence to be recorded.

[*English*]

Some Hon. Members: Mr. Speaker—

Mr. Speaker: The Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Robinson: Point of order. Mr. Speaker, on a point of order, I move that the Hon. Member for Spadina (Mr. Heap) be now heard.

Mr. Speaker: The Hon. Member for Burnaby (Mr. Robinson) has moved that the Hon. Member for Spadina (Mr. Heap) be now heard. Can the Hon. Member for Burnaby tell the House, heard on what?

Mr. Benjamin: On the point of order.

Mr. Robinson: Mr. Speaker, as I understand it, earlier in these proceedings it was clearly understood that a Member who was not able to be present during the course of a vote would have an opportunity to explain his or her vote. The Members in question who were seeking to be recognized by the Speaker, as I understand it, were not present in the House during the vote and sought to avail themselves of that long-standing opportunity in this House. I assume they were not rising pursuant to any other provision. They were not seeking to raise a point of order. In fact, they sought to be recognized by the Speaker, and Your Honour did in fact recognize one of the individuals involved. You did not recognize him on a point of order but simply called out the name of the Hon. Member for Essex—Windsor (Mr. Langdon). It is my view, and I move that this House should at this time hear the Hon. Member for Spadina.

• (1640)

I believe the House should be given an opportunity to decide this important question.

Mr. Prud'homme: Mr. Speaker, I have been following the debate this afternoon and I regret to be in disaccord with my colleague. According to the practice of this House, someone who was absent for a vote cannot explain how he or she would vote. It is not a rule of this House, but a long established practice of it. This has happened time and again. I well remember that in December, 1979, I was present in the House of Commons for a very crucial vote. However, I had given my word of honour to the then Minister of National Defence that I would pair with him and therefore would not vote on that famous night before the Government was defeated. I was present in the House but I did not vote because I had given my word of honour. I was pushed around by a lot of people in order that I vote. In order that my electors would know that I was not absent from my duties and was present in the House, I believed it was my duty to get up in the House and say that I was paired with the Hon. Minister of National Defence and, therefore, did not vote. I drew to the attention of the Speaker that I was present in the House and if I had had the occasion to vote I would have voted in a particular way.

However, to the best of my knowledge and memory, this custom is reserved for Members who are present in the House, as I was a moment ago, although I decided not to participate in the vote. I believe that this is the proper procedure. I disagree that those who arrive late for other than good reason—

[*Translation*]

One moment. This is what could happen in the days and weeks to come. All Members who are absent from this chamber could come in and say: Mr. Speaker, on a point of order, I wish to draw your attention to the fact that I was unable to come to the House. I was absent or I was in my office and I was unable to vote. I would like it established that this long honoured practice can continue.

[*English*]

I would like to continue so that this good and long-standing practice will be accepted in years to come. In the past, many Members of the House have respected gentlemen's agreements by not voting—

Ms. Mitchell: Mr. Speaker, I rise on a question of privilege. I resent some of the language which is used in this House. I know my hon. colleague is usually very sensitive on such matters and it is not very often that he uses these phrases. Indeed, I think this is the first time I have heard him—

Mr. Speaker: With the greatest of respect, I do not think the Hon. Member has said anything which would cause another Member to rise on a question of privilege.

Ms. Mitchell: Mr. Speaker, I have a question of privilege.

Mr. Speaker: Is this a new question of privilege?

Ms. Mitchell: The question of privilege is that the Hon. Member was speaking of gentlemen's agreements. There are more than gentlemen in this House.

Some Hon. Members: Hear, hear!

Mr. Broadbent: There are some who aren't gentlemen.

Mr. Nystrom: There are only two gentlemen left.

Mr. Speaker: As the Hon. Member is entitled to, she has made her point. However, it is not a question of privilege.

Mr. Prud'homme: Mr. Speaker, my English vocabulary leaves something to be desired. I would like to say to the Hon. Leader of the New Democratic Party (Mr. Broadbent), through you, Mr. Speaker, that it never cost the taxpayers of Canada a penny for me to learn the second language which I am now speaking.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: I learn it through practice.

Mr. Broadbent: Cheap shot.

Mr. Speaker: Order, order.

Mr. Keeper: Mr. Speaker, I have a question of privilege.

Mr. Prud'homme: The best way for people to learn a language is to be corrected, as the Hon. Member for Vancouver East (Ms. Mitchell) has gently done. If she would like to tell me the term for an agreement which used to be called a gentlemen's agreement, I would be more than happy to use it.

Mr. Keeper: Mr. Speaker, I have a question of privilege.

Mr. Speaker: Order. The Hon. Member for Burnaby has moved a motion. He argues that the motion that an Hon. Member be recognized in the place of the Hon. Member who has been recognized ought to be accepted by the Chair and that there should be a division, if necessary, in the House. The Chair has considered this practice very carefully. It originated because there were cases in which some Members felt that a particular Member who was recognized ought not to be heard or because a particular Member was not getting a fair chance to rise in his or her place and enter into the debate. These practices go back many years and the time frame in which these rules were made is of great interest to many Members and all historians.

Mr. Broadbent: Would you elaborate on that?

Mr. Speaker: In the case this afternoon there has been no suggestion that Hon. Members rising to explain how they would have voted had they been in the Chamber were being precluded from doing so. In fact, it was quite clear that the Chair was recognizing, and properly so, those who wished to

give some explanation. However, it is the Chair's view that this practice, historic as it is, originated to protect a Member who might be unpopular or was, for whatever reason, being precluded from speaking. In my opinion, that practice does not apply to the situation before us this afternoon. As a consequence, I rule that the motion moved by the Hon. Member for Burnaby is not applicable in these circumstances.

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

Mr. Speaker: I recognize the Hon. Deputy Prime Minister (Mr. Mazankowski).

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

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I move, pursuant to Standing Order 9(4)(a):

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of completing the Introduction of Bills.

Some Hon. Members: Hear, hear!

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

Mr. Broadbent: Low-down trick if I ever saw one.

Mr. Robinson: Point of order.

Mr. Manly: Privilege.

Mr. Keeper: Privilege.

Mr. Robinson: Point of order. Mr. Speaker, I rise on a point of order.

Mr. Keeper: Mr. Speaker, question of privilege.

Mr. Dick: He'll get to you.

Mr. Robinson: Point of order.

Mr. Andre: You can leave the room. You don't need his permission.

• (1650)

Mr. Robinson: A point of order, Mr. Speaker. Point of order.

Mr. Speaker: The Hon. Member for Burnaby on a point of order, and I thank him for his patience.

Mr. Keeper: Question of privilege.

Mr. Robinson: I yield to my friend with a question of privilege, Mr. Speaker.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege following the comments made by the Hon. Member for Saint-Denis (Mr. Prud'homme). He said something about Members of Parliament who are learning French at the expense of Canadian taxpayers.

[*English*]

He cast aspersions.

[*Translation*]

He has given the wrong impression.

[*English*]

Mr. Speaker: Order. With the greatest of respect, the Chair does not feel that this is a question of privilege.

Mr. Nunziata: Mr. Speaker, I listened very carefully to the comments made by my colleagues and to your ruling with respect to the opportunity afforded to Members of Parliament to explain how they would in effect have voted if they had been in their seats when a vote was called. I would like some direction from the Chair. There have been a number of votes today and, due to unforseen circumstances, I was unable to be present for a particular vote. I was on official duty.

I seek some direction from the Chair in terms of what the limitation period might be when a Member of Parliament does wish to explain his or her absence from the House and how he or she may have voted.

Mr. Robinson: Point of order.

Mr. Speaker: I would ask the Hon. Member to resume his seat. That is not a point of order. That is an invitation for a hypothetical discussion.

The Hon. Member for Burnaby on a point of order.

Mr. Robinson: Mr. Speaker, my point of order relates to the proceedings now before the House. I am not sure exactly what the proceedings are.

An Hon. Member: We know that.

Mr. Robinson: Your Honour recognized the Deputy Prime Minister when he stood in this House. My colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom) was attempting to seek Your Honour's recognition as well.

Mr. Mazankowski: That is a reflection on the Chair. Come on.

Mr. Nowlan: That's not a point of order and you know it.

Mr. Speaker: Order. The Hon. Member for Burnaby rises on a point of order. If the Hon. Member would put his point of order, the Chair will deal with it.

Mr. Robinson: I am trying to put it, Mr. Speaker, but I am being interrupted over here.

Mr. Nowlan: You sure are.

Some Hon. Members: Oh, oh!

Mr. Robinson: At the instant at which the Deputy Prime Minister rose and my colleague, the Hon. Member for Yorkton-Melville rose, I was on my feet on a point of order—

Mr. Speaker: The Hon. Member may have been. The Chair, however, recognized the Deputy Prime Minister. There may have been other Hon. Members also rising. The Chair—

Mr. Robinson: Mr. Speaker, I want to conclude my—

Mr. Mazankowski: Sit down.

Mr. Speaker: The Chair must make a choice—

Mr. Robinson: Mr. Speaker—

Mr. Mazankowski: Sit down or get out.

Mr. Speaker: —and I would ask the Hon. Member to resume his seat.

The question is on the motion of Mr. Mazankowski.

Will those Hon. Members who object to the motion please rise in their places.

I will ask the Deputy Clerk to count the Members present.

And the count having been taken:

Mr. Speaker: Fewer than 25 Members having risen, pursuant to Standing Order 9(4)(b) the motion is deemed to have been adopted.

Mr. Langdon: Point of order.

Ms. Mitchell: Point of order.

Mr. Langdon: Point of order.

Mr. Speaker: The Hon. Member for Essex-Windsor (Mr. Langdon) on a point of order.

Mr. Langdon: Mr. Speaker, prior to this whole recent—

Mr. Speaker: The Hon. Member may have complaints about things that happened prior to whatever he is going to talk about, but if he has a point of order, I want him to make it quickly and succinctly so I can decide whether it is or is not a point of order.

Mr. Langdon: If I could just make the point that prior to the various events which have taken place in the last 10 minutes, if I am not mistaken, I was recognized and given the floor to make—

Mr. Speaker: The Hon. Member is not in order. That is not a point of order that is relevant at this stage of the proceedings.

Introduction of Bills

PATENT ACT

MEASURE TO AMEND

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs) moved that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the first time and be printed.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Andre) which was agreed to on the following division:

• (1700)

(Division No. 20)

YEAS

Members

Andre	Fennell	Ravis
Blais	Fontaine	Reimer
Blouin	Gérin	Taylor
Bouchard	Hawkes	Thacker
Bourgault	Kempling	Towers
Cadieux	Lewis	Tremblay (Québec-Est)
Champagne (Saint-Hyacinthe—Bagot)	Mailly	Tupper
	Martin	Vankoughnet
Champagne (Champlain)	Mazankowski	Weiner
	McCrossan	Wilson (Etobicoke Centre)—40
Daubney	McDermid	
Della Noce	McDougall (St. Paul's)	
Dick	Mulroney	
Duplessis	Nickerson	
Edwards	Nowlan	
Ellis	Plourde	

NAYS

Members

Axworthy	Gauthier	Langdon
Baker	Gray (Windsor West)	Manly
Benjamin	Keeper	Mitchell
Broadbent		Murphy

Nunziata Parry Skelly
Nystrom Prud'homme Young —17

• (1710)

Mr. Speaker: I declare the motion carried.

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

* * *

BUSINESS OF THE HOUSE

Mr. Mazankowski: Mr. Speaker, there have been discussions with spokesmen for the other Parties with respect to the possibility of receiving unanimous consent to revert to Ways and Means Motion No. 7 standing in the name of the Minister of Finance (Mr. Wilson). There is some urgency for this matter inasmuch as the Finance Committee will be travelling to Washington on this very important matter. I think it is important that the committee have this information at a very early date. I would ask you to seek the unanimous consent of the House for the presentation of this particular motion, Mr. Speaker.

Mr. Gray (Windsor West): Mr. Speaker, may I suggest to the Government House Leader (Mr. Mazankowski) that he also put the other motions for which there have been negotiations, particularly since we want to accommodate the Finance Committee on the working trip it will take. I would agree with his suggestion, if he would also move the other motions. There have been discussions on three motions.

Mr. Mazankowski: Mr. Speaker, I would be very glad to do that and I seek your guidance as to whether you want to deal with the Ways and Means motions first or whether you want me to present the three motions and consider them all together. I will present them in whatever order might be most appropriate.

Mr. Speaker: Perhaps the Deputy Prime Minister (Mr. Mazankowski) could put them in the order he desires. There seems to be no disposition in the House to quarrel.

* * *

HOUSE OF COMMONS

AGREEMENT NOT TO SIT ON FRIDAY, NOVEMBER 28

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I move:

That, when the House adjourns on Thursday, November 27, 1986, it stand adjourned until Monday, December 1, 1986, at 11.00 a.m.

And, that, notwithstanding any special or Standing Order of the House, the final date for referral to Standing Committees of Main Estimates for the year 1987-88 be changed from Sunday, March 1, to Monday, March 2, 1987.

Motion agreed to.

FINANCE AND ECONOMIC AFFAIRS

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): The second order is the following:

That the Standing Committee on Finance and Economic Affairs be authorized to travel to Washington, D.C., from November 18 to November 21, 1986, inclusive.

Motion agreed to.

I would ask the Party Whip to move the other order because I believe it is in his name.

* * *

COMMITTEES OF THE HOUSE

CHANGES TO S.O. 94(3) RESPECTING REPLACEMENT MEMBERS

Mr. Scott Fennell (Ontario): Mr. Speaker, I want to move under Provisional Standing Order 94(3), that there be changes to increase the number of replacement members on the committees from five to seven. Second, this would provide the Whips of each Party the ability to select from a pool of people to replace anyone on a committee within 24 hours before the committee begins sitting. It also specifies the responsibility of the MP, the Whip, and the clerks in advising one another of the substitution, and makes it clear and helpful for committee clerks to know that a substitution is authorized and valid. It pools the so-called list of eligible substitutes for each Party only for the Whips' use. It is to ensure that their caucus interests are represented.

• (1720)

It also allows a vacancy resulting from a resignation to be filled by the Striking Committee rather than requiring a special order of the House, as has been necessary under the reform rule. The Whips of the other Parties have read this order and have agreed to it. Therefore I move:

That Provisional Standing Order 94(3) be deleted and the following substituted therefor:

3(a) Within five sitting days of the organization of any standing or standing joint committee, and from time to time thereafter, every member of every such committee shall file with the clerk of the committee a list of not more than seven members selected from his or her own Party who may substitute for him or her during a meeting of the said committee, as per the procedure set out in sub-paragraph (b) of this section, provided that they shall not become permanent members of the committee. In the event of a member having neglected to file such a list within the prescribed time, the clerk of the committee will so notify in writing the Chief Whip of the respective party, and the member's name shall be struck from the list of members of the committee, and the striking committee shall select another member to take his or her place on the permanent membership of the committee.

(b) Substitutions in the membership of any standing committee, or so far as the House is represented on any standing joint committee, shall be effective the day after notification thereof by the permanent member of the committee is forwarded to the Chief Whip of his or her Party for signature who, in turn, will forward the substitution to the clerk of the committee.

(c) At anytime when no notice has been received by the clerk of the committee pursuant to sub-paragraph (b) of this section, the Chief Whip of any recognized Party may effect substitutions by filing notice thereof with the Clerk of the Committee, having selected the substitutes from among all the lists filed by the members of his or her Party with the clerk of the committee pursuant to paragraph (a) and such substitutions shall be effective immediately once they are received by the Clerk of the Committee.

(d) When a permanent member of a standing or standing joint committee gives notice, in writing, to the chairman of the said committee of his or her intention to give up such membership on that committee, that Member's resignation shall be effective when a striking committee report naming a replacement for him or her has been concurred in by the House.

Motion agreed to.

* * *

STRIKING COMMITTEE

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Yesterday I moved presentation of the fourth and fifth reports of the Striking Committee. Now I wish to move that the fifth report of the Striking Committee be concurred in.

Motion agreed to.

* * *

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

Some Hon. Members: Agreed.

Mr. Speaker: I declare the four motions carried.

* * *

WAYS AND MEANS

INCOME TAX ACT

Hon. Michael Wilson (Minister of Finance) moved that a Ways and Means motion to amend the Income Tax Act and a related Act, laid upon the table on Friday, October 31, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Wilson (Etobicoke Centre) moved that Bill C-23, an Act to amend the Income Tax Act and a related Act, be read the first time and be printed.

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

Mr. Speaker: It being after five o'clock p.m. pursuant to Standing Order 4 this House stands adjourned until Monday, November 17, 1986 at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.24 p.m.

HOUSE OF COMMONS

Monday, November 17, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL REVENUE

LOSS OF MICROFICHE RECORDS FROM TORONTO DISTRICT OFFICE

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, on November 4 I was informed that a set of microfiche records containing information on some 16 million Canadian taxpayers was missing. This loss occurred in the Toronto District Office after working hours on October 30. After a preliminary and thorough search by departmental security personnel in the Toronto District Office, the Deputy Minister of National Revenue was informed on November 4, and he informed me shortly thereafter.

On November 5 I spoke personally with the Commissioner of the Royal Canadian Mounted Police and an investigation by the force into the loss was launched immediately. It was agreed between Revenue Canada and the RCMP that the fact of the microfiche loss and the public investigation should not be made public until such time as the investigation could not be compromised by public disclosure. Since the investigation is now well advanced, and with the concurrence of the Commissioner of the RCMP, I feel that the right of Canadians to be informed about what has happened, and the potential consequences of what has happened, require me to inform the House on this matter.

First, I should explain the nature of the missing information. The records contained the names, addresses, dates of birth, social insurance numbers, spouses first name, nearest District Office and the year of latest tax filing. Additionally, there is coded information which broadly categorizes the taxpayer by the principle source of revenue—farmer or professional, for example. The records were dated February, 1986. These microfiche were in the process of being replaced by up-to-date records and were due to be returned to Ottawa for secure destruction according to the normal departmental practice.

While this is a serious matter, I must re-emphasize that no financial information provided by individual taxpayers on their returns was in the lost records, beyond the coded categories of principal sources of revenue to which I referred previously. However, this does not lessen the concern about private information on Canadians getting into unauthorized hands.

Second, I should outline the potential consequences of the loss of this information. We cannot, of course, be certain of the motivation for this act or of any intended uses of the information. The motivation might have been merely to do mischief, or to damage the reputation of the Department. Or the purpose might have been to secure lists of taxpayers for commercial or more nefarious purposes. Or it is conceivable that the intended use was to attempt to obtain moneys from the Government by using the information for fraudulent purposes.

On this last point, I can assure the House that the procedures used to prevent fraud against National Revenue have been carefully reviewed. For obvious reasons I should not elaborate on either the types of fraud we have to guard against or the measures we employ to combat the risk of fraud. However, based on the best available information, I am assured by my officials that the risk of fraud being successfully perpetrated as a result of the loss of the information which I have described is minimal. Nevertheless, I have asked that additional safeguards be implemented at this time.

I want to further assure Your Honour and the House that the procedures in other affected departments have been closely examined. An assessment has been made of the risk of the information being used to obtain passports fraudulently or to divert unemployment insurance, old age pension and similar benefits by use of false changes of address. In all cases, while the information could provide a starting point for making such false applications, other procedures and requirements now in place are such that the risks of fraud either have not increased or are judged to have increased only marginally. Additional steps are being taken by the Government to counter even a marginal increase in risk.

• (1110)

I wish to emphasize the gravity with which I view this loss of information entrusted to National Revenue. This is the first time that there has ever been a loss of this magnitude. Besides conducting an investigation of the circumstances surrounding the disappearance of this information, I have asked the RCMP as well to conduct a separate review of my Department's security procedures for the handling of all microfiche data.

I will inform the House at the earliest possible moment of the results of the review into this unacceptable breach of security that led to the disappearance of this material. The need for disciplinary action will be determined when the review is complete.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I was in touch earlier with the Minister and at my

request, my colleague, the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), had certain consultations with him.

[*Translation*]

Mr. Speaker, this statement by the Minister concerns sixteen million individual Canadian taxpayers. It is a very important matter because it reflects on the whole integrity of our income tax system, which is based on the principle of confidentiality of income tax returns. This is the whole basis of the system under which sixteen million Canadians trust their Government to keep their personal finances a confidential matter between them and the Government.

This morning, we were informed that there was either fraud or negligence or a lack of security in the system. Although no information directly concerning the finances of taxpayers may be involved, one wonders whether with this information, the person who now has the microfiches might be able to insert the requisite codes to find data on just about anyone in Canada and on these 16 million taxpayers.

[*English*]

We take this very seriously, as has the Minister. Our system of income tax is based on voluntary assessment by individual taxpayers who, on their honour and through their own investigations, submit returns one by one to the Department of National Revenue. The voluntary system only works if individual taxpayers can be assured of the confidential nature of those returns. The returns are becoming more and more detailed. They contain information on a wide range of subjects concerning every individual Canadian. Of course, nothing is more sacrosanct in a free society than a taxpayer's individual affairs.

As the Minister has said, this event reflects upon every non-corporate return. If we translate that from bureaucratic language into language that you and I understand, Mr. Speaker, that means that the stolen or missing material contains information on 16 million individual taxpayers.

We accept the Minister's assurance that at this stage no financial information is included but Social Insurance Numbers, addresses and information about whether or not spouses have filed, whether or not capital gains are included and whether or not the income is professional or from farming and the like.

I would put a question to the Minister, and of course, in due course we will want answers and a further report to the House. I wish to know whether or not whoever holds this information can use it to get into the coding system which will open up other information related to individual taxpayers. If so, this is a very serious matter. I think what the Minister has said today will shake the confidence in the income tax system and will disturb the Canadian public generally. Since it relates to 16 million individual taxpayers, it is a matter of the utmost importance.

We will want to know if there was fraud, if there was negligence, and if there was negligence who was responsible. We want to know if there was no security system whereby—

Mr. Gauthier: Sloppy.

Mr. Turner (Vancouver Quadra): My colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), has said that it is sloppy. Certainly something has gone wrong and we want some answers from the Minister. We expect an early report to the House on this very grievous situation.

Mr. Simon de Jong (Regina East): Mr. Speaker, the statement by the Minister today discloses a very serious breach of security in his Department. The loss of the microfiche records containing information on 16 million taxpayers, almost every taxpayer in Canada, is serious. As the Minister has recognized, and as the Leader of the Official Opposition (Mr. Turner) has pointed out to the House, it shakes the confidence ordinary Canadians have in the tax system.

As has been pointed out, our tax system depends upon voluntary compliance. If Canadian taxpayers begin to feel that the personal information they present to the Government on their tax forms can be obtained by unauthorized personnel, Canadians will begin to lose faith in the Government and in the tax system, and this could have dire consequences.

We are talking about these little microfiche that were stolen from the Toronto office. Yet we cannot help but wonder whether or not the ineptitude of the Government and the Department particularly may have led to this situation. We understand that the Toronto office is going through another major reorganization. Instead of being one central office, it is being broken up into three sub-offices. The morale within the Department has been low for a long period of time. Morale was low when the Liberals were in power. There were all sorts of promises made by the Conservatives when they came into power about reorganizing the Department. Yet we find an ongoing decrease in the sense of confidence of the people working in that Department.

The Department has been hit by continuous cut-backs. There are fewer investigative officers in that Department now than there were in 1980. We learned this weekend as well that there are only 20 investigators working on the case of the $3 billion in losses from public revenue due to the scam the Liberals introduced called the scientific research tax credit. Again, there have been more and more cut-backs.

The question that must be asked by Members of the House and by the Government is how far can we continue to cut back on Departments before we reach a point where the Department cannot properly carry on its duties. How many more cut-backs can there be before we begin to find lapses in security like the one that occurred in this last month? Surely we must reach a point where we cannot cut back any more. Surely this Department simply cannot be cut back on any more without serious mistakes being made, mistakes like the one that occurred in the latter part of October.

This is a serious matter, because if it is possible to break into the computer system all sorts of information on individual Canadian taxpayers is now open to whoever wishes to have that information. That means that those people who are interested in credit ratings will have access to important information. It means that all sorts of fraud may be perpetrated. There may be a redirection of Old Age Security cheques and unemployment insurance cheques. There may be false applications for passports.

• (1120)

To stop those possible abuses, the Government will have to increase its staff in those various departments to make certain that Old Age Security cheques are not redirected to some false address. It is a very serious situation. I would expect this Government to understand the seriousness of it, and to take every possible precaution to make certain that fraud and misuse of this information will not occur.

* * *

[*Translation*]

OFFICIAL LANGUAGES

PRESENTATION OF FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, as Joint Chairman, I have the honour of tabling the First Report of the Standing Joint Committee on Official Languages.

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

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

* * *

[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by a number of citizens from Winnipeg who say that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers, and will severely restrict the ability of average Canadians to buy the necessary prescription drugs. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour and duty on behalf of a number of constituents from Prince Albert to present a petiltion to the House of Commons in which they humbly pray and call upon Parliament to reject the proposals to increase the cost of drugs, or anything that will increase the prescription drug prices for Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by citizens from Thompson, Brandon—

Mr. Speaker: Order please. I remind Hon. Members that the practice is that all of the petitions to be presented by an hon. Member be presented when the Member rises. If this is just one more petition, I am sure that the House would be pleased to receive it.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Orlikow (Winnipeg North): I have the honour to present a petition signed by citizens from Thompson, Minnedosa and Brandon in Manitoba who object to the Government's proposed legislation with regard to prescription drugs.

* * *

[*Translation*]

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

Hon. Pierre H. Cadieux (Minister of Labour) moved for leave to introduce Bill C-24, an Act to provide for the maintenance of port operations.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

CANADAIR LIMITED DIVESTITURE ACT

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Privatization)) moved for leave to introduce Bill C-25, an Act to authorize the divestiture of Canadair Limited and to provide for other matters in connection therewith, be now read the first time and be printed.

Motions

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

* * *

COASTAL FISHERIES PROTECTION ACT

MEASURE TO AMEND

Hon. Thomas Siddon (Minister of Fisheries and Oceans) moved that Bill C-26, an Act to amend the Coastal Fisheries Protection Act, be now read the first time and be printed.

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

* * *

CANADA-NETHERLANDS INCOME TAX CONVENTION ACT, 1986; CANADA-JAPAN INCOME TAX CONVENTION ACT, 1986; CANADA-CHINA INCOME TAX AGREEMENT ACT, 1986; CANADA-MALTA INCOME TAX AGREEMENT ACT, 1986

MEASURE TO ENACT

Hon. Don Mazankowski (for the Minister of State (Finance)) moved that Bill S-2 (from the Senate) an Act to implement conventions between Canada and the Kingdom of the Netherlands and Canada and Japan and agreements between Canada and the People's Republic of China and Canada and the Republic of Malta for avoidance of double taxation with respect to income tax be now read the first time.

Motion agreed to and Bill read the first time.

* * *

OFFICIAL LANGUAGES

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, if the House gives its consent I move concurrence in the First Report of the Standing Joint Committee on Official Languages presented to the House earlier this day.

Motion agreed to.

* * *

• (1130)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 2 and 12.

[*Text*]

PRIME MINISTER'S RESIDENCE

Question No. 2—**Mr. Boudria:**

1. Did the Government employ the services of Colvin Designs Ltd. and/or Giovanni Mowinkle, interior designer during the period September 4, 1984 to June 30, 1986, to supply furnishings, improvements, interior decorating or advice on same for the Prime Minister's residence at 24 Sussex Drive in Ottawa or the Harrington Lake residence and, if so, by residence, what was the cost of each contract?

2. Was all of the work paid for from Government funds and, if not, who paid such costs and what was the amount involved in each case?

Hon. Stewart McInnes (Minister of Public Works): 1. No. 2. Not applicable.

U.S. SUBMARINES AT NORTH POLE

Question No. 12—**Mr. Nickerson:**

In May, 1986, did three United States nuclear powered submarines surface at the North Pole and did any of these submarines travel through waters over which Canada claims sovereignty and, if so, pursuant to what Canadian authority did such travel take place?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Government can confirm that three United States nuclear powered submarines surfaced at the geographic North Pole on May 6, 1986. However, the Government cannot comment on the routing the submarines took to the North Pole. It is Government policy not to comment on the movements of Allied warships that may transit Canadian waters.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Questions Nos. 3 and 4 could be made Orders for Returns, the returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Questions Nos. 3 and 4 be deemed to have been made Orders for Returns?

Some Hon. Members: Agreed.

[*Text*]

CANADA WORKS PROGRAM—GRANTS TO CONSTITUENCIES IN QUEBEC

Question No. 3—**Mr. Malépart:**

1. Did the Department of Employment and Immigration allocate grants to the constituency of (*a*) Jonquière (*b*) Lac-Saint-Jean (*c*) Chicoutimi, P.Q. under the Canada Works Program (Phase II—1985) and, if so, in each case, in what amounts?

2. In each case, what is (*a*) a list of projects submitted and the (i) title (ii) name and address of the sponsor (iii) description of the project (*b*) a list of projects accepted and, in each case, what was the (i) amount of the grant (ii) number of jobs created?

Return tabled.

CANADA WORKS PROGRAM—GRANTS TO ROBERVAL CONSTITUENCY

Question No. 4—**Mr. Malépart:**

1. Did the Department of Employment and Immigration allocate grants to the constituency of Roberval under the Canada Works Program (Phase II—1985) and, if so, in each case, in what amounts?

2. In each case, what is (*a*) a list of projects submitted and the (i) title (ii) name and address of the sponsor (iii) description of the project (*b*) a list of projects accepted and, in each case, what was the (i) amount of the grant (ii) number of jobs created?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call Starred Question No. 11.

CORRESPONDENCE WITH MEMBERS OF PARLIAMENT

Question No. 11—**Mr. Parry:**

Did the Minister responsible for Canada Post or any other Government official give orders to the President of Canada Post, Mr. D. Lander, not to answer mail directed to him from Members of Parliament regarding the elimination of postal services?

Mr. Lewis: Mr. Speaker, I should state on behalf of the Government that neither the Minister responsible for Canada Post nor any other Government official has given "orders to the President of Canada Post—not to answer mail directed to him from Members of Parliament".

In fact, the President has received approximately 900 letters since January 1, 1986 from Members of Parliament. All but the most recent have been responded to by the Corporation.

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

Mr. Speaker: Orders of the day.

Mr. Gray (Windsor West): Mr. Speaker, it is my understanding that notice was given in respect of making an application pursuant to the provisions of Standing Order 29. If I am not mistaken, the appropriate point at which to do that is immediately before Government Orders.

Excise Tax Act

MOTION TO ADJOURN UNDER S.O. 29(1)

EXPORT CONTROLS STRATEGIC MATERIALS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I wish to propose a motion to adjourn the House for the purpose of discussing a specific and important matter which requires urgent consideration, namely, the Government's failure to maintain adequate export controls on materials that may be used for offensive purposes by Iran. With the proclamation of this information in the last 24 hours, and with no opportunity to discuss it, it is a pertinent matter which has bearing upon the external relations of Canada in a number of areas. It requires at this time proper consideration by the House on an emergency basis.

Mr. Speaker: The Chair has received notice of the application of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), and the Chair will return to the House at three o'clock with a ruling.

I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 15 minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed from Monday, November 3, consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

Hon. Bob Kaplan (York Centre): Mr. Speaker, the purpose of the Bill is to increase taxes on Canadians. The Official Opposition objects very strongly to the way in which the Government has proceeded with these tax increases and with the measures it proposes.

For example, there is a proposal to increase the federal manufacturers sales tax. It is an insidious tax in the sense that ordinary Canadians do not find out directly why costs have increased. However, costs increase. The chart provided by the Government in the budget statement indicated, for example, that the increase in the manufacturers sales tax would be from 7 per cent to 8 per cent on construction goods. Also it indicated a similar increase on cable and Pay TV services from 14 per cent to 15 per cent, and on alcoholic beverages and tobacco and all other taxable goods from 11 per cent to 12 per cent. The total revenue derived from this 1 per cent increase will be $700 million in 1986, that is, the year ending in April; over $1 billion in 1987; and rising in the year 1990 to $1,300 million.

I hope Hon. Members of the House noted in the media last week while we were adjourned that the fear or expectation of

an increase in inflation is becoming widespread in the country. Compared with the way they felt a year or two years ago, Canadians believe that inflation is on the increase. In the coverage and discussion of that issue in the media, I noted that a considerable number of experts took the view that the current round of inflation was being led by the tax increases introduced by the federal Government.

This particular tax increase which the Official Opposition opposes is that kind of increase. Unlike the income tax which taxpayers face being taken out of their income or perhaps out of borrowings which they have made to pay their taxes, this tax is extracted every day as individual Canadians shop for the necessities of life, for construction goods, and for alcoholic beverages and tobacco.

I should like to say a word or two about the particularity of increasing taxes on alcohol and tobacco. Over the years in Liberal, I admit, as well as in Conservative Governments alcohol and tobacco have been looked upon as products which were almost infinitely susceptible to bearing taxes. In fact, there is probably a connection between increasing taxes and marginally reducing consumption. One could say, at least in connection with tobacco, that by increasing taxes on tobacco, the Government can argue that it is doing Canadians a favour because it is helping to make it easier for them to stop smoking.

There is another side to the story, and I say this as a non-smoker and as one who is committed to trying to reduce the amount of smoking in Canadian society. A suspicion has arisen on the part of Canadians that the Government has too much of a vested interest in tobacco because of the taxes it derives to take any serious action to deal with the problem of smoking and to try to reduce smoking.

[*Translation*]

Mr. Speaker, I may recall the figures given by the Government when the Budget was brought down, when it recognized that the increase proposed in the Budget, and in that Budget alone, would provide the Government with additional revenue worth $125 million for the current year, rising to $150 million by 1990.

Mr. Speaker, these are very substantial amounts, especially when compared with the Government's recent announcement that it would spend $1 million during the current year on a campaign to reduce the consumption of tobacco in this country.

[*English*]

One million dollars has been provided by the Government for a campaign to deter smoking, and the additional revenue from the increase in taxes on smoking is in the order of something like $125 million for the current year. People see these figures and they must ask themselves whether the Government wants to see smoking continue in order to derive additional revenue or whether it wants to deter smoking. I would want to seek an undertaking from the Government that the effort to inform Canadians about the dangers of smoking will be increased. It is not enough to raise over $100 million in additional taxes from smokers and to spend $1 million trying to prevent smoking or trying to bring the facts to Canadians about smoking.

• (1140)

Although the tendency to smoking is decreasing in Canadian society, recent particularly disturbing statistics show that among young female Canadians smoking is still increasing. Every year more young females in Canadian society are taking up smoking and are smoking more. It is a discouraging fact that as the movement for equality in the status of women with men in society has become more and more successful as women have begun to achieve equal access to the opportunities in Canadian society, one of the opportunities regrettably in which they are also moving to a level of equality is in smoking. It is particularly disturbing because smoking is very harmful to young women if they are pregnant, and I want to draw the attention of the House to that important fact. Smoking during pregnancy is recognized as a threat to the health not only of the mother but of the fetus.

I do not think it is enough for the Government to raise taxes on smoking by $125 million for the current year and to put $1 million of that into a general public information campaign about the dangers of smoking. I think the Government has to do a great deal more. It is disappointing for those of us who know that the social costs of smoking far outweigh the revenues derived by Government to see the Government proceeding in this way.

This increase in taxes will produce a marginal reduction in the number of people who smoke and in the amount they smoke. It will do very little to reach the target group about which I have been talking, and about which the federal Government should be doing something.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in rising to speak today on Bill C-14, a bill to increase excise taxes I want to point out a lot of things that are wrong with this Bill, and with the Government's plans for taxation in a more general fashion. We should look at how excise taxes fit into the total package of taxation for Canadians and see the role that they increasingly play.

If we look at the fiscal plan for 1986-87 published by the Department of Finance we see that personal income taxes amount to $37.7 billion; corporate income taxes to $11.7 billion; unemployment insurance contributions to $9 billion; sales tax to $11.7 billion; customs to $4.2 billion and miscellaneous taxes of various sorts to $6.8 billion. The Government also manages to collect some non tax revenue to the tune of $5.7 billion.

If we look at these figures we see that personal income tax is pretty high and corporate income tax is actually a little bit below sales tax. We are concerned about this. We know that 79,000 profitable Canadian corporations are not paying taxes at all. If the Government wants to increase taxes this is where

it should be looking. The Government needs to increase taxes for social programs and deficit reduction, but it is going after the hidden taxes in sales tax, an extremely misguided policy. We see this part of taxation increasing while corporate loopholes remain where they are. There has been no more than a token protest against corporate loopholes and no serious attempt has been made to have corporations pay a reasonable share of taxes, a share they used to pay in the past, that they pay in other countries but for which they are being let off the hook in Canada.

Bill C-14 would increase the collection of sales and excise taxes announced in the 1986 Budget. Specifically these changes include a 1 per cent sales tax increase, a great hidden tax and one the Tories hypocritically opposed when the Liberals wanted to increase this hidden tax. Now that the Tories are in Government they can see the benefits of collecting taxes from people without doing it openly and honestly. The rate of the manufacturers sales tax presently at 7 per cent for construction materials, cable and pay television services, 14 per cent for alcoholic beverages and tobacco, 11 per cent for other taxable goods, will increase to 8 per cent, 15 per cent and 12 per cent respectively for the different taxes.

I would like to comment a little about the excise tax increase and duties on alcohol, cigarettes and tobacco products. The previous speaker made some quite sensible remarks about the concerns we must have about Government becoming too dependent on these sources of income. Let us face it, Mr. Speaker, Canadians are not so opposed to paying high taxes on their vices. Some people feel that is not such a bad thing because it may do them some good by curtailing consumption. People would rather see those taxes increase than many other taxes on absolutely essential items which cause real harm when increased.

In the case of cigarette tax increases, we can expect some good. We know increased taxes affect consumption, and especially consumption among young people who do not have as much money to spend. That would be all to the good because age 12 is getting to be the typical starting age for smoking. This group does not have a lot of money to spend and an increase in tax will keep some of them from starting to smoke.

Rather than not having this tax increase, still being aware of the problem this could create for a Government becoming dependent on this source of tax, the best solution would be to channel the money collected in sales taxes and other taxes on cigarette and tobacco products on programs to combat the cigarette habit which is so harmful and is responsible for such a large number of deaths. If the money were channelled into counter advertising, into programs to substitute tobacco growing with other crops, and into programs of research for addiction treatment, this would be a far better use of the money and the Government would not be tempted to use it as an easy way to raise taxes for general revenues.

The impact of all these different increases will mean less disposable income for families. We know in the case of families at a very low level of income, say, $10,000 for a family with two children, the estimated cost of those tax increases is $170. Since there is going to be a sales tax credit of $150 the impact is considerably mitigated, and that is a good thing, although I note it has not been entirely done away with. Families at a very low level of income with two children to support will still have an increase on average of $20 in the sales taxes they pay. For families at the $15,000 level the estimated cost of the tax increase is $215, and a net cost of $65 given the $150 sales tax credit. When we get to families with $20,000, and, after all, this is not an enormous amount of money for families with two children, they will feel the brunt of the sales tax increase and will be hit to the tune of $269 a year. That is a pretty sizeable increase, Mr. Speaker.

When we consider that this Government has made a very big thing of increased average family income—that is certainly desirable and we welcome it—it likes to forget that this is not disposable family income. Those increases in income that people have achieved through a very slight decline in unemployment does not mean that families will have more money to spend on the necessities of life, necessities for their children and so forth because of these increased taxes. It is of course the net disposable income that really counts, so the Government has been somewhat phoney in talking about a decline in poverty because you have to look at the total picture.

• (1150)

The NDP has been looking at the entire tax system for Canadians; we have been looking at income taxes, corporate taxes and sales and excise taxes. The sales and excise tax is regressive. It means you pay the same amount no matter what your income. For the low income person that means a higher proportion of income goes for taxes, and those who can well afford to pay are in fact paying very insignificant amounts. That is of course unfair. A progressive system is the fair way. Canadians approve of a system where those who have the ability to pay bear a greater burden.

The Conservative Government's use of the hidden excise and sales tax is unfair because it puts too much of a burden on those with low incomes. The Conservative tax increases amount to $1,305 for the average Canadian family, that being a $35,000 income and two dependant children. Sales and excise tax increases alone account for $845 of this new burden. The November, 1984 economic statement meant an increase of $350 a year. The May, 1985 Budget meant an increase of $325 a year. The most recent Budget of February, 1986, meant an increase of $170 a year for that family.

Individuals are being treated very differently from corporations by the Conservative Government. The giveaways to corporations are secret. It is done by tax expenditure and the amount of money involved is enormous. One calculation I prepared shows that these giveaways amount to $26.5 billion for this fiscal year. That is an enormous amount of money. The giveaways for individuals, however, are very public. They come by way of a cheque in the mail for the family allowance or

unemployment insurance. It is clear where that money goes. Yet now we have this unfair system where corporations get away with so much and individuals are bearing an increasing burden of taxation.

To conclude, I would simply note that this is not going to do the country any good at all. The Government is not spending the money wisely. We still see enormous wastage. The Government is not reducing the deficit.

Mr. Blenkarn: It is so.

Ms. McDonald: That is a phoney excuse. The deficit was estimated at $29 billion at the beginning of the year and it has now been increased to $32 billion.

Mr. Blenkarn: Reduced from what?

Ms. McDonald: We have a very large accumulated deficit of over $100 billion and the Government is going to be adding $32 billion to it. That is not my idea of a reduction. You can easily say we might have had an increase of $50 billion—

Mr. Blenkarn: From $35 billion to $32 billion is pretty good.

Ms. McDonald: —and you only have an increase of $32 billion and that is great. That is not a reduction. It is a reduction in the increase. That is not a reduction. It is phoney indeed to call a $32 billion deficit a reduction. Reduced from what? From what might have been worse, but it is certainly not a reduction in real terms and Canadians know that is so.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Is the House ready for the question?

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to have an opportunity to say a few words on Bill C-14. On October 23 the Minister of Finance (Mr. Wilson) stood in this House and talked about a new procedure he was establishing to bring fairness and equity and simplicity to the Canadian tax system. If he really believed what he said he would not be proceeding with this Bill. When he outlined his plans he talked about reducing income taxes for low income Canadians. However, if we look at this Bill and his first two Budgets, many of the provisions of which are implemented in C-14, we see that the system is not fair at all. If you look at the taxes being imposed on low income Canadians there is certainly no element of fairness.

Clearly, most of the provisions of the first two Budgets mean regressive taxes. That is, sales taxes which obviously weigh more heavily on low income Canadians. For example, a family with one bread-winner and two children will be paying $255 more in taxes every year. There were increases in the RSP limits and the introduction of the capital gains tax exemption, but most of the benefit there goes to high income earners. For example, those in the $30,000 bracket gain no benefit from the RSP exemption. Those same people also gained very little benefit from the capital gains exemption. So we have a ridiculous situation where the person earning $30,000 or $35,000 is facing an increase in taxes of $250 per year, and the person earning $100,000 will have an increase of only $1,740. It is very clear who has the advantage there. Then we have a single parent family with two children and $20,000 in income. That family will pay $420 a year more.

As I said, when the Minister stood in the House and made this presentation concerning tax reform he did not mean it. If he had, he would not be proceeding with Bill C-14 which has a devastating impact on all Canadians, but especially low income Canadians, where taxes are being increased by $5 billion. Therefore, Bill C-14 weighs much more heavily on low-income Canadians. A family with a $15,000 income will pay $255 more per year. A family with a $30,000 income will pay $630 more per year. A family with a $50,000 income, which is about 66 per cent more than a $30,000 income, actually pays less. Their increase will be only $575. This is a very unfair situation. An elderly couple with an income of $27,000 and no dependents will pay $500 more per year. The tax scheme put forward in the first two Budgets of the Minister of Finance is designed to increase dramatically the taxes of low-income Canadians.

• (1200)

The Prime Minister (Mr. Mulroney) made the spectacular announcement that he was going to exempt the two cent a litre increase which the Government imposed on farmers in September of 1985. If the Government really wanted to help farmers it would make that exemption retroactive to September 1, 1985, when it was first imposed, rather than only to May 1. Agriculture in Canada is clearly in a stressed situation. The situation was just as stressful in 1985 as it is in 1986. That two cent per litre tax would have generated $65 million or $70 million a year in revenues. I call upon the Government to make that exemption retroactive to September 1 when it was imposed. The Government is pretending to make great contributions to agriculture when in fact it is mostly a smoke and mirrors show that does not cost the Government anything while giving the appearance of lending assistance.

The Minister of Finance stood in his place on October 23 and talked about tax reform. He spoke about fairness, equity, simplication of income tax and so on. This Bill goes in the complete opposite direction from that. He did not tell Canadians that the Government was considering the imposition of a business transfer tax which would apply to everything from haircuts to shoe shines to automobile repairs. In addition, it will increase the taxes on a broad range of other things.

Since the Government came to power two years ago the sales tax has been increased by 25 per cent. It was about 9 per cent at that time and will be raised to 12 per cent if the Government forces this Bill through Parliament. The Government is considering the implementation of a sweeping business transfer tax of 9 per cent, if it is not imposed on food. If it is imposed on the food which Canadians eat, it will be only 6 per

cent. Everything that we do, everything that we touch, every service that we receive will suddenly become taxable.

This Bill puts a lie to the statement of the Minister of Finance on October 23 when he said he was going to simplify our tax system and make it more fair and equitable. It is clear that this Bill does not do that.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I would like to say a few words about the Bill before the House today. It concerns a very important matter, namely income tax. As Canadians, we all have to pay taxes in this country. Unfortunately, the tax burden on the poor and the middle class in this country is particularly heavy. The Bill before the House will certainly not do anything to improve a situation that will get even worse with Bill C-14.

[*English*]

I would like to give a number of reasons why that makes it worse for ordinary Canadians. Bill C-14 resulted from the Budget presented in this House on February 27, 1986. This Bill contains a 1 per cent increase in sales tax for all Canadians. We presently have a manufacturers' sales tax of 7 per cent on construction materials, cable and pay television services; a 14 per cent sales tax on alcoholic beverages and tobacco; and an 11 per cent tax on all other taxable goods. This Bill will increase the tax on construction materials from 7 per cent to 8 per cent, the tax on alcoholic beverages and tobacco from 14 per cent to 15 per cent, and the tax on other taxable goods from 11 per cent to 12 per cent. These tax increases will affect all Canadians.

The research we have done on this indicates that the increased cost of this Bill for the average family will be approximately $150 a year, in addition to an increase of $20 in excise taxes and duties. That is a considerable increase for the poorer people, the working poor, single parent families and other such people.

There has been a shift in Government taxation policies in the last couple of years. I have noticed that during the last two years the Conservative Party has increased more rapidly the revenue it generates from sales taxes and excise taxes than the revenue it generates through individual and corporate taxes. For example, sales and excise tax increases have yielded more than twice the amount of revenue drawn from changes to personal income tax and more than four times the revenue drawn from corporate income taxes. More than twice as much money is now generated from sales and excise taxes as from individual taxes, and more than four times the amount generated from large and small corporations.

Since the Conservative Party came into power in September of 1984 there has been an average increase per family of $1,305 for personal, sales and excise taxes. I classify an average Canadian family as one with approximately $35,000 income and two dependent children.

[*Translation*]

Mr. Speaker, we have now had three income tax increases. It started with the Minister's economic statement in November 1984, when there was an increase of $350 per year for the average Canadian family. Subsequently, the 1985 Budget brought us another tax increase for the average Canadian family, and this time it was $325 per year. It was the second time we had a tax increase imposed by the Conservative Party in this country. The third time was in the last Budget brought down by the Minister of Finance (Mr. Wilson) in February 1986. At that time, the average Canadian family saw its taxes increased by $170 per year. Mr. Speaker, this is a lot for the average family. It is a lot for Quebecers, for the people of Saskatchewan and for all Canadians.

• (1210)

[*English*]

As I said, there has been a reverse in the way the Conservative Party is taxing Canadians. Since the 1960s under successive Governments in this country, including the short-lived Conservative Government under the Secretary of State for External Affairs (Mr. Clark), we saw a declining rate in sales and excise taxes in relation to the over-all collection of taxes by the federal Government. That trend has reversed this year.

Last year some 22.3 per cent of the taxes raised were through sales and excise taxes in Canada. This year, rather than 22.3 per cent, the tax will be increased to 23.2 per cent.

There are three reasons why I am concerned about an increase in sales and excise tax rather than an increase in corporate tax or individual taxes paid by Canadians. First, a federal sales and excise tax is a hidden tax because it is put on the basic price of a commodity. The average Canadian has no idea that he or she is paying an additional tax to the federal Government when buying some goods or commodities. It is a hidden tax, unlike a provincial sales tax of 4 per cent, 5 per cent or 6 per cent which is up front and visible to all. In many cases Canadians have no idea that they are paying a federal tax.

[*Translation*]

As I see it, Mr. Speaker, the second aspect is that the sales tax, the excise tax levied on Canadians is totally unfair because, when buying a television, a refrigerator, a car or any household appliance, a customer has to pay the same tax whether he or she is poor, or earns an average salary, or is a millionnaire. An excise tax or a sales tax is simply unfair.

A Member who gets $70,000 a year and a working man or woman earning $15,000 or $25,000 annually pay the same tax on anything they buy. Mr. Speaker, this is altogether unfair to ordinary Canadians throughout the country.

[*English*]

That is the other reason why this sales tax increase is very unfair.

The third reason why I believe these taxes are unfair is ordinary Canadians are already paying too much in taxes. This Bill will tax commodities that previously were not taxed, and increases taxes on other commodities. Canadians are being taxed too much and it is time that low-income and middle-income Canadians revolt against such a taxation system.

An Hon. Member: What should we have, then?

Mr. Nystrom: In answer to my Conservative friend opposite, our Party had a tax probe that was chaired by the Member for Ottawa Centre (Mr. Cassidy) and the Member for Regina East (Mr. de Jong). It studied the taxation system and made recommendations as to what taxes should be cut and what taxes should be increased in certain areas, since the rich are getting away with avoiding tax by using certain loopholes. Furthermore, there are many companies and corporations in this country, such as the Royal Bank, that are not paying taxes as they should. We need a fair taxation system in this country.

The Government should no longer impose taxes on the ordinary men and women who work hard to keep Canada the great country it is today. They are the ordinary people who farm the land, make the factories work and produce the goods and services. It is ordinary people who built Canada into the fantastic country it is, but those are the very people the Conservative Party is taxing over and over again.

I remember when my grandfather said years ago that Tory times are tough times. He grew up in the 1930s, during the Government of R. B. Bennett. My grandfather also said: "Tory times are taxing times". As recent Gallup Polls indicate, Canadians again realize that Tory times are tough times and that electing a Tory Government means electing a Government that will tax, tax, tax.

[*Translation*]

Mr. Cassidy: They are number three in Quebec!

Mr. Nystrom: As my colleague points out, Mr. Speaker, the Progressive Conservative Party is now number three in Quebec. Every single poll indicates that the Conservative Party, the Government Party with 57 or 58 Members, ranks third in Quebec with something like 23 or 24 per cent of the votes.

With this kind of legislation, Mr. Speaker, the Conservative Party will be finished for another generation in this country. The very same thing happened after the '30s with R. B. Bennett and Canada's great depression. After this, Mr. Speaker, the Conservative Party will disappear in Canada for 20 or 30 years.

[*English*]

It was not until John Diefenbaker came along in the 1950s that the Conservative Party was revived. John Diefenbaker stood for many things that helped ordinary Candaians. It was the wealthy Conservatives of Bay Street, led by Dalton Camp, who stabbed John Diefenbaker in the back and got rid of him. Once again, the Conservative Party disappeared for 20 years. Yet who does the Prime Minister (Mr. Mulroney) hire as his chief adviser but the same Dalton Camp who got rid of John Diefenbaker. As a Saskatchewan parliamentarian, we in the Province of Saskatchewan and indeed people right across western Canada will not forget that.

[*Translation*]

I know that my friends in Quebec agree with me and are against this Bill. I hope that the Members from Quebec will vote against the Government, against the Prime Minister (Mr. Mulroney), because the Bill is quite unfair to all Canadian men and women.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, the House is being asked to agree to Bill C-14, an Act to amend the Excise Tax Act and the Excise Act. Its purpose is to implement the increases in what the ordinary taxpayer calls the sales tax. This Bill is a prime example of how the Conservative approach to our taxation system is based on unfairness, based on putting an undue burden on the middle and lower-income taxpayer.

I want to take a few minutes to review what Bill C-14 intends to do. First, it will put into effect the sales and excise tax increases that were proposed in the Budget of February 26, 1986. It is important to note that all of the items that are targeted in this Bill were also the subject of tax increases by the Conservative Budget of May 23, 1985. For example, effective April 1, 1986 an additional 1 per cent sales tax was levied on all taxable goods. However, the 1985 Budget also raised this sales tax by 1 per cent, effective January 1, 1986.

If this Bill is adopted by the House we will see that the tax on construction goods increased by 1 per cent to 7 per cent effective January 1, 1986, as well as an additional 1 per cent tax, increasing the rate to 8 per cent effective April 1, 1986.

The same is also true for all other categories of goods generally subject to sales and excise taxes. Cable and pay TV services went up 1 per cent to 7 per cent January 1, 1986, and up another 1 per cent to 8 per cent effective April 1, 1986. All other taxable goods were at the level of 11 per cent, which was an increase of 1 per cent effective January 1, 1986. There is now another 1 per cent increase to 12 per cent, going into effect April 1, 1986. We see that effective May 1, 1986 the tax rate on air transportation, the tickets, will increase from 9 per cent to 10 per cent. When we look at the telecommunications programming services tax, which applies to television equipment provided to customers of cable and pay-TV services, and to equipment used by hotels and other closed-circuits broadcasts, we see that this tax will increase by 1 per cent to 8 per cent. It was already increased in the 1985 Budget by 1 per cent. This is a very sizeable jump in less than one year.

• (1220)

What about the tax on fuels? Prior to the 1985 Budget federal excise tax on non-commercial automotive fuels was 1.5 cents a litre. The 1985 Budget increased the excise tax on

gasoline and aviation gasoline by 2 cents per litre effective September 3, 1985. This tax is scheduled to increase to 4.5 cents per litre on January 1, 1987. The 1985 Budget also extended the excise tax to diesel and aviation fuel other than gasoline. Consequently, an excise tax of two cents per litre was placed on diesel and non-gasoline aviation fuel for the first time on September 3, 1985. This tax is also scheduled to increase three cents a litre on Janaury 1, 1987.

Let us take a look at the cumulative effect of the increases in what the tax experts call commodity taxes as a result of the Conservative Budget of February, 1986, a Budget which is intended to be implemented as far as commodity or sales taxes are concerned by Bill C-14 currently before the House.

In 1986 the proposed 1 per cent increase in federal sales tax rates will give the Government $700 million in additional revenue. In 1987 this tax will increase to $1.05 billion. In 1988 the amount will increase to $1.125 billion. In 1989 it will increase to $1.2 billion and in 1990 to $1.3 billion. This is hardly tax relief for middle and lower income Canadians. This is a strange way for the Conservatives to be approaching tax reform.

Not too long ago the Minister of Finance (Mr. Wilson) rose in the House and said: "We intend to proceed with tax reform that will lower the burden of taxes on individual taxpayers". He said he would do that by decreasing the personal income tax rates so that individual taxpayers would have more money in their pockets. But what he did not make clear, although he certainly hinted at it in his statement, is that the Government also intends to increase the extent and broaden the base of commodity or sales taxes through a new business transfer tax. If the Conservatives are able to get away with this it means that they will be putting money into the pockets of individual taxpayers with one hand through reductions in personal income tax rates and with the other they will be removing from those pockets that money, along with even more money through increased sales taxes. Call them what you will, Mr. Speaker, commodity taxes, sales taxes or business transfer taxes, we are talking about increases in taxes which will affect particularly middle and lower income Canadians.

If we are interested in fairness in the tax system, surely that must come from a system which says to people that they pay according to their ability to pay and that the burden of taxation on their shoulders will be greater if they have earned more money through their activities in this country and abroad. Fairness in the tax system does not come about by saying to individual Canadians that it does not matter how much money you have, if you have to spend money for the daily necessities of life and if you have to spend most of your income on buying goods and services, which is the case for most Canadians, then you are the one who is going to pay more, you are the one who is going to assume the higher burden. This is what the Conservatives are saying. This is the message they are sending out in Bill C-14. This message was confirmed by what the Minister of Finance said not long ago in the House when he made his statement on tax reform.

One thing that the Minister of Finance did not make a clear statement on was whether the result of the Conservative so-called tax reform would increase the total tax burden on individual Canadians. He had the opportunity to do so but he did not seize that opportunity to make a commitment and to give an undertaking to individual Canadians that Tory tax reform would mean that the total tax burden on individual Canadians would not increase. In fact, he certainly left that likelihood very much open, very much on the Conservative agenda.

If I am not mistaken, I saw a report in the press last weekend which stated that the Minister of State for Finance (Mr. Hockin) when speaking in London admitted that increases in revenue were very likely to come from Conservative tax reform and that keeping the total tax burden at the same level as it is now on individual Canadians was only an objective and that the Conservatives are already gearing up to hit individual Canadians with an additional tax burden. They have already been hit by an unfair additional level of taxation through the last two Conservative Budgets.

Bill C-14 is only a continuation of this massive, unfair tax grab by the Conservatives from the pockets of individual Canadians, particularly middle and lower income Canadians. Members of the Government intend to keep up this tax grab in a sneaky way claiming that they are lowering the burden of taxation through lowering personal income tax rates. At the same time they are sneaking around behind the backs of individual Canadians, putting their hands into their pockets and taking out the money they give them through lower personal tax rates. They are taking even more money through unfair and increased sales taxes, taxes which they may have a new name for, such as the business transfer tax. However, it is still the same thing. It is an unfair and regressive increase in sales taxes. When people go to their dentists, their barbers or their accountants they will have to pay taxes for the first time on transactions that will be subject to tax.

We should be opposing this Bill. We should be sending a clear signal to the Conservative Government on behalf of individual Canadians that they have had enough, they will not take it any more and they are fed up with the increase in tax burden since the Government took office. Individual Canadians want a change. They are only waiting for the opportunity, that cannot come too soon, to get rid of this Government whose sole purpose is to place an unfair burden of taxation on middle and lower income Canadians.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Paproski): Before I put the question or call upon the next speaker, I would like to read the following statement.

Excise Tax Act

I have received notice from the Hon. Member for Etobicoke North (Mr. Pennock) that due to a prior commitment he is unable to be present in the House tomorrow, Tuesday, November 18, 1986, to move his motion during the hour for Private Members' Business.

Accordingly, in conformity with the statement made by the Chair on May 28, 1986, I am directing the Table to drop this item of business to the bottom of the order of precedence. Since notice will thereby be removed, the hour for Private Members' Business will be suspended and, pursuant to Standing Order 39(2), the House will continue with the business before it prior to that hour until the ordinary hour of daily adjournment.

* * *

EXCISE TAX ACT AND EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-14, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion (Mr. Hockin), which was agreed to on the following division:

(*Division No. 21*)

YEAS

Members

Andre
Bernier
Blenkarn
Bourgault
Brisco
Browes
Cadieux
Cardiff
Chartrand
Clark (Brandon—Souris)
Coates
Comeau
Cook
Côté (Langelier)
Crofton
Dantzer
Darling
Daubney
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fraleigh
Friesen
Gagnon
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gurbin
Gustafson
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
James
Johnson (Bonavista—Trinity—Conception)
Ladouceur
Lanthier
La Salle
Lewis
MacDougall (Timiskaming)
Mailly
Malone
Mantha
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McInnes
McKenzie
Minaker
Mitges
Nowlan
Oberle
Oostrom
Pennock
Price
Ravis
Redway
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Scowen
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Towers
White
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—82

NAYS

Members

Althouse
Angus
Axworthy
Baker
Benjamin
Boudria
Broadbent
Cassidy
de Jong
Epp (Thunder Bay—Nipigon)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hopkins
Hovdebo
Jewett
Kaplan
Keeper
Killens
Langdon
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Nystrom
Orlikow
Parry
Penner
Rodriguez
Rossi
Skelly
Tobin
Young —39

• (1300)

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. I wonder whether there would be a disposition on the part of the House to call it 1.15 p.m.?

The Acting Speaker (Mr. Paproski): I wish to inform the House that it is 1.15 p.m. The House will recess until two o'clock this day.

At 1.09 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ADMINISTRATION OF JUSTICE

LAWYERS' RIGHTS TO COMPENSATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to speak about the suicide last week of Rosa Becker, a woman who made legal history when the Supreme Court of Canada established in 1980 that the contribution of a common-law wife to the building up of a family farm entitled her to a half interest when her common-law husband kicked her out after 18 years, to marry someone else. However, Rosa Becker meant her suicide to draw attention to the injustice of living with that judgment. She received no money at all as of the time of her death. She held a $60 a week job while her ex and his wife lived on the farm she had helped to create. Her lawyer appropriated as fees all the money received.

We can be critical of Gerald Langlois, the lawyer who carried the case for years without financial compensation because of the reward he received in national fame and approval. However, it is regrettable that he pushed to the limit of 100 per cent his right to be compensated ahead of his client. That right of lawyers needs to be examined. I call on law societies across Canada to examine the facts of this case and review their policies on payment of fees to lawyers.

* * *

INSURANCE

SUPPORT FOR INDEPENDENT INSURANCE AGENTS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, this Government supports the agency system and general insurance agents. It will not give more power to the banking institutions of this country. As a former operator of a general insurance agency I know how well the consumers' interests are served by their independent insurance agents.

I would like to reassure not only my constituents and residents of my Province of Saskatchewan, but the over 10,000 independent insurance agents and their employees right across Canada that we will vigorously oppose any plan to allow financial institutions to include in their range of services the sale of general insurance products presently marketed through general insurance agents or brokerage agencies.

The driving force for this change seems to be the financial institutions rather than the consumer so it should be quite obvious whose best interests would be served by the proposed change.

S.O. 21

FISHERIES

ATTACK ON FISHERIES OFFICER ON QUEEN CHARLOTTE ISLANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, on the November 1 weekend the Fisheries and Oceans patrolman on the Queen Charlotte Islands, Mr. Marvin Boyd, was beaten unconscious, had his face cut up and his leg broken. His injuries were serious enough to have him flown to Vancouver for urgent medical attention. He is now without work, without an income and likely will be laid up for months to come.

• (1405)

Increasingly we hear of such attacks on the Fisheries officers responsible for enforcing federal regulations. The federal Government must illustrate confidence in the good work of its patrolmen and enforcement personnel if we are to prevent a repeat of such incidents. The Government also has a responsibility to pursue all avenues of redress for Mr. Boyd to ensure he is fully compensated for his losses.

I ask the Minister of Fisheries and Oceans (Mr. Siddon) to issue, at the very least, a public declaration supporting the often thankless work of those who must carry out his policies on the ground level. We must not allow innocent public servants to take the brunt of a Government's unwillingness to resolve resource conflicts or educate the public on the need to protect fish habitat.

Sadly, I am now informed by the Minister's officials that no supportive action will be taken. The Conservative Government runs out to spend $350,000 to defend Sinclair Stevens on conflict of interest charges. The same Conservative Government refuses to defend a patrolman who has carried out his duty. The Department concludes, in a November 10 letter to the Standing Committee on Fisheries, that because the Fisheries guardian was not on duty at the time he was assaulted by two individuals, no further action is being contemplated by the Department. Is that justice, Mr. Speaker?

* * *

ADMINISTRATION OF JUSTICE

CONSEQUENCES OF CALGARY DRUG STORE ROBBERY

Mr. Elliott Hardey (Kent): Mr. Speaker, is anyone listening? Is anyone hearing the cry going across our nation? Victims of crime are fighting back, and the average person on the street understands and sympathizes.

Case in point—Steven Kessler, ordinary, patriotic Canadian of Yugoslavian descent, well known as mild mannered and honest, reacted with violence last week against two armed robbers intent on stealing money and drugs from Kessler's store. This shocking incident left one man dead, another seriously injured, and Kessler charged with second-degree murder.

S.O. 21

The facts leading up to the incident as well as the public reaction since indicate a strong message. It is time both federal and provincial politicians listened. We have perhaps the best police forces in the world, but our courts are pathetic and Canadians are showing less and less faith in the system. It is time for toughening and speeding up our judicial system. It is long overdue. Let's get at it.

* * *

REVENUE CANADA

THEFT OF TAX RECORDS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, this morning we learned that 16 million taxpayers' files have been lost. The integrity of the entire Canadian tax system is threatened by this inexcusable breach of taxpayers' privacy. How can Canadians trust a Government that cannot keep tax records confidential?

Today Canadians must ask themselves what will happen to our tax structure. Every Canadian files a tax return voluntarily every year. Those tax returns contain vital information. If the Government and the Minister of National Revenue (Mr. MacKay) cannot guarantee the confidentiality of those records, it will be very bad for all Canadians. I hope the Minister of National Revenue will do something about this right away. It took six days to find out that those records were missing. Something is wrong in that Department.

* * *

[*Translation*]

THE DISABLED AND THE HANDICAPPED

CHOICE OF ANDRÉ VIGER OF QUEBEC AS "PERSONALITY OF THE YEAR"

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the world wheelchair marathon champion, André Viger from Quebec, was voted "Personality of the Year" at the third "*Gala de l'Excellence*" organized by the newspaper *La Presse*.

André Viger has been a real winner since the beginning of this year. He won seven out of nine marathons in which he participated, breaking a whole series of records, and he won the world championship for the handicapped in England.

Our champion said during an interview: "I want to tell people to look at the potential, not the weaknesses of others. In my case, my greatest weakness, my wheelchair, has become my greatest strength."

In a text introducing the fifty-two candidates for the award, Mr. Roger D. Landry, president and editor of *La Presse*, said: "Excellence means setting an example. It means overcoming seemingly insurmountable obstacles. It means wanting to persevere against all adversity and having the ambition to succeed."

Mr. Speaker, with all the Members of this House, I say: Bravo, André Viger!

* * *

[*English*]

APARTHEID

SOUTH AFRICA—OPPOSITION TO SALE OF BRITISH COLUMBIA LUMBER

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in his bid to sell lumber to South Africa, British Columbia Premier Bill Vander Zalm has shown contempt for human rights and total ignorance of the vicious nature of apartheid. British Columbians must speak out against such a shameful, selfish, and shortsighted policy. Trading with apartheid will not solve our economic problems.

Vander Zalm's proposal has called the Prime Minister's (Mr. Mulroney) bluff. The Prime Minister pretends that he has taken a strong stand against apartheid, but when Vander Zalm thumbs his nose at this policy, our Secretary of State for External Affairs (Mr. Clark) says there is nothing he can do unless we pass a law. If that is what it takes, by all means let us pass a law which bans all trade with South Africa.

* * *

• (1410)

EXTERNAL AFFAIRS

SABOTAGE COMMITTED IN ICELAND—ICELANDIC COMMUNITY'S OUTRAGE

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, the largest Icelandic settlement outside of Iceland is Gimli, located in my constituency.

The people of Gimli are outraged with the recent sinking of two whaling ships in Reykjavik harbour and the destruction of the offices of a nearby fishing company. They are outraged that a Canadian is openly bragging that his group, the Sea Shepherd Conservation Society, is taking full credit for a criminal action in another nation. They are not pleased that acts of international sabotage are initiated from within Canada.

The action of Paul Watson should be condemned by all Canadians. Acts of sabotage cannot be condoned in any part of the world. I know that I speak on behalf of my constituents when I urge the House and request the Government to co-operate fully with the Icelandic Government to bring those responsible for this crime to justice.

ENVIRONMENTAL AFFAIRS

CHEMICAL POLLUTION OF RHINE RIVER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, France's environment Minister, Alain Carignon, has called the chemical spill at the Swiss firm Sandoz near Basel: "An ecological catastrophe".

Residents of many towns along the Rhine River, forced to abandon the river as a source of household water, have resorted to water trucked in from elsewhere by fire departments.

Another chemical company, Ciba-Geigy, spilled 400 litres of the herbicide atrazine into the Rhine.

Swiss officials talk about the Sandoz incident as having shattered their confidence in self-regulation of the industry. The statement issued at a special session of the Basel Parliament said that the fire at Sandoz and its consequences have profoundly shaken confidence in the chemical industry.

The accident has led authorities to focus on the dangers surrounding the storage of dangerous chemicals as well as the more obvious risks from production and transport.

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—CONDUCT OF NEW DEMOCRATIC PARTY LEADER

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, free trade should have been negotiated with the United States during the last Parliament. The Liberal-NDP alliance wasted that Parliament with massive deficits and policies like the National Energy Program.

Now, with the Democrats controlling both U.S. Houses, it will be difficult to protect the three million Canadian jobs tied directly to exports to the United States.

Every student who wants a future job, every lumberman, every grain, hog and cattle producer, and every factory worker should be enraged that their jobs and their futures have been put into real jeopardy by the irresponsible conduct of the Leader of the New Democratic Party (Mr. Broadbent). The pension of every senior citizen is in danger if Canada loses more jobs due to U.S. protectionism.

I call upon the Leader of the New Democratic Party to stop sabotaging the future of Canada and Canadians. Let Mr. Reisman do his job.

S.O. 21

EXTERNAL AFFAIRS

ASSASSINATION OF ROLANDO OLALIA, PHILIPPINES LABOUR LEADER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to express our very deep regrets at the assassination last week of Rolando Olalia, the Philippines labour leader who had done so much to try to bring about reconciliation within his country.

His KMU was a coalition which included labour unions, peasants, and unemployed workers. It had close contacts with our own Canadian Labour Congress. His death has cost the Philippines an important spokesperson for peace and for reconciliation in the future. It is to be deeply regretted.

* * *

ENVIRONMENTAL AFFAIRS

ACTIONS OF SEA SHEPHERD CONSERVATION SOCIETY CONDEMNED

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I am very concerned about comments made to the national press recently by Paul Watson of Vancouver, the leader of the Sea Shepherd Conservation Society.

On November 8 Mr. Watson's organization destroyed two whaling vessels and a processing plant in Iceland. He has publicly announced that he intends to destroy Asian monofilament nets in the North Pacific.

I am concerned as a member of the Standing Committee on Environment, and indeed as a Canadian citizen, that the global village does not view Canada as a country that attempts to come to terms with environmental problems through criminal activities. What Paul Watson has done is criminal and Canadians do not condone this type of action.

* * *

BANKS AND BANKING

ESTEY COMMISSION REPORT—CRITICISM OF GOVERNMENT'S ACTIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government has made much of the fact that the Estey Report did not find Ministers blameworthy in events leading up to the bail-out of the Canadian Commercial Bank. However, Mr. Justice Estey had some trenchant criticism of the Government's actions during and after the bail-out, the very things about which the Official Opposition has been challenging the Government since March, 1985.

The Estey Report has confirmed that the Government made a hasty and uninformed decision without recourse to facts that

would have got in the way of that decision, that the Government then blindly guaranteed the bank's viability and, once it had failed, repaid nearly $1 billion out of the public purse to nameless uninsured depositors. If the principle of ministerial accountability has any meaning for the Government, it must now provide answers in Parliament to the questions it has evaded for the last year and one-half.

• (1415)

ORAL QUESTION PERIOD

[*English*]

REVENUE CANADA

REPORTED THEFT OF TAX RECORDS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of National Revenue, who is now taking his seat, arising from his statement this morning.

[*Translation*]

My question is directed to the Minister of National Revenue. Canadians don't want everybody to know about their financial affairs. They don't want their income tax returns to be publicized or used to blackmail them. The Government has failed to protect taxpayers.

My question is as follows: Why did the Minister say he was informed only five days after the event took place? This morning, the Minister said the microfiches were stolen after working hours. Why was the security service not operating between 5 p.m. and 9 a.m.? What is going on here?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I apologize to the right hon. gentleman for being a bit late.

I tell him and my colleagues that I am not—and the hon. gentleman would not expect me to be—very happy with the situation either. This is one reason why I have ordered an intensive review. In my view the lack of celerity in informing my Deputy Minister and subsequently myself was unacceptable. This will form part of the review. I will try to have answers when the review is complete.

PROTECTION OF TAXPAYERS FROM FRAUD AND INVASION OF PRIVACY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this morning the Minister said that he had taken steps, to use his words, to protect the Government from fraud. What will the Minister do to protect 16 million Canadian taxpayers from fraud and from invasion of privacy? What is to prevent someone who has this information from plugging into the computer system and destroying the personal financial security and privacy of 16 million Canadian families?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, again, I respect very much the concerns of the right hon. gentleman. The situation is serious enough without making it worse by careless references to what might or might not occur. I know that he does not intend this. However, let me say to him that there is no likelihood that the information, as gross a breach of privacy as its being taken is, provides an entrée into the computer system of taxpayers and to that particular type of data base. There are safeguards in place to prevent just that.

As far as what can be done to make up, if you will, for the loss of privacy to individual Canadians who entrusted their social insurance numbers to Revenue Canada in the sure and certain belief that they would be held inviolate, frankly, is something I do not know. I do know that there has been an unacceptable breach of security. I know that public interest demands that the public be told as soon as the RCMP indicated it was suitable. The best defence is to be vigilant in terms of each Canadian realizing that the social insurance number and some of the information belonging to individuals is out there and cannot be accounted for at this time.

MINISTERIAL RESPONSIBILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I had hoped that the Minister would have accepted the ministerial responsibility that is here. This morning he said that he could not be expected, to use his words, to take responsibility for every locked room or every safe or every desk. Will the Minister take responsibility for the financial secrecy and integrity of the tax system which affects 16 million Canadians? Will he accept that responsibility?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can tell my right hon. friend that, to the best of my ability, I will attempt to accept that responsibility by finding out, as I have already attempted to do, the reasons for this breach. I have asked the RCMP to institute immediately an inquiry into the adequacy of the security procedures which are being used to handle this microfiche data and to keep it inviolate. I have instituted a departmental review. I will be taking whatever other measures appear to be proper arising out of this situation. I will be providing answers as quickly as possible to the House.

* * *

• (1420)

TRADE

EXPORT CONTROL POLICY—SALE OF HELICOPTER PARTS TO IRAN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I wanted to pose questions to the Secretary of State for External Affairs. In his absence, perhaps I could ask them of the Deputy Prime Minister. A document released on

September 10 by the Department of External Affairs on export control policy states:

When a class of goods is not clearly and uniquely either military or civilian, there will be Ministerial consultation. Helicopters are an example.

Was the Secretary of State or the Cabinet consulted on the decision to sell helicopter engine parts to the Ayatollah regime in Iran since they could clearly be used for military purposes? Should this decision not have been made at the highest level of Government? Why was a decision made to sell to Iran at that point in time?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that this was approved by officials in the normal course of doing business in this manner. We have been assured by Pratt & Whitney that the spare parts for the engines involved for the Bell 212 helicopter are commercially configured. The company has also stated that the power required for a military helicopter is much greater than that of the Bell 212 and that the engines in question, the PT6 T-3, could not be used for the Cobra helicopter without very major changes in the configuration of the unit itself, something that could not have been accomplished in Iran.

CANADIAN DEFENCE PRODUCTS GUIDE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have here a copy of the *Canadian Defence Products Guide*, a document put out by the Department of External Affairs. This document clearly points out that the engine to which the Deputy Prime Minister just referred is advertised for military purposes and for use in the Cobra gunship. Do I assume that the Government does not read its own documents, or do I assume that there was another reason the export permits were given authorizing Pratt & Whitney to sell to Iran? How can you justify your own document advertising that engine and then not—

Mr. Speaker: Order. The Hon. Member knows it is improper to address the Minister with the word "you". I would ask him to rephrase the remainder of his question.

Mr. Axworthy: Mr. Speaker, I ask the Minister, through you, how the Government can justify a decision to sell those parts to Iran when its own document clearly specifies that they can be sold and used for military purposes?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would submit to the Hon. Member that again we have been assured that this was a commercially oriented transaction. There have been cases where permit applications have been refused. When spare parts for engines used in the Cobra helicopter were requested, those requests were turned down. Where there is a clear case of spare parts being used for military purposes, the export permit requests are turned down. As a matter of fact one such request occurred in January of 1985. I think both the Department and the Minister have carried out the spirit if not the letter of the guidelines to which the Hon. Member refers.

* * *

[*Translation*]

NATIONAL REVENUE

STOLEN INFORMATION—PROTECTION OF TAXPAYERS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Revenue. We know now that personal information on sixteen million taxpayers is in the hands of a thief. This is a very serious situation. My question to the Minister is as follows: What exactly does the Government intend to do to protect the taxpayers?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, without being evasive, I am not able to say specifically, and I believe he would not be able to either, that the data is in the hands of thieves. It may well be that it is but we do not know that, and that is as much as I can tell him about the investigation that is proceeding.

What can be done? There are additional safeguards being implemented. If I were to tell the Hon. Member what they were, that would be to some extent counterproductive. I can assure him, as I have assured the Right Hon. Leader of the Opposition, that we have taken this matter very seriously, as indeed we must and we should. We have asked the RCMP to evaluate the procedures which up to now have been satisfactory in keeping this kind of data sacrosanct. I have directed that there be an intensive review. We have notified other Departments and provinces and we will take every measure possible to make certain that this information does not do any damage.

USE OF SOCIAL INSURANCE NUMBERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that access to this information can be very dangerous indeed regarding the invasion of privacy. A member of my staff, for example, phoned the Toronto-Dominion Bank over the noon hour and simply gave the bank a Social Insurance Number plus a name. That member of my staff was told that that particular person's credit rating could be produced. That is alarming in terms of its potential impact on some 16 million Canadians who now know that that information is in the hands of someone. I want to ask the Minister very specifically what he is doing to inform all those directly affected by this very serious situation what they should be doing to protect themselves?

• (1425)

Some Hon. Members: Hear, hear!

Hon. Elmer M. MacKay (Minister of National Revenue): I indicated to the House this morning that as soon as I received permission from the RCMP I thought it was the responsible thing to inform Canadians first about the situation, otherwise they would have no way of knowing. Secondly, we are trying to find ways that we can minimize the risk. But I would be less than frank if I told the House, or told my friend opposite, that if this information is in unauthorized hands, which we do not yet know, there could be any blanket assurances. The best assurance that Canadians can have at this moment in order to protect themselves is simply to know that this shocking breach of security has occurred, and that there may be a danger that people will use their SIN numbers for the type of purpose that my hon. friend has indicated.

NOTIFICATION OF PUBLIC

Hon. Edward Broadbent (Oshawa): The Minister appropriately warned Canadians this morning by making a statement in the House, and by making a statement outside the House. But I say to the Minister that hundreds of thousands of Canadians may miss that information because they missed the news.

Does the Government intend to write to all the people who have Social Insurance Numbers and inform them directly of the dangers involved so that they will not be left out? Is the Government at least giving serious consideration to changing the Social Insurance Number of every Canadian?

Hon. Elmer M. MacKay (Minister of National Revenue): As I believe the Hon. Leader of the New Democratic Party knows, we did inform the provinces this morning as soon as it became appropriate to do so. We have informed other Ministers whose Departments are affected and we can count on their assistance and facilities to spread the bad news. We will take every possible step to communicate with individual Canadian tax filers. It is not yet clear whether it is feasible to change individual SIN numbers, or whether there are other appropriate means that we can institute to provide protection. What we could do and what we will do is take whatever requirements are there that allow the summary information on the microfiche to be used, and vary the codes.

DELAY IN INFORMING MINISTER

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of National Revenue. The integrity of the entire Canadian tax system is threatened by this inexcusable breach of taxpayer privacy. Why was the Minister only informed on November 4, when the files disappeared on October 30? Why was there a six-day delay in him being informed? Who is running the Department?

Some Hon. Members: Hear, hear!

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can tell my hon. friend opposite that I am no more happy with this than he is. As I said before, this was an inexplicable delay. I know that the officials involved were diligently pursuing this missing data. I should have been informed, and my deputy should have been informed. The investigation and review will perhaps shed more light on this, and there will be disciplinary action taken where appropriate.

[*Translation*]

TAXPAYERS' CONFIDENCE IN INCOME TAX SYSTEM

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): I have a supplementary, Mr. Speaker. This theft is a threat to the integrity of Canada's entire tax system. How can Canadians trust this Government if it cannot keep their income tax returns confidential? Could the Minister explain to the House how Canadians can be expected to trust this Government?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): I apologize to the House. I did not get the purport of my hon. friend's question. I can say to him that I agree that the integrity of the Canadian tax system has been damaged. I am sorry that I did not understand the last part of his question.

* * *

• (1430)

TRADE

EXPORT PERMITS—SHIPMENT OF HELICOPTER PARTS TO IRAN

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister. The policy of the Government on export permits up to September 10 was that such permits could be restricted in the case of goods described as civilian strategic equipment; not just military, but civilian strategic equipment. They could also be banned where a Government was pursuing policies on human rights wholly repugnant to Canadian values. Is the Minister saying that the permission given to Pratt & Whitney and others to ship helicopter parts to Iran is in conformity with the policy which was in existence until September 10 of this year?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, what I am saying is that Bell 212 helicopters are commercially oriented helicopters with PT6 T-3 engines. They are used for that particular purpose. The spare parts in question were spare parts for that helicopter. As I outlined earlier, Pratt & Whitney officials advise the Government that it would be almost impossible in Iran to reconfigure the Cobra to adapt to the types of engines in question. Once again, we have received assurances that the spare parts for these particular helicopters were used for civilian purposes, and that is where it rests.

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I asked the Minister if this could then be described as

civilian strategic equipment which under the policy up until September 10 was on the prohibited list. I also asked about the violation of human rights in Iran. I would be grateful if the Minister would reply to those questions, in that what has been done is a violation of the Government's own policy. In addition to answering my first question, would the Minister comment upon the fact that Bell Helicopter in Texas last month declined to sell helicopter parts to Iran because of its confidence that they were being used in Iran's fight against Iraq and in its fight against its own people?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, so did the Government deny that back in January, 1985. An application was received, and it was believed at that time that the spare parts in question would be used for military helicopters and, as a result, the permits were turned down.

ISSUANCE OF EXPORT PERMITS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, following on that answer, my question is also directed to the Deputy Prime Minister. According to press reports, in September, 1985, the U.S. Commerce Department authorized United Technologies to have one of its Canadian subsidiaries ship Bell helicopter parts. Will the Deputy Prime Minister tell us whether his Government received a request from the U.S. administration to issue those export permits? Does that account for the fact that the policy on export permits was not applied strictly, as it should have been?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I am not aware of that particular issue, Mr. Speaker. However, I can assure the Hon. Member that on the issue in question we have been assured that it was a straight commercial, civilian oriented transaction. We have been given that assurance by Pratt & Whitney. For the reasons outlined earlier, I think the issuance of the export permits was in compliance with the policies of the Government at that time.

FUTURE SHIPMENTS INQUIRY

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I do not think the Deputy Prime Minister is being especially forthcoming. Perhaps we can get this out in front of a committee. President Reagan, according to this wire report, says that there will be no further U.S. arms shipments and is encouraging other countries to act in the same manner. Does that mean that there will be no further helicopter parts shipped from Longueuil to Tehran?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure whether the hon. gentleman is suggesting that we are taking our orders in this particular case from the President of the United States. Such is not the case.

REVENUE CANADA

REPORTED THEFT OF TAX RECORDS—ISSUANCE OF OLD AGE SECURITY CHEQUES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue. Given the seriousness of the situation to which he addressed himself this morning, and especially considering the possibility of fraud occurring, will the Minister be able to announce whether Health and Welfare will be announcing new procedures for those persons receiving old age security cheques, in terms of change of address?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I have had the opportunity to check with my colleague, the Minister of National Health and Welfare, and he tells me that measures are being considered. At this time I cannot say exactly what they are. Perhaps the Minister might wish to do so, but he would understand that whatever measures are taken it would perhaps be counter-productive to put them out specifically for public scrutiny at this time.

CONFIDENTIALITY OF TAX INFORMATION

Mr. Simon de Jong (Regina East): Mr. Speaker, understanding the fact that to make everything public might not be desirable, I think the Canadian public has a right to know what new security procedures the Government is pursuing. Given the fact that the Conservative task force on Revenue Canada in 1984 indicated that it was concerned about the continuing erosion of the principle of confidentiality of tax information, is the Minister prepared to tell the Canadian public what new measures will be taken to make certain the secret information of Revenue Canada will in fact remain secret?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, as my hon. friend knows and as I have already conceded, this has been the most grievous blow to confidentiality of Canadians' personal information, as far as I am aware, in the Department's history. I am not seeking to minimize it for one moment. The Hon. Member and the House have my assurance that we will be taking every possible measure to make certain that the most stringent attempts are made to try to countermand or repair the damage which has been done. I can undertake to him, perhaps on a private basis, to give him some indication of progress. I will tell the House as soon as I can, if it is proper to do so, what I have been doing.

I should like to take this opportunity to say that the Government has not diminished its commitment to the resources for the taxation side of Revenue Canada. We have in fact added over 600 person years during the last two years. We have substantial resources on audit and investigation.

Oral Questions

REGIONAL INDUSTRIAL EXPANSION

STATEMENT ATTRIBUTED TO CANADIAN TRADE NEGOTIATOR

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion and concerns an unprecedented statement by Simon Reisman. He said: "Canada can no longer expect to continue its practice of subsidizing industry if it wants to escape the effects of American trade laws". Would the Minister explain to the House whether or not he agrees with this particular statement and whether this statement is now government policy?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think a review of our regional development policy is already under way. In the Throne Speech, the Prime Minister re-emphasized the importance of providing assistance for regional development. The Government has a duty to recognize these disparities and to be willing to work at reducing them as efficiently and productively as possible.

[*English*]

GOVERNMENT ASSISTANCE PROGRAMS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. I remind him that Simon Reisman is not talking about review. He is talking about major concessions to industry in Canada. I want an undertaking from the Minister that no concessions whatsoever will be made with regard to maritime freight assistance, western grain transportation assistance, assistance to small business, as well as assistance to our primary producers. Will the Minister give us an undertaking that no concessions will be made in those areas?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, since September 1984, the federal Government has signed subsidiary agreements with the provinces totalling over $1.6 billion. These agreements have focussed on creating jobs and providing regional development assistance. And that is exactly what we will go on doing.

* * *

[*English*]

PORTS

VANCOUVER—REQUEST FOR FUNDS TO UPGRADE FACILITIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the absence of the Prime Minister my question is for the Deputy Prime Minister. The Minister knows that to be competitive the Port of Vancouver needs at least three new container cranes as well as modernized rail transportation. Will the Government agree today to committing the necessary funds to upgrade the facilities to make Vancouver a competitive world-class port while creating many more long-term jobs?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, what we hope today is to get unanimous consent from the Hon. Member's Party to proceed with all stages of a Bill to put the Port of Vancouver back to work.

Some Hon. Members: Hear, hear!

Ms. Mitchell: Mr. Speaker, I think the Minister knows that there are many, many people in this country who agree with that principle but do not necessarily agree with some of the compromises.

REQUEST THAT PORT USERS COMMITTEE BE ESTABLISHED

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I want to ask the Minister a second question. He knows that the situation in the Port of Vancouver is a very complex one. Will the Government ask the Port of Vancouver to comply with the Ports Canada legislation, which was passed some number of years ago, by establishing a port users committee to develop a comprehensive plan for the Port so that we can deal with all problems facing that Port?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Port of Vancouver is well served by a very competent board. I know there has been good public dialogue in furthering the interests of the commercial activity of the Port of Vancouver. To the extent that that can be further facilitated, I am sure the Hon. Member's suggestion would be taken into consideration and I will certainly convey that to the board.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT PROVISIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have here part of an internal U.S. Government study of the Auto Pact that concludes:

—the safeguard provisions in the Pact have increased Canada's leverage in prodding Japanese and South Korean producers to invest and buy automotive parts in Canada.

Will the Minister of Finance tell us why, when even the Americans recognize the benefits to Canada of these safeguards, the Canadian Cabinet is considering giving them up as concessions in the free trade talks?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not. It is as simple as that. We have said that no changes will be considered for the Auto Pact which will undermine the capability and the effectiveness of the auto industry to create jobs, jobs that the Member knows full well are very important to his part of the country. It is one of the reasons that the unemployment rate is as low as it is in Windsor. It is one of the reasons that it is as low as it is in Oshawa. He understands and we understand fully the importance of the Auto Pact, and there is no consideration whatever to undermine that importance.

Mr. Langdon: Once again the Minister is out of touch with the facts, Mr. Speaker. In fact the unemployment rate doubled in Windsor last month.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Will the Minister of Finance give a clear answer and state, as the Secretary of State for External Affairs himself stated to the House, that:

—the Auto Pact serves Canada's interests well, and we do not see any purpose in changing a system that works.

Or are you, in fact, turning that question—

Some Hon. Members: Order.

Mr. Speaker: Order. The Hon. Member does know that it is improper to address a Minister or another Member with the word "you". I would ask the Member to rephrase the last part of his question.

Mr. Langdon: Mr. Speaker, will the Minister simply attest to this House that the statements made on occasion after occasion by the Secretary of State for External Affairs that the Auto Pact would not be touched because it serves our interests well will, in fact, be respected?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have said nothing that in any way is contrary to what the Secretary of State for External Affairs has said. What I do want to point out is what Mr. Murphy, the chief negotiator for the United States, has said in the course of these negotiations, that if he could have more Ed Broadbents on his side in Washington helping the side of the Americans in these negotiations, they would be a lot better off.

Some Hon. Members: Hear, hear!

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FISHERIES

GULF OF ST. LAWRENCE—CANADA-FRANCE NEGOTIATIONS

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. In view of the fact that talks have broken down between Canadian negotiators and French negotiators over the boundary dispute and the fisheries management dispute with France in the Gulf of St. Lawrence, could the Minister tell us what he is now doing to make sure that the interests of Canadian fishermen will be protected? Will the Minister assure the House, as reported in *The Globe and Mail* by a fishermen's union representative, that we are not going to barter cod for cultural agreements?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I can definitely assure the Hon. Member that the interests of Atlantic fishermen, particularly those on the south shore of Newfoundland that might be seen as negatively impacted by the present practice of over-fishing by the French national fleet in the waters around St. Pierre and Miquelon, will be respected and protected by initiatives at the highest diplomatic level.

CATCH TAKEN BY FRENCH FISHING FLEET

Mr. George Henderson (Egmont): Mr. Speaker, can the Minister explain to the House how it is possible, out of a quota of some 6,000 metric tonnes allotted to France in Zone 3PS, that France could take 26,000 metric tonnes in that zone and why no one in Canada knew until reading about it in a newspaper published in France?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not know where the Hon. Member does his reading but we have known since 1983 of extensive French over-fishing in the disputed zone which has not been properly delineated because of a claim by France to a 200-mile territorial sea south of the islands of St. Pierre and Miquelon. It looks as though ultimately that boundary matter will have to be resolved by international arbitration.

* * *

[*Translation*]

CONSUMER AFFAIRS

PHARMACEUTICAL PRODUCTS—PROTECTION OF CONSUMERS AGAINST PRICE INCREASES—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and concerns pharmaceutical products.

Four million Canadians on low incomes are being penalized by this legislation. They don't get welfare benefits, they have no private insurance and no protection against the rising cost of drugs. What is the Minister going to do to help them?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, what can be done is to have Hon. Members read the legislation and realize that they are misinforming the public in claiming that there will be an increase in the price of drugs. What there will be an increase

in is jobs in the high-tech area. There will be 3,000 direct high-tech jobs produced out of this Bill, and with no increase in the price of drugs to the kinds of consumers about whom the Hon. Member is talking. I wish she would not continue scaring people unnecessarily in that regard.

[*Translation*]

INQUIRY WHY GOVERNMENT PROVIDES FUNDS TO PROVINCES IF DRUG COSTS ARE NOT INCREASED

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I shall take the Minister at his word. However, there is a contradiction in his legislation, where the Minister will give the provinces $100 million or $25 million annually.

Considering that this Government wants to reduce the deficit, could the Minister explain why he is giving $100 million to the provinces if there is to be no increase in drug costs?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member was right the first time. It is $25 million a year for four years only. That deals—it is too long to describe in Question Period—with 41 generic drugs which we are calling pipeline drugs that are caught between the old law and the proposed law. I can assure you, Mr. Speaker, that the $100 million way more than covers any additional cost—

Some Hon. Members: Additional cost?

Mr. Andre: The consumers about whom she is talking will not be affected.

Mr. Speaker: Order, please. The Hon. Member for Windsor—Walkerville.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT PROVISIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Minister of Finance who should know that not Washington but Windsor, Oshawa, St. Thomas, Oakville, St. Catharines and St. Thérèse have Ed Broadbent fighting for them.

Some Hon. Members: Hear, hear!

Some Hon. Members: Question.

Mr. Speaker: Order, please. I am sure the Hon. Member will put his question.

Mr. McCurdy: With regard to the statement in the leaked cabinet document that was revealed two weeks ago, does the Minister share the view that the Auto Pact safeguards are an obstacle to necessary changes in the Auto Pact?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what the Hon. Member missed in my first response was the fact that Mr. Murphy, the chief negotiator for the U.S., was saying that the confusion and fear being sown by the Leader of the NDP was helping the negotiations in the U.S. He said, "yeh, get him to testify more in Washington." He wants Ed Broadbent to keep saying what he has because it is helping the U.S. negotiations. That is certainly not the way we want to go about these negotiations.

Some Hon. Members: Shame on Ed!

Mr. Speaker: Order. All Members know that in this House when we refer to another Hon. Member, we do so in the appropriate way.

AUTO PACT SAFEGUARDS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, since you have probably noticed that the Minister's response had only parenthetic relationship to the question asked I will repeat it.

Mr. Langdon: Strictly tangential.

Mr. McCurdy: Was the Minister suggesting on November 13, when he said there are certain improvements which might be made in the Auto Pact, that those of us who believe the safeguards are at the heart of the survival of the industry are suffering a misconception as this secret document suggests?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again the Hon. Member is sowing seeds of confusion and that is totally inappropriate. I have never said that we were about to negotiate the safeguards. What I have clearly said is that any changes ever to be considered to the Auto Pact—or automotive trade because as he knows there are a number of other parts of the industry not included in the Auto Pact—would be made only with a view to improving the situation of the automotive industry in Canada because it is so important to us. It creates so many jobs and so many exports, and therefore we are going to do nothing to undermine the industry.

* * *

ADMINISTRATION OF JUSTICE

SUPERVISION OF PAROLE SYSTEM

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. It concerns his reckless new parole supervision policy. Why is he taking risks with public safety and public confidence by taking the parole

supervision system away from professional officials and turning it over to volunteers?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like to advise the hon. gentleman that we do not consider what we are doing reckless or playing with public safety. I have reviewed this matter quite thoroughly with my staff. It involves only a maximum of 25 per cent of parole cases in Toronto and public safety is not being jeopardized.

OFFICIALS' ATTENDANCE AT TORONTO RALLY

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister will be aware that while he was touring the country on the subject of crime prevention there was a rally in Toronto. I want his assurance that the officials who participated in that rally will not be punished for doing so.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that there is a code of conduct for employees of the Canadian Correctional Service of which I am sure they are aware. In any event, I am not aware at this time of any disciplinary action being taken or contemplated concerning the employees who took part in that rally.

* * *

NATIONAL REVENUE

REVIEW OF INVESTMENT TAX CREDIT PRACTICES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of National Revenue. It has been suggested that some purchasers of machinery and equipment have taken excessive investment tax credits through the medium of overstating trade-in allowances. Does the Minister intend to review what has gone on and, if so, who is he targeting and what taxation years will be affected?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can tell my colleague that indeed there has been concern for some time that there may be some abuse of the investment tax credit and capital cost allowance, contrary to their original intention. There is no specific group targeted. The situation is, as I have said in letters to my colleagues, that it will be done methodically in different areas of the country after taxpayers are given notice. There is no cause for concern. It is just to make sure that there are no abuses of the system.

* * *

PHARMACEUTICAL INDUSTRY

IMPACT OF PROPOSED LEGISLATION ON NOVA SCOTIA

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct my question to the Minister of Consumer and Corporate Affairs. Last week the Conservative Minister of Health of Nova Scotia said that the extra cost to that province over the next 10 years if the patent drug legislation passes will be $146 million. He said that unless the federal Government gives the province that extra money it will have to come out of other money the province puts into health care. Why is the Minister bringing in legislation which will increase the profits of the multinational drug corporations, already the most profitable in the country, and thereby harming so many seniors and others in that province?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the Hon. Member were sincere in that question he obviously does not know anything about the Bill, what it contains, its effects, ramifications or consequences. I appeal to the Hon. Member and his House Leader to co-operate with our House Leader, reach agreement to proceed with this legislation on second reading, get it into committee, and we can examine all those questions. I am sure if he keeps an open mind and remains intellectually honest he will see that it is good legislation for Canada.

Mr. Speaker: Order, please. Hon. Members will know that in the cut and thrust of debate in Question Period we should be very careful not even to get close to imputing motives. I am sure all Hon. Members know that.

JOB CREATION INQUIRY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the figures I used came from the Conservative Minister in Nova Scotia so maybe this Minister should talk to him. That province has calculated that it will cost the province an extra $146 million in the next 10 years. The Minister has talked about 3,000 new jobs. How many of those jobs will be in Nova Scotia given that 96 per cent of the industry is now located in Ontario or Quebec?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have just come back from making announcements concerning 50 new jobs and $150 million investment in British Columbia, a $100 million investment in Alberta, and great investments in Quebec and Ontario. The benefits will be very widespread. However, the kind of detailed information he has asked for needs to be provided in committee. I repeat that if we allow this to go to committee and give it a careful and honest examination he will see that it is good legislation and none of the scare stories have any validity.

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AGRICULTURE

ASSISTANCE FOR GRAIN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. It is now six weeks since the Prime Minister announced an aid program for grain farmers who are suffering the lowest prices since the 1930s.

This came after about six months of representation from the various farm groups. Can the Minister say when this money is going to be paid? Will it be paid in time for Christmas so that Canadian farmers can have a Christmas the same as other Canadians?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's continuing interest in this matter. He should realize that both myself and my colleague, the Minister responsible for the Wheat Board, met with 35 or 40 farm leaders just a short time ago. They asked us to do some further calculations on some options involving a combination of seeded acreage, production, and grain values. This is exactly what we are doing. In fact I am meeting this afternoon with my provincial counterparts from across the country. The meeting is on other matters but no doubt we will be discussing this specific issue later this afternoon.

TIMING OF PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, a recent press report says that the Minister is not going to proceed until after he meets with farm groups again and he is not going to meet with them until around February. If the Minister is not prepared to make this payment in time for Christmas, can he say exactly when he plans to make this payment of $1 billion to the grain producers of the country?

• (1500)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not know to what press reports the Hon. Member is referring. I have seen some that are fairly accurate. I have seen others which are extremely inaccurate, and I refer to them in very complimentary terms.

The last time my colleagues and I met with farm leaders we did not see the purpose for a further meeting because we had agreed unanimously on the formula with the exception of two items. One was whether it would be possible for us to build in further factors to relate to regional yields, but they wanted to leave that challenge to us. The second item was the selection of a base year. A third item would be whether or not we—

Mr. Speaker: The Hon. Minister has gone on sufficiently long. I will recognize the Hon. Member for Nickel Belt for one question.

* * *

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—DIVERSIFICATION OF ECONOMY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister. Falconbridge Nickel Company recently announced that 275 jobs will disappear in Sudbury by the end of this year and another 250 by 1988. The Deputy Prime Minister led a coterie of cabinet Ministers to Sudbury recently. They talked behind closed doors about ways to diversify the economy of northern Ontario. Can the Deputy Prime Minister tell this House what steps the Government will take to diversify the economy of northern Ontario? We want specific steps now.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I have said in this House on many occasions, this is the first time a national Government has treated the region of northern Ontario with attention which reflects its unique characteristics. Under the leadership of the Solicitor General, who is taking a lead role in that particular area and working with the Minister of Regional Industrial Expansion, I can assure the Hon. Member that all the problems with respect to unemployment, economic development and new opportunities and meeting those new challenges which exist in northern Ontario will be fulfilled.

Mr. Speaker: The Hon. Member for Moose Jaw.

Mr. Rodriguez: A supplementary!

Some Hon. Members: Hear, hear!

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CANADIAN WHEAT BOARD

FINAL PAYMENT INQUIRY

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is for the Minister responsible for the Canadian Wheat Board. The Chief Commissioner of the Canadian Wheat Board is reported as saying, at the Manitoba Wheat Pool Convention, that there is little likelihood of final payment on wheat sold for the 1985-86 crop year. Since it was the number three and lower grades that were actually sold at a loss, the high protein grades one and two are actually subsidizing these lower grades of wheat.

Would the Minister advise the House whether he believes the producers should actually be entitled to the full amount that was realized on their crop that was sold, and whether he would support setting up a separate pool for—

Mr. Speaker: Order. The Hon. Minister.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I appreciate the Hon. Member's concern because it reflects that of many producers who are facing very low grain prices. The final calculations have not yet been done. The Board will not be in a position to make those announcements until some time in the new year. If the Member has concerns, we will certainly be willing to consider them for the next crop year.

Mr. Speaker: I would advise the Hon. Member for Nickel Belt that I had indicated that I would recognize him for only one question because we were near the end of Question Period. We are all delighted to have the Hon. Member back with us. His enthusiasm is evident. I am sure he will have a chance to ask another question soon.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

MOTION TO ADJOURN UNDER S.O. 29

EXPORT CONTROL—STRATEGIC MATERIAL—SPEAKER'S RULING

Mr. Speaker: Earlier today I received an application from the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) for an emergency debate under Standing Order 29 with respect to the export of certain material to Iran from Canada. I indicated that I would consider the application carefully and report to the House at this time, which I am now doing.

There is no question that the matter is important. That has been evidenced by the questions asked today during Question Period. However, having reviewed the terms of Standing Order 29 with relation to the existence of a genuine emergency, I regret to inform the Hon. Member for Winnipeg—Fort Garry that I cannot accept his application at this time.

I repeat, as I have on occasions of other such applications, that I considered the matter to be serious, and that has been evidenced by the exchange today. I am sure there will be other occasions during the next few days to raise the matter.

* * *

BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions with the Opposition House Leaders and critics with respect to certain legislation regarding the maintenance of ports operations which was introduced this morning. I know the representative of the Liberal Party would probably be in agreement with the proposal I am about to put forward. There have been discussions with the New Democratic Party as well. I am not sure whether there has been complete concurrence but, with your permission, Mr. Speaker, I seek unanimous consent for the following proposal with regard to Bill C-24:

That, notwithstanding any Standing or Special Order of the House:

Bill C-24, an Act to provide for the maintenance of ports operations, be called for Second Reading and reference to a Committee of the Whole forthwith upon the passage of this Order;

That Private Members' Business shall not be taken into consideration and that the item scheduled for this day in the name of the Hon. Member for Davenport, be rescheduled for Private Members' Hour on Tuesday, November 18, 1986;

That proceedings pursuant to Standing Order 66 shall not be taken into consideration this day; and

That Mr. Speaker shall not adjourn the House this day until such time as Bill C-24 has been passed through all stages.

Mr. Speaker: The House has heard the terms of the motion. Does the Deputy Prime Minister (Mr. Mazankowski) have unanimous consent to move the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: I must advise the House that there is not unanimous consent.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I rise on a point of order. This is a very important piece of legislation. I would like to indicate that our Party is willing to proceed to second reading today. I would request the unanimous consent of the House to proceed to second reading today. Our Party would certainly be willing to have this completed by tomorrow.

Mr. Mazankowski: Mr. Speaker, if that is a commitment to pass this piece of legislation through all stages by tomorrow, I assume they are agreeing to proceed through Committee of the Whole. Hopefully it would be completed today or very early tomorrow. It would be preferable to complete it today. Could we be more precise and say tomorrow at the end of the day or at noon? I believe Hon. Members truly recognize the importance of this issue. If we could have that assurance that it would be passed through all stages by noon tomorrow, I believe there could be agreement.

Hon. Herb Gray (Windsor West): Mr. Speaker, as I think many Hon. Members know, the Official Opposition was ready to agree to the Order as originally presented.

Some Hon. Members: Hear, hear!

• (1510)

Mr. Gray (Windsor West): We want to make some points about the Bill, which we are ready to make in debate. We realize the importance of the issue. We were and are ready to co-operate to enable the House to take an early decision, assuming there is an appropriate time for debate of the matters set forth in the Bill. In the spirit of co-operation, therefore, we are certainly willing to go along with other approaches to an early disposition of this matter, including the one suggested by the New Democratic Party. As I have said, we were willing to agree with the order originally proposed by the Government House Leader.

Mr. Mazankowski: Mr. Speaker, I appreciate the co-operation of the Hon. House Leader of the Liberal Party. Every day is very important. I am amazed that the New Democratic Party is not prepared to work overtime on this issue. I regret that very much.

Mr. Parry: Stop the propaganda.

Mr. Rodriguez: Where were you for the last two weeks?

Mr. Cassidy: You could have put this up last week and you know it.

Mr. Rodriguez: You did not have the Bill ready this morning.

Mr. Speaker: Order. Perhaps the Chair can assist. The Hon. Deputy Prime Minister (Mr. Mazankowski) has risen and asked for consent to a motion which was described in detail to the House. There was not unanimous consent. There now seems to be an indication, as evidenced by the Hon. Member for Yorkton-Melville (Mr. Nystrom), that the members of the New Democratic Party are at least partially prepared to get on with Bill C-24. The Hon. Member for Windsor West (Mr. Gray) has made it very clear that the Official Opposition was prepared to accept the original motion.

Perhaps, in order to expedite the matter, we might put it aside for a few minutes during which the House Leaders can consult and come back to the Chair and the chamber, if that would help to expedite the matter. It is a suggestion that might be acceptable.

Mr. Nystrom: Mr. Speaker, I want to agree to your suggestion. I think we have a real disposition in this Party that we start debate today on second reading. We certainly want to finish it by tomorrow.

It may be wise if the House Leaders have a chance to meet and work out some of the details. It is a very important issue in the country and I think we can work out the details if we can get together for a few minutes.

Mr. Mazankowski: Mr. Speaker, having regard to those statements and your assistance, perhaps we might agree to proceed with the second reading of Bill C-24, after which we will try to work out that kind of arrangement.

Mr. Speaker: The House has heard the suggestion of the Deputy Prime Minister. Is there unanimous agreement?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

Hon. Pierre H. Cadieux (Minister of Labour) moved that Bill C-24, an Act to provide for the maintenance of ports operations, be read a second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, the introduction of legislation into Parliament is usually among the more welcome of the tasks that fall to a Minister of the Crown. This should particularly be the case for a relatively new Minister in a relatively new session of the Parliament of Canada. It is, therefore, unfortunate that I find myself introducing the present Bill with certain regret. That regret is occasioned by the Government having to intervene in a labour dispute in order to achieve something which the Parties normally are expected to do and should be able to do themselves. I refer, of course, to the termination of their work stoppage and the resolution of their differences.

My reluctance to intervene in this dispute should not be confused, however, with a hesitation to assume my responsibilities and take decisive action in the broader public interest. Therefore, I recommend the present Bill, the Maintenance of Ports Operations Act, 1986, to the House and urge its expeditious passage.

[*Translation*]

The Canada Labour Code provides a framework for the conduct of collective bargaining in federal industries. For the most part, those industries are essentially of public interest involving key transportation and communications activities that are vital to the economy of our country and the well-being of its citizens. The thrust of the Canada Labour Code places the prime responsibility for bargaining and resolving disputes on the parties themselves. However, it is recognized that they may require help in what may at times prove to be a complex task.

The Code, therefore, provides for conciliation and mediation procedures which may be invoked to assist the parties in reaching their ultimate goal of concluding or renewing a collective agreement.

[*English*]

It is only as a very last resort that governments should intervene in the collective bargaining process, and such interventions should be minimal if we are to maintain respect for the law and the institutions of Parliament. In the present case, we have unfortunately reached a last resort stage. The parties failed in their efforts to resolve the dispute in direct negotiations between themselves, and subsequently failed to take full advantage of the range of expert conciliation that was extended to them. Following a breakdown in the negotiations in early October, the employer exercised its admittedly legal right to impose a lock-out which was lifted after three days in an effort to promote further bargaining. On October 29, I appointed two mediators to assist in the negotiations. On November 14, I met personally with the two bargaining committees and appealed to them to resolve this dispute through negotiation. Nevertheless, the parties remained unable to resolve their differences.

The inability of the parties to resolve their dispute, indeed their wilful abdication of their responsibility to one another and to the Canadian public, has forced the Government to bring about a conclusion to a work stoppage which the

economy of this country can little stand to bear. The recently concluded work stoppage at Thunder Bay delayed grain exports, and the Government is not prepared to stand idly by and see the livelihood of Canada's grain producers placed in further jeopardy by a lengthy work stoppage at West Coast ports. In addition to the damage which a lengthy work stoppage would cause to Canada's reputation as a reliable exporter of grain, the business community and its employees dependent upon water transportation for shipment of their goods and resources, are also subject to undue hardship as a result of this work stoppage. We are once again faced with a situation in which the parties to a dispute are able to inflict more punishment on others than on themselves.

Before providing Hon. Members with the details of this particular labour dispute, I wish to make it absolutely clear that the Government remains totally committed to the process of free collective bargaining and holds the belief that the common well-being can best be encouraged through the constructive settlement of disputes through meaningful negotiations.

[*Translation*]

Part V of the Canada Labour Code establishes a framework of rights and responsibilities within which management and organized labour are to conduct their relations. That framework places the responsibility for resolving labour-management disputes clearly on the parties to collective bargaining. The Labour Code provides for a complete range of third-party assistance to labour and management to aid them in resolving their differences through the bargaining process.

[*English*]

Unfortunately, there are rare situations where bargaining fails and the Government, as defender of the public interest and caretaker of the economy, must intervene to prevent irreparable damage. This is the situation we face today in the dispute involving the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union, Canadian Area.

The current labour dispute between the B.C. Maritime Employers Association and the International Longshoremen's and Warehousemen's Union centres around negotiations for renewal of the collective agreement which expired on December 31, 1985. The agreement, covering some 2,250 regular longshoremen and 2,000 casual longshoremen, was the subject of direct bargaining between the parties from October 4 to December 2, 1985. Following the breakdown of direct negotiations between the parties, the union filed a notice of dispute and requested that the conciliation proceedings of the Canada Labour Code be waived. In view of the dismal record which characterizes labour negotiations between these parties, the Minister of Labour decided it would be inappropriate to waive concilation efforts and thus appointed a conciliation officer from the Federal Mediation and Conciliation Service of Labour Canada on December 20, 1985, to assist the parties in resolving their differences.

• (1520)

During the month of January, 1986, the parties continued to meet in direct negotations. Conciliation meetings between the concilation officer and the parties began on February 3, 1986, and continued on various dates during the following two-month period before the parties again met in direct negotiations for two days in early April. Talks were subsequently adjourned to accommodate the union's annual convention and election of officers during the second week of April. The incumbent, Mr. Dave Lomas, was replaced by Mr. Don Garcia as President for the Canadian area of the International Longshoremen's and Warehousemen's Union. Mr. Garcia immediately requested that the conciliation officer file his report and that no further third-party assistance be provided. Once again, in light of the difficulties which have typified past negotiations between these two parties, the Minister determined that further conciliation assistance would be appropriate and appointed a conciliation commissioner.

Mr. Dalton Larson was appointed on May 30, 1986, following which meetings with the two sides took place on five separate occasions during the month of June. Following the hearings, Mr. Larson advised the parties by letter dated July 18, 1986, that he would require submissions from them in support of the positions that each had taken during the conciliation proceedings. The parties were requested to submit any data, statistics and historical background information which would provide the Conciliation Commissioner with additional insight into their respective positions on the various contract items in dispute. Following receipt of the parties' submissions, Commissioner Larson afforded each party an opportunity to rebut the arguments put forward by the other.

[*Translation*]

Following a comprehensive review of the parties' respective positions, Mr. Larson wrote and filed his final report with me. The report of the conciliation commissioner was subsequently released to the parties on September 8, 1986, and further direct bargaining took place on September 25 and October 3.

[*English*]

On October 6, 1986, the BCMEA instituted a lock-out of the workforce. In response to a telegram which I sent them seeking a resumption of grain shipments, the BCMEA agreed to lift a lock-out for a 30-day period during which time the parties were to continue in their efforts to resolve their differences. Longshoring operations resumed on October 8 and the negotiations reconvened on October 15.

Following the failure of these negotiations, I appointed two mediators on October 29. They immediately convened meetings aimed at resolving the impasse. These negotiations also failed and on November 14 I met personally with the parties in a further effort to convince them to settle their differences through collective bargaining. As Hon. Members are aware, the dispute is continuing despite all our efforts to promote a negotiated settlement.

In order to provide Hon. Members with some perspectives on this dispute it may be instructive if I briefly recount the findings of the Conciliation Commissioner who dealt with this dispute, Mr. Dalton Larson. In his report, Mr. Larson made recommendations dealing with all of the contentious issues, including wages, container handling, bulk terminal operations, pensions, hours of work and automation protection. Conciliation Commissioner Larson recommended a three-year agreement effective January 1, 1986, to December 31, 1988, with a wage freeze in the first year, a 2 per cent increase on the base rate in the second year, and a 3 per cent increase on the base rate in the third year of the agreement.

By far the most contentious issue, and the one which the Commissioner labelled "a singular impediment to the successful conclusion of the new collective agreement", is the container handling clause, article 26.05 of the collective agreement. This clause, which provides the union with jurisdiction over the stuffing and destuffing of consolidated cargo containers which are destined for or come from any point within the Vancouver local area or the Prince Rupert port area, places the Port of Vancouver at a competitive disadvantage with major United States ports such as Seattle and Tacoma.

The BCMEA feels that the removal of the limitations represented by the container clause would sharply increase the amount of container traffic and thus the amount of skilled work available to the union. This view is shared by the Vancouver Port Authority, the Vancouver Board of Trade and a number of shipping lines. From its point of view, the ILWU views the employer's claim with scepticism and is concerned that if the forecast of increased traffic predicted by the BCMEA is wrong the union will have surrendered jurisdiction over a substantial part of its present work with little hope of winning it back.

I think it would be worthwhile at this point to briefly review the situation pertaining to the container clause since its inclusion in the collective agreement in 1970. While the clause was negotiated into the collective agreement with the expectation that it would maximize work opportunities for longshoremen, it has actually proven to have had the reverse effect. With the advent of the container handling clause in the collective agreement, shippers began to move their containers through Seattle and other west coast ports and then truck them to Vancouver to avoid the effect of the clause. While the amount of container traffic to the Port of Vancouver has increased marginally over the past decade, it has lagged considerably behind the increase in the amount of Canadian container cargo handled via the ports of Seattle and Tacoma. Reliable sources have estimated that as many as 80,000 containers shipped through American west coast ports each year are destined for Canada.

The container clause has been the subject of a number of reports and studies by various interest groups. In 1982, a committee of two, one representing the BCMEA and the other representing the ILWU, was appointed to make recommendations concerning the container clause. The report of that committee, co-authored by the current ILWU Canadian Area President, Mr. Don Garcia, recommended a one-year moratorium on the container clause with a monitoring of the related effects on container traffic through the Port of Vancouver and employment opportunities for longshoremen in the Port of Vancouver. That recommendation was subsequently rejected by the ILWU caucus.

During 1985 a larger committee was appointed by the parties to review the container handling issue and attempt to measure the amount of container work being done by longshoremen. Meetings were held from time to time from March to October of 1985 and options regarding the form of employment safeguards which would be required to replace the current provisions were explored.

In his recommendations for resolving the current labour dispute between the parties Mr. Larson recommended that the container clause be eliminated, on the condition that the BCMEA guarantee that the number of hours available to be worked on the containers in any year be fixed at 725,000. In the event that the hours fall below that number, the BCMEA would be required to pay any shortfall at straight time rates to trustees for the benefit of active members of the ILWU to compensate for actual work opportunities lost. The Commissioner also suggested that the guarantee should continue indefinitely until the employer is able to convince the union that there is no longer a need for it.

• (1530)

In other areas, the Commissioner has recommended the extension of the mechanization and modernization supplementary pension agreement to all union members without restriction as to when they joined the union, an increase in the employer contribution to the welfare plan, and increased flexibility in the deployment of dock gantry crane drivers as part of the regular workforce. Commissioner Larson recommended against the employer's demand for a comprehensive new system for bulk terminal operations and instead proposed a revision of work rules to allow for holding over a crew to the next shift to complete unloading procedures at overtime rates.

[*Translation*]

Mr. Speaker, the Bill before Hon. Members today, namely the Maintenance of ports operations Act, 1986, orders the immediate resumption of longshoring and related operations in the West Coast ports. The longshoremen will return to work under the terms set forth in the report of the conciliation commissioner, Dalton L. Larson, with the sole exception of matters related to container handling.

Mr. Speaker, the Bill provides that, if the parties to the collective agreement are unable to agree on the interpretation or incorporation of any of the conciliation commissioner's recommendations regarding the collective agreement, a referee may be appointed to interpret the amendment for the purpose of incorporating it in the agreement and/or to determine the

manner in which the amendment should be expressed in contractual language. Because of the critical importance of the container clause to both parties, an industrial inquiry commission will be appointed to make a final and binding determination after conducting a comprehensive investigation of the issue.

[*English*]

As I indicated earlier, I take no pleasure in bringing this Bill before the House today. However, one need only look at the dismal record of labour relations between the BCMEA and the ILWU over the last 16 years to realize that the parties themselves must shoulder the bulk of the responsibility for the situation in which we find ourselves today.

The record speaks for itself. With the exception of two one-year agreements signed during the period of the anti-inflation program in the mid 1970s, and one round of bargaining which saw wage re-opener negotiations for 1984 result in an extension to the contract through 1985, the parties have engaged in work-stoppage action in every round of collective bargaining since 1970. On three previous occasions, legislation has been required to end work stoppages.

No collective agreement imposed by a third party will ever effectively substitute for a collective agreement which has been negotiated by the parties themselves. However, in this case, I feel that the report of conciliation Commissioner Dalton Larson strikes a reasonable compromise in the dispute between the BCMEA and the ILWU, and for this reason his recommendations will form the basis of the new collective agreement between the parties.

Nonetheless, in recognition of the fact that the container clause has been a matter of contention for at least a dozen years, we are prepared to undertake a comprehensive study of the container issue analysing every aspect of the problem including the effects on the competitive position of the ports. Within a short time, I will appoint an industrial inquiry commission to conduct a comprehensive investigation of the container issue, and its findings will constitute a binding resolution of the matter.

[*Translation*]

Mr. Speaker, failure of the parties to agree is no reason by itself for intervention by Government or Parliament in a labour dispute.

If we were faced with an industrial activity for which there were reasonable alternatives, or in which the parties only inflicted harm on one another, the obvious course would be to let the work stoppage continue until they decided to come to their senses.

However, that is not the nature of the industry in the present case. The West Coast ports are crucial to the economy of this country. Their importance to the ability of Western Canada's grain producers to get their crops to domestic and world markets is unquestionable.

[*English*]

A protracted work stoppage on the West Coast which further damages Canada's international reputation as a reliable exporter cannot be tolerated.

Some Hon. Members: Hear, hear!

Mr. Cadieux: A final resolution of the container issue is imperative. The provisions of the Maintenance of Ports Operations Act, 1986 address these two key issues.

In conclusion, let me summarize. This dispute has dragged on too long and the work stoppage is causing far too much harm to other sectors of the economy. The parties refuse to resolve their differences. Parliament, therefore, is required to act and to fulfil the responsibilities which the parties have abdicated.

The recent Speech from the Throne dealt with the need for a more caring society. It is not just Government that has to care. In this case, the parties have cared little for the impact that their differences are having on significant segments of society. The personal regret I feel over the events which have led to the requirement for parliamentary intervention, regret which I know is shared by many Hon. Members, does not weaken my resolve to protect the public interest from the intransigence of the parties to a private dispute. I therefore urge Hon. Members to give speedy passage to the Maintenance of Ports Operations Act, 1986.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I thank you and I thank the Minister for giving us such a complete rendition of the reasons for this Bill, considering his late-night flights to and from the West Coast. As our House Leader said earlier this afternoon, we are in favour of this Bill. We recognize its necessity, particularly because of the circumstances faced by western farmers who are continuing to fight for international markets and who need the sense of security provided by customers around the world. There must be no hinderance or any form of delay or impediment to the marketing of those products.

I want to emphasize that our approval of the Bill is limited to this specific circumstance. I would not want it to be construed by anyone that we are in any way adopting or accepting the principle that Parliament should be called into session each time the collective bargaining process breaks down or whenever there is a sudden emergency. We feel that one of the great mainstays of our economy has been the collective bargaining procedure. I mention that only because if one were to study the history of the position taken by successive representives of the Progressive Conservative Party on this question, one would find that there tends to be an overweening and sometimes overbearing demand or insistence on some kind of third-party tribunal that will in all circumstances arbitrate or judge upon labour-management conflicts in which there is a service component.

• (1540)

I bring to your attention, Mr. Speaker, the position taken by the Conservative spokesperson during the debate on the West Coast Ports Operations, 1982 Act. At that time the Hon. Member for Rosedale was making the case on behalf of his Party. In order to come to grips with the solution at the time of the stoppage of work on the West Coast in 1982, he was critical of the then Government of the day for not having a full-time tribunal.

If I may be somewhat bolder, Mr. Speaker, I draw your attention to the debate in 1978 on the Shipping Continuation Act. At that time you, Sir, were a spokesperson for the Conservative Party on such matters and you said that a permanent mechanism such as an essential services disputes commission should be put forward as a way of coming to grips with these issues.

I could repeat several other of your statements, Mr. Speaker, but I am sure that you know them better than I, and there is no point in taking up the time of the House.

Mr. Speaker: I am quite sure that the Hon. Member can repeat many of my assertions. I wish to assure the Hon. Member, and all other Hon. Members, that even if he does, I will not be tempted to rise in debate.

Mr. Axworthy: You have relieved my anxiety greatly on that point.

I am simply pointing out by reviewing the historical record that there has been a consistent pattern, a presentation on the part of members of the Conservative Party that they wish to see a form of permanent council or tribunal established which would take away the adjudication of these disputes from the collective bargaining process.

I wish to make it clear that we do not see our support of the Minister's Bill in any way endorsing or adopting that philosophy. We see it as a very specific circumstance caused by extremely difficult problems faced by western producers that a work stoppage would aggravate to an unacceptable degree. Therefore, we recognize the necessity of Parliament to act at this point in time. However, I take some issue with certain parts of the Bill. There will be further opportunity when we get to committee to move amendments in this area.

As a second part of the Bill, the Minister has included the implementation of an inquiry under Section 7(2) of the industrial inquiries legislation to look specifically at the container clause. We know that this has been a matter of long standing. The Minister himself said that attempts have been made to find a resolution of this issue for some 16 years. We recognize that it is part of that much larger continuing set of problems and difficulties in labour-management relations. When conditions of work change and new technology or new equipment is introduced, obviously fears of job security are raised, and working people are faced with major problems in coming to grips with these issues. We recognize full well that we cannot stand in the way of change, if we are going to be a competitive society and maintain our productivity and our ability to assure international markets.

The world of port development is one which is highly competitive. I can recall, from my experience as a former Minister of Transport, how important it was to be constantly upgrading and modernizing our approach to port development, because there was so much other competition in both the eastern and western seaboards.

I am afraid that in some ways the net has been cast too small. By concentrating exclusively on the question of the container clause, it tends to put in the background a number of other equally crucial matters relating to the productivity and the competitiveness of the Vancouver port. There could be a built-in bias to the way in which this industrial inquiry has been tailored against the labour side of the equation. We know that labour itself feels that the removal of the container protection clause would cause a major job loss.

I am sure the Minister has the various presentations and proposals in which it is argued quite strenuously that there are a number of other significant factors related to the port that also have to do with efficiency, productivity, and competition. But these are not specifically under the purview of the inquiry. I recognize that the Commissioner may consider them. But when it comes to the recommendations, the recommendation will be for the container clause. It may not be recommendations related to job security, or recommendations related to improvements in the port facilities, or recommendations related to substantial improvement that is required in the railway organization and administration moving into the port; it may not be recommendations related to the marketing questions. So there are a number of related matters of equal, crucial concern to the operation of the port that, as I read the Bill and listen to the Minister, tend to get excluded and pushed aside. Therefore, there might be a bias creeping in by the terms that the Commissioner is using to focus exclusively on the container clause, and not having the power or the purview to make recommendations in a much broader vein.

If the Minister is going to use this legislation as the lever to find a solution finally to the problems facing the Vancouver port, then it would have to be a broader definition than is included in the Bill. It may very well be that the proper way of doing that would be in parallel to the establishment of the inquiry commission, and to have a special ports committee working with the Vancouver port and Ports Canada that would look at the parallel concurrent problems relating to the port in terms of capital financing, improvement of marketing, job security, and the rest. If not, I would suggest quite strenuously—and I thank the Solicitor General (Mr. Kelleher) for appearing in the Chamber to listen to these words of wisdom—that in committee it may be that the Minister will take some time to consider whether the terms as included in the Bill might be broadened in the inquiry itself.

Mr. Kelleher: I won't tell you that it is House duty.

Mr. Axworthy: He sure knows how to hurt a guy.

Whatever the case, Mr. Speaker, in order for us to give assurances to both parties to the dispute that Parliament is acting in the total interest of both parties, and in fact in the total interest of the port community and of the shipping community, we need to broaden, elaborate, and redefine the focus of the parliamentary action that is being proposed, and that action will subsequently follow.

Finally, I wish to say to the Minister that I hope that we have in front of us another case example of how the Government can no longer delay coming to grips with the fundamental issue of technology change and its effects upon labour in this country.

If I may make one small digression. Members of this Party have argued in a different context for the need to deal with the question of labour adjustment, particularly in relation to the matter of trade. We see in front of us a potential for serious dislocations occurring on a number of fronts. The actions taken by the Government in substantially reducing the employment strategies and the national trading Act and other instruments have severely reduced its capacity to respond to the technology change in the labour market. We do not have the same tools that we had two years ago to respond to those issues. The Government has retreated substantially from coming to grips with the fundamental problem that, as we go through a number of changes in our economy, too often it is workers who become the victims of those changes. For the sake of argument for productivity, competition, and greater levels of efficiency, we tend to forget that there are a number of human lives at stake, a number of jobs at stake, a number of very real issues at the individual level which must be faced.

I would say to the Minister through you, Mr. Speaker, that as a relatively new Minister he has an opportunity, in fact, an obligation, to bring forward in this House a much broader plan of action, a much broader blueprint, so that not only Members of Parliament but the wider economy can see what signals are being sent by the Government as to what it intends to do about these very crucial issues.

• (1550)

We can no longer simply leave it to management and labour. If we as a Parliament in this case are being drawn in to provide a solution to the problem, it would seem that we have an equal obligation and responsibility to begin giving a broader set of guidelines and blueprints on how we want to come to grips with the issue and how we can assist along the way.

We would support the Bill primarily and fundamentally because of the situation faced by western farmers. We are prepared to work with dispatch. However, when the matter goes to committee, we hope the Minister will have had time to take under advisement some of our recommendations at second reading. We could discuss some of the particulars at that time and perhaps even improve upon the initiative which the Minister has taken.

Mr. Les Benjamin (Regina West): Mr. Speaker, like the Minister and the spokesman for the Liberal Party, none of us in the New Democratic Party take any pleasure in dealing with legislation which inserts a third party into settling a disagreement between two parties who should be bargaining collectively and reaching an agreement.

In principle, my Party is philosophically opposed to this type of thing. However, in reality, all parties including mine at the provincial level have resorted to legislative intervention on more than one occasion in a dispute which severely affected the provincial or national larger public interest. We in the New Democratic Party pride ourselves on being in the forefront of support for the right to belong to a union, the right to organize, the right to free collective bargaining, and the right to strike when that breaks down. That is part of the history and foundation of the New Democratic Party. I might also add that it was part of the history and foundation of our forerunners, namely, the Co-operative Commonwealth Federation. That Federation was comprised of farm organizations, the trade union movement, the academic community, and people from other walks of life. However, these three were the main founders. I might add to it the religious community, thinking of J. S. Woodsworth. The reconciling of the interests of those communities was no small task. Our Party knows that as well if not better than any other Party in the country, as a result of some experiences both bad and good.

We recognize that the lock-out is severely harming not only grain producers of Alberta, the Peace River country, and the western half of Saskatchewan, but also potash production and sulphur and lumber exports. I take issue with the Minister and many others who seem to forget that this is not a strike. The International Longshoremen's Union has repeatedly said publicly, privately, in writing and verbally, that it would keep working. This is not a strike; this is an employer lock-out. A consortium of companies has chosen to stop the operations in the Port of Vancouver, just as it did a few months ago at Thunder Bay.

However, whether it is the media, comments in the House or in other places, they are always put in the context of a work stoppage, in the context of labour unions, and in the context of strikes. I have been here along with Your Honour since 1968. There are only 11 of us left out of 96, which tells us something about the mortality rate around here. I have been through this type of thing six or eight times, in terms of back to work legislation involving longshoremen on at least one previous occasion, air traffic controllers, the Post Office, St. Lawrence Seaway pilots, railroaders, and grain handlers twice. Yet this is the first and only experience since 1968 where it is government and parliamentary intervention to make employers unlock the doors of their premises.

Possibly this would cause my colleagues on the government side and in the Official Opposition to say that this legislation should make members of the NDP jubilant and that we would rush to support it because it is against the employers, the bosses.

I must confess that initially that was my reaction, that for a change the real culprit was to get it in the neck. Initially, I suppose as a committed democratic socialist, those were my thoughts about the Bill. However, when I looked with some measure of responsibility at its over-all effects and whatnot, I was not in such a rush—and I do not think my colleagues are—to support the legislation even though it would end an employer strike.

There are some serious ramifications in the legislation, both omissions and commissions, affecting the workforce. I am not only referring to longshoremen, but there are some serious ramifications for workers in other fields, particularly in ports and generally in transportation. We cannot ignore that, as much as I relish the idea of kicking the B.C. employers' associations in the backside.

• (1600)

The Minister mentioned what happened at Thunder Bay, and quite properly so. I want to remind the House that the grain handlers union in that instance knew very well, as all unions do, that you need to have not only a majority of support of your own membership but you must have some measure of public support, or at least sympathy, for your case in order to help you win it. The grain handlers union knew that if it shut down the entire Port of Thunder Bay it would lose whatever public support or sympathy available to it, particularly from northern Ontario west. The union, after 18 months without a contract—you could hardly say they were not patient—struck the Saskatchewan Wheat Pool. Before, during and since the debate to get rid of the statutory Crowsnest pass grain rates, all of the grain companies have talked to us about the beauties and blessings of competition, that you need to have competition. The co-operative grain companies said that, the private grain companies said that, so did the wheat pools, the UGG and so on. All have maintained that you need to have competition.

One would have thought that when the grain handlers struck the Saskatchewan Wheat Pool terminal in Thunder Bay, the other grain companies would say: "Oh, goody, goody. Now we get a chance competitively and because of this stupidity to get some of their business away from them." That did not happen. Competition went out of the window. All of the other grain companies locked the doors of their terminals and locked out the grain handlers. In other words, the other employers, and I think of the UGG, the Manitoba Pool, Pioneer Grain and Otto Lang, the Cargill Grain Company, said: "We are not going to allow our members and owners—in the case of the co-operative elevator companies—and we are not going to allow our customers—in the case of the private grain companies—to deliver any grain". So the entire Port of Thunder Bay ground to a halt. I hope that members and shareholders of the United Grain Growers, the Manitoba Wheat Pool and the Saskatchewan Wheat Pool during the course of the next few weeks will ask some very searching and probably embarrassing questions of their management and boards of directors. I do not know how they can get at the private companies. I do not think they can, but at least they can bawl them out and perhaps quit delivering grain to them once in a while. I might say that, in spite of alarmist press reports I have yet to see any evidence of any specific grain sale loss.

Mr. St. Germain: Good.

Mr. Benjamin: In fact, as has occurred in other years, you end up in a catch-up situation and all our contracts will be met. We have not lost any sales, but we may have lost some revenue from sales over the period of that strike. It will, however, all be regained. The problem is that, as a result of the war with the United States and the European Economic Community, there will be a revenue loss, but not a loss in the volume of grain sales. In fact, there will probably be an increase in the volume of grain movement through Thunder Bay.

The next thing we know is that we have a mess at Vancouver. In many respects that port has been in a mess in many ways for many years. There is nothing new about it. Not only the longshoremen's but several other unions have been pleading and begging the City of Vancouver, the Vancouver Port Authority and the federal Government to do a whole number of things to make that port bigger, better and more competitive, and to increase business and increase employment, all of which pleading has been ignored on the grounds of restraint, budget deficits and plain mismanagement from Vancouver to Ottawa. When an impasse is reached between the longshoremen and the Maritime Employers Association, the centrepiece of the impasse and disagreement will be the container clause. That is the one on which neither side cannot, will not and have not for yea these many years reached agreement. All other items get shunted off to the side even though they have been negotiated, agreement reached on a few with disagreement on others. Obviously they could arrive at a contract settlement, I suspect, within 48 hours if that darn container clause 2605 were not in the piece.

I have a personal feeling, and I do not know if it is held by others in my caucus or anywhere else, that both sides want us to settle that issue for them, even though both sides ain't going to like it. Since they cannot and will not reach agreement, I appreciate that the Minister really has not a heck of a lot of choice.

Some Hon. Members: Hear, hear!

Mr. Benjamin: The Minister has to settle. We have to settle the issue for them. Warning was served on both sides to settle or Parliament will do it for them. This causes me to suspect that both sides decided not to settle because they knew they would never reach agreement for another 100 years. Having said that, the Minister includes in his legislation a whole lot of other items on which if they do not reach agreement either he, his Commissioner or his referee will settle. I know he gives them until the end of 1988, a period of two years. But it is not free collective bargaining when a gun is pointed at your head and you hear: "You guys reach agreement on every clause,

everything in the Larson Report except the container clause or my referee will do it for you". Why should either party bother sitting down to negotiate all these other things when each one of them knows that all it has to do is to continue to disagree and the Minister will see to it that the issue is settled for them? I would think that the Minister should put in his Bill that this gun will not apply until after December 31, 1988 and only in those areas on which disagreement remains.

As a long-time member of the co-operative and credit union movement and a supporter, having been on boards of directors, credit committees and whatnot for many years, I regret having to say this but I always think that good friends if they cannot talk frankly to one another are not very good friends. I want to say frankly, as I have said to my friends in the wheat pool, what I think they did wrong in the case of the lock-out in Vancouver. The issue is the container clause.

I do not know of any potash or sulphur that gets shipped in containers. I have never heard of it. Maybe the odd time someone fills a container with it, but I would be damned surprised. I do not know of any logs or dimension lumber that goes into containers. I have never heard of it. I am told that some specialty manufactured and processed lumber products in small quantities have been loaded in containers. They might possibly number a few hundred out of tens of thousands a year. I do not know of any grain which is put in containers. I understand that, say, a 500-bushel lot of specialized crop seed can be put in a container. That might happen a few dozen times out of tens of thousands of container movements in the course of a year. Therefore, I fail to understand why the grain companies, the potash companies, the sulphur companies and the lumber companies were party to shutting down the entire Port of Vancouver. Each of those four groups handling heavy bulk commodities should have said, and can still say, for now and for the future, that they are not going to be party to the collective agreement regarding containers; they are not bound by the employers' association when it comes to a lock-out over containers.

• (1610)

What happened? Here are the grain producers of Alberta, the Peace River country of British Columbia, and the western half of Saskatchewan, members and shareholders of the Alberta Wheat Pool, the Saskatchewan Wheat Pool and the United Grain Growers, who have been told by their management and board of directors that they cannot deliver grain to their own terminals. Yet the dispute has absolutely nothing to do with the handling of grain. The same thing applies to the shipment of potash, sulphur, lumber and logs.

Another thing is that out of roughly 3,500 longshoremen, some full-time, part-time or casual, only about 100, as I understand it, are involved with ships handling grain, potash and sulphur. You need only about three or four men for about 12, 18 or maybe 24 hours in order to handle a grain ship. The overwhelming majority of longshoremen are involved in what is called general merchandise shipping. Whether it be a freighter with a hold full of cars and trucks, containers, or bags of potato chips, it is general cargo which requires many more longshoremen. It has not been the longshoremen in Vancouver or Prince Rupert, or the grain handlers in Thunder Bay, who prevented western grain producers from shipping their grain. In Vancouver it was the companies who are owned and supposedly controlled by the producers who locked out those producers, not just the longshoremen. That needs to be said, and I hope the producers ask questions of the management and boards of directors of the companies which they have spent their lives building and which they own.

As well, I wish that the Minister and everyone else in this House, if nowhere else in the country, would stop calling it a work stoppage because that is not what it is. I repeat, it is not a work stoppage.

I want to say to the Minister that he and the referees he appoints had best take into account the concerns of the longshoremen on at least two or three items in the Larson Report. One of them, of course, is pensions. All Members of this House are aware of the volume of correspondence we get on pensions. Some of my colleagues and I have spent months and months on the CNR pension plan. There are several hundred plans which should be dealt with. This is not a matter of employment, this is a matter of how well you survive upon retirement because then you have no union to fight for you. You have no employer to be magnanimous. You are on your own. Therefore, anything dealing with their pensions will be fought for to the death. Indeed, I hope not, but maybe even to the point of disobeying the law.

Mr. St. Germain: Oh, now, now.

Mr. Benjamin: I said I hope not. I will try to help persuade people not to break the law, but you can only drive people so far. That has been proven so many, many times in our country's history, as well as that of many other countries. If pushed too far, people will rebel, even if it means breaking the law. Therefore, I urge the Minister to make sure he is a close adviser to the referee he appoints in order to avoid a lot more serious trouble further down the road.

The Larson Report also includes a provision for a 12-hour day. Here we are in Parliament and in Government frantically trying to get more jobs created and reduce unemployment, and this report recommends a 12-hour day in certain circumstances. That is incredible. It comes right out of the 1890s, right up to the 1920s. Therefore, I suggest to the Minister that, again, he had better closely advise his referee on that issue.

I hope the Minister or his Parliamentary Secretary, or some other member of the Government, will have second thoughts and want to make some changes to the legislation. There is one thing in the Bill, for example, which is very unfair, one-sided and biased. It is a clause which will likely never have to be used, but since we are talking about the principle of the Bill, this clause is a terrible principle. I refer to Clause 13(2) under Offences. It provides for a daily fine for officers and representatives of the union, and officers and representatives of the

company. It refers to the employers' association, but I am not sure if it means the individual members of the employers' association. I ask the Minister to look at that question. As he knows, there is a list in the schedule of 30 or 40 employers who are members of that association. Can one of them, on their own, abrogate or disobey the provisions of this Act? Are they covered as an individual employer or an officer or representative of the individual company? Are they covered, or is it only the officer or representative of the entire employers' association?

• (1620)

Under Clause 13(2) there is provision that

> No officer or representative of a union who is convicted of an offence under this Act that was committed while the officer or representative was acting in that capacity shall be employed in any capacity by, or act as an officer or representative of, the union at any time during the five years immediately after the date of the conviction.

What about the company officers? Will the Minister move an amendment that no officer or representative acting on behalf of the Maritime Employers' Association, or any member company thereof, who is convicted may serve in that capacity as an officer, member of the board of directors or representative of that company for the five years after this Act comes into force?

When Parliament has to intervene, however reluctantly, in this kind of situation, it must not only be seen to be but must actually be even-handed. What is sauce for that particular goose is also sauce for that gander. It would only take the Minister a few minutes to add a paragraph to that clause which covers officers, representatives, directors, et cetera, of all the companies which are members of the British Columbia Maritime Employers' Association as well as the association itself.

There is a lesson the Government should learn from this experience. The previous Government did not learn it, or if it did it did nothing about it. There is a requirement for a total look at the operation of our ports on the West Coast. I know the Minister will want his commission of inquiry to study other aspects of the Port of Vancouver and other ports on the West Coast. It should study their competitiveness, how well they are equipped, et cetera. The International Longshoremen's Union has done a thorough analysis, particularly of the Port of Vancouver and other Fraser River ports, of their competitiveness, capacity and ability to compete and attract business. They have studied Tacoma and Seattle as well.

There is a lot of what I would call "chamber of commerce hype" being peddled about saying that if we got rid of the container clause Vancouver could handle 80,000 more containers a year. To put it politely, that is hogwash. In 1986, the Port of Vancouver handled 66,000 inbound containers and 83,000 outbound containers. All year long ships have to wait for a crane in order to load or unload containers. We require at least three more cranes at two of the terminals in order to handle the containers we are now getting. If we were to achieve this nirvana of a no-container clause and 80,000 more containers were to arrive at Vancouver during the next year, I do not know how they would be handled, unless the maritime employers are going to carry them on their backs. There is no way. They need acres and acres more for storage space container traffic, general merchandise and bulk commodities; potash and sulfur in particular. We need at least three large capacity cranes now and three more over the next two or three years. We need that with or without a container clause in the collective agreement.

To lay the blame for the difficulties of the Port of Vancouver on the container clause and the longshoremen is not only misleading, but misrepresenting the requirements of and the situation in Vancouver. There is a perfectly good reason why Seattle and Tacoma are doing so well. It is not just a container clause. It is their new and modern facilities. We are wringing our hands about being competitive and saying that it is all the fault of the container clause. That is really stretching it, Mr. Speaker.

We will not be able to handle any increased traffic in the Port of Vancouver without a massive investment in enlarged and modernized facilities, automated equipment, etc. The union recognizes that because it means job security for them and more jobs eventually as well as the welfare and good order of their employees, the Port of Vancouver, the whole Province of British Columbia and the entire country.

I have research here to which we must pay attention. I believe it will be circulated to all Members. I hope the Minister of Transport (Mr. Crosbie) and others will proceed to kick the President of the Treasury Board (Mr. de Cotret) around and get some activity on the things which need to be done in order to keep the West Coast ports competitive and able to attract and properly and efficiently handle increased traffic. Although containers are being held up as causing all the problems, that is not the case.

In fact, of 176,000 containers handled in 1985, 16.5 per cent of those inbound were subject to unpacking. Two point seven per cent of the outbound containers were subject to packing. In 1986, 12.6 per cent of 66,000 containers were subject to mandatory unpacking under the collective agreement. Of 83,000 outbound containers, 2.1 per cent were subject to mandatory packing. It is not true that the container clause is the major impediment to increased capacity and handling for container traffic. The best one can say for anyone who claims that is that they are badly misinformed. Let us not get ourselves distracted from the real issues, about how we make our West Coast ports better.

• (1630)

In conclusion, we want time to think about this tonight. We may or may not have some amendments, and I say to the Minister honestly that we hope he will have some forethought and accept some amendments which we may be contemplating. I assure him that we will notify him and the Official Opposition of any amendments we may have so that we may consult, reach an agreement on what is acceptable and deal with the

Bill very quickly. The interests of the New Democratic Party are like those of all other Members of the House. We want to get the best possible and most acceptable legislation, even though it is legislation that none of us want to impose.

I believe we will have legislation by six o'clock tomorrow that may not make everyone happy, but as the Minister warned the employers and employees, if they force Parliament to do it there will be measures that neither one will like. That is exactly what is happening, and I close by asking Members to keep in mind that this is not a strike or a work stoppage, and that we are here to pass the best possible legislation.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Member on a point of order, I must make this announcement.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Bow River (Mr. Taylor)—Environmental Affairs—Use of low sulphur coal; the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—Regional Development—(a) Future of Winnipeg rail shops (b) Aerospace industry inquiry; the Hon. Member for York West (Mr. Marchi)—Immigration—(a) Awarding of ministerial special entry permit (b) Request that Minister revoke decision.

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Cadieux that Bill C-24, an Act to provide for the maintenance of ports operations, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Cook: Mr. Speaker, I rise on a point of order. I believe the Hon. Member for Regina West (Mr. Benjamin) may have unintentionally misled the House in two portions of his speech. I believe it is inadvertent, but when he spoke in terms of parties arriving at an agreement, he went on clause by clause—

The Acting Speaker (Mr. Paproski): Order.

Mr. Cook: It is a point of order.

The Acting Speaker (Mr. Paproski): No, it is a point of debate. I see that the Hon. Member is on the list. I am sure he can bring that to the attention of the House. Debate.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, the Minister of Labour (Mr. Cadieux) referred Hon. Members to the fact that the West Coast dock dispute has brought about an unfortunate situation in the West Coast ports in that today they are not in operation. I submit that this has to be acknowledged by all Members of the House as being a primary consideration in giving quick passage to the Bill before us, Bill C-24, an Act to provide for the maintenance of ports operations.

The dispute between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union represents a serious source of harm to a large number of people not directly involved in the dispute, and especially to Canada's grain farmers located in the prairie region. It is for that very reason that everyone must have a serious regard for the difficulties this dispute could cause to innocent parties who have no say in its resolution, if it were to continue. Decisive action is required to ensure that the sectors of the economy that depend on the port, including the grain economy, are allowed to function to their fullest capability.

The ports involved in this question are in British Columbia. I am a Member from British Columbia and do not only speak as a Member from that area, but as one who grew up in southern Saskatchewan on a mixed farm in a farming community. I can relate the concerns that must be expressed and have been shown by Members from all Parties who come from the Prairies.

Canada's grain producers have faced considerable uncertainty in the past few years as the result of developments in international competition among grain exporting countries that have sought to expand their markets for their domestic grain production. Despite this intensified level of international competition, Canada's grain exports in the 1985-86 crop year increased by some 1.2 million tonnes, or approximately 5 per cent, compared to the previous crop year.

In the 1985-86 crop year, our prairie grain farmers began to rebound from the effects of a severe drought in the previous year which greatly reduced the total crop. In that same year, 1984-85, we began to see the effects of greatly expanded production in other grain-growing regions of the world, especially in the United States and the European Economic Community. This contributed to a growing world surplus which drove down international grain prices and intensified the degree of competition among major grain exporting countries.

As we all know, the degree of international competition has continued to heighten over the past year, with grain exporting countries seeking to expand their share of the world market. These are the circumstances in which Canada has to compete to market the produce of our prairie grain farmers, and these

are some of the market realities we must keep in mind as we consider the necessity of the Bill before us.

The West Coast ports exported approximately 12.2 million tonnes of grain in the 1985-86 crop year. The volume of grain which passed through the ports in this period represents a significant improvement of approximately 15 per cent over the volume exported from the West Coast in the previous crop year. While the level of grain exports in 1985-86 was below the previous record for the West Coast of 12.5 million tonnes reached in 1983-84, it was only marginally lower, and this gives us an indication of the solid performance in the industry in the past year. It should also be noted that grain exports from the West Coast have more than doubled the levels of only a decade ago. This gives us an indication of the progress that has been made over the years in expanding our capacity to handle the continuing growth in grain production.

I should also mention the significant role of the new, highly automated terminal grain elevator facilities at Prince Rupert, and especially the fact that almost a quarter of the increase in West Coast grain exports in the past year has been derived from the increased throughput of the new facilities at Prince Rupert. I might also add that as a member of the Transport Committee I was privileged to see that terminal firsthand. It was built by a consortium of grain-handling companies from the Prairies, including Cargill, the United Grain Growers, Pioneer Grain, and the Manitoba, Saskatchewan and Alberta Wheat Pools which, along with the Province of Alberta, formed a consortium and provided the ownership of that world class facility.

The significance of the West Coast ports to the ability of western Canada's grain producers to ship their crops to international markets is widely appreciated. However, it is worth reminding ourselves of the pre-eminent role Canada plays in the world's grain markets and of the fact that our total grain production gives Canada a rank of sixth place among the largest grain-producing countries in the world. This comparison takes into account the huge land masses of China, the U.S.S.R. and the United States. Wheat accounts for approximately one-half of Canada's total grain production and is our single most important grain commodity. Not all of the countries mentioned are exporters of wheat and it is in wheat exports that Canada ranks second in importance as a source of this valuable food commodity. Canada ranks second only to the United States in wheat exports, and it is this significant fact which gives an indication of the extent to which the rest of the world depends on us as a reliable supplier of this commodity which is so vital to world grain consumption. Seen in this perspective, Canada's role in the international grain trade and the actions we take to ensure its continuation must be viewed as of vital importance to the many nations that rely on us.

• (1640)

The 23.7 million tonnes of grain we exported last year was the product of many thousands of grain-producing farms which rely upon a complex infrastructure of trucking, rail and shipping modes which constitute the grain industry's transportation system, and a vast elevator network which performs the essential functions of storage, inspection and weighing of grain, the cleaning and treating of grain and the transfer of grain forward. Prairie grain is processed through a network of some 2,000 primary elevators licensed by the Canadian Grain Commission to receive grain for storage and forwarding. This elevator network is linked by the Canadian National and the Canadian Pacific Railways to Thunder Bay and to the six terminal elevators in Vancouver and Prince Rupert, British Columbia.

The terminal elevators on the West Coast have a combined licensed capacity of approximately 1.1 million tonnes of grain. Of the 23.7 million tonnes of grain Canada exported in the 1985-86 crop year, 12.2 million tonnes, or approximately one-half of total grain exports, were cleared through the West Coast terminal elevators where the grain is weighed, cleaned and stored before being loaded into ships docked next to the elevators. The longshoremen have the important task of directing the huge spouts through which the grain flows to the appropriate hold in the ship, and of trimming or levelling the grain as it enters the ship. The longshoremen are dispatched by the B.C. maritime employers to the docks to perform this essential function as the final and critical step in the transfer of grain before ships embark for their specific destinations, the largest of which are the U.S.S.R., China and Japan. Other important markets served through the Pacific Coast are South Korea, Egypt, Taiwan, Peru, Brazil, Venezuela and Colombia.

It is the abrupt halting of this critical function performed by longshoremen in Vancouver and Prince Rupert in loading grain into ships that threatens to disrupt the flow of grain. It is paramount that Parliament act expeditiously to pass this Bill and have the West Coast ports resume operations without delay. I might add that the Hon. Member for Regina West (Mr. Benjamin) ably stated the fact that it is not the longshoremen who have withheld their services but that the ports have been closed down. So not just has the handling of grain been affected but the whole operation of the ports of British Columbia has been affected.

The Minister of Labour has provided Members of the House with a detailed perspective on the issues and on the opportunities the parties have had to resolve their differences in this dispute through direct bargaining through the conciliation officer, the Conciliation Commissioner and mediation assistance. The Minister has also pointed out the record of collective bargaining disputes in the West Coast longshoring industry and the fact that since 1970 legislation has been required to terminate work stoppages on the docks on three previous occasions. That is not a very good record for us to look back upon. Consequently, it has required the intervention of the Minister today.

If there were some reasonable grounds for optimism in the belief that the parties could resolve this dispute without inflicting harm on those who depend on the ports for their livelihood, I am sure we would be dealing with other pressing

matters of the House at this very moment. However, the delivery of grain to our customers in other nations is essential to the well-being of our grain producers and to all components of our grain transportation system.

It is unfortunate that the net cast by the parties to this dispute is so widespread as to include grain-loading operations in B.C. ports. Hon. Members will recall the earlier remarks of the Minister of Labour in which he indicated the critical difficulty in the dispute between the B.C. maritime employers and the longshoremen as being the resolution of the container clause. That clause concerns the packing and unpacking of containerized cargo.

The transference of grain to ships at docks is conducted in bulk by a conveyer spout from the grain elevators and certainly bears no resemblance to container cargo, as we have heard before. Yet a primary issue in dispute has precipitated a course of action by the parties which reflects a disregard for the importance to the local and prairie economies of an interrupted flow of export grain. Nevertheless, all Members of the House should recognize the candid assessment given by the Minister of Labour on the container issue, which has been in contention for some years, and the fact that it warrants the special attention of an industrial inquiry commission. The difficulty the parties have had in resolving the complexity of this issue warrants a full opportunity to present their points of view to a skilled commission.

I might add that in the creation of this Bill there was certainly no limitation on how the parties can enter into drawing a conclusion to the situation. The provision is there, but the Minister has placed some time limits on when he expects them to come to an agreement. If that is not possible then a referee will be put in place to arrive at a solution.

The Minister has given serious consideration to the resolution of this dispute and has chosen a course of action which is fair to both parties. Passage of the Bill before us must be viewed by all parties as being fair to all sectors affected by the dispute. Hon. Members of the House should be aware of the Government's commitment to the role of collective bargaining and its adherence to the belief that the constructive settlement of disputes through meaningful negotiations can take us further as a society in pursuit of the common well-being.

Part V of the Canada Labour Code places the prime responsibility for the resolution of labour-management disputes on the parties to collective bargaining and provides them with third-party conciliation assistance to aid them in difficult circumstances in the resolution of their differences through the bargaining process. In rare instances, as is the present case, the Government must intervene to prevent the parties to the dispute from inflicting irreparable damage to the public interest and to the economy.

I have given Members of the House some of my reflections on the more salient dimensions of the grain export industry, particularly as it relates to our export markets and the prairie economy. The measures contained in the Bill are intended to accomplish an immediate resumption of port operations, which is of vital importance to the people affected by the disruption of the port. The Bill will also impose the terms of the report of Conciliation Commissioner Dalton Larson, which is a reasonable and fair compromise on the issue in dispute and allow for a comprehensive study of the sensitive container clause.

I urge Members of the House to support the Bill and to work toward its passage without delay.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Skeena (Mr. Fulton).

Mr. Fulton: Mr. Speaker, I would like to hear the Hon. Member's views with respect to Clause 13(2) which provides that punitive actions can be taken against union officers and representatives of the union. They can be denied the right to be employed by the union for five years following any conviction under the punitive section. Does the Hon. Member agree that this subclause should be removed? Does he think that the same type of punitive measures should be taken against company officials and company officers or their affiliates in similar situations?

Mr. Belsher: Mr. Speaker, if one reviews the history of the operation of the ports in British Columbia and looks at the various times there have been disputes caused by both sides of the issue, I think the Hon. Member will agree that there has to be some teeth in this legislation. I appreciate the Hon. Member asking whether or not both sides should be part of this situation. I think that there should be something provided for both sides. I would support such an addition to the Bill.

Some Hon. Members: Hear, hear!

* * *

• (1650)

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-24

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order. Subsequent to earlier discussions with regard to the process for the expeditious passage of Bill C-24, there were discussions with the representatives of the two opposition Parties, and those discussions have concluded. I think, Mr. Speaker, you would find that there would be unanimous consent to adopting the following proposal:

That the business to be considered between 5.00 o'clock p.m. and 6.00 o'clock p.m., this day, shall be the continuation of consideration of Bill C-24, an Act to provide for the maintenanace of ports operation;

That on Tuesday, November 18, 1986, when Government Orders have been called, the Order of the Day shall be consideration of Bill C-24;

That, not later than 4.45 o'clock p.m. on that day, Mr. Speaker shall interrupt any proceedings then before the House, and shall put forthwith, without further debate or amendment, all questions necessary to dispose of all of the remaining stages of Bill C-24;

Maintenance of Ports Operations Act, 1986

Private Members' Business originally scheduled for Monday, November 17, 1986, standing in the name of the Hon. Member for Davenport, shall be considered on Tuesday, November 18, 1986, between the hours of 5.00 o'clock p.m. and 6.00 o'clock p.m.

That upon the completion of the adjournment proceedings pursuant to Standing Order 66, on Tuesday, November 18, 1986, Mr. Speaker shall suspend the sitting to the call of the Chair, for the purpose of giving Royal Assent to Bill C-24; and,

That, upon the giving of Royal Assent to the Bill, Mr. Speaker shall adjourn the House until the next sitting day.

Mr. Axworthy: Mr. Speaker, I rise on the same point of order. As the Deputy Prime Minister (Mr. Mazankowski) indicated, we are in agreement with the order. I would only raise one caution and that is that during the course of second reading debate thus far, several proposals for possible amendments to the Bill have come forward. I am not sure if the Minister is disposed to this or not, but members of the Opposition have been putting them forward in the spirit of genuinely wishing to improve the Bill.

I just hope that the House Leader will keep in mind when establishing the time allocation that there may be possibilities for amendments to be accepted along the way. I hope we do not end up with a very short time available to us to consider what might be useful amendments to the Bill before it passes at 4.45 p.m. I simply raise that as a matter that ought to be taken into account when allocating time among House Leaders.

Mr. Nystrom: Mr. Speaker, of course, I confirm that we agree with the order and there is certainly consent in this corner of the House to it. I would like to support the suggestion made by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) that we informally ensure that we allocate enough time to agree on amendments if there are some on which we can agree.

We heard an example a few moments ago of a member of the government Party suggesting an amendment, one which we on this side of the House would support. There may be several amendments to that effect, and if we had some kind of informal agreement that we would have a lot of time to do that later on, I am sure we would all benefit from it.

Mr. Cadieux: Mr. Speaker, I am prepared to look at any suggestion to amend the Bill if it is to improve the Bill. There is no problem with that. I note that the Member from the NDP has already indicated that we would be given amendments in advance so that we would have time to look at them. If by tomorrow morning we have all the proposed amendments from both Parties, I would be more than willing to look at them and to allow time in order to dispose of them.

Mr. Benjamin: Mr. Speaker, I rise on the same point of order. Further to what the Minister of Labour (Mr. Cadieux) has just said, I hope as well that should he feel there are some amendments to be made, he would provide us with copies in advance so that we may discuss them.

The Acting Speaker (Mr. Paproski): Very well. Does the Hon. Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) have the unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Mazankowski) agreed to.

Mr. Mazankowski: Mr. Speaker, on a further point of order, I seek the co-operation and consent of the House for another matter, if I may. The Minister of National Revenue (Mr. MacKay) made a very important statement in the House this morning. There have been some developments in regard to that and he would like to make a further report on it. He has contacted the critics of the two opposition Parties. I understand that the representative of the New Democratic Party is here but the representative of the Liberal Party may not be here. Perhaps the Minister could wait until the critic arrives or perhaps he could proceed now. It is a very short statement simply describing a new development that has occurred. Consistent with the spirit of keeping the House up to date, he would seek your support and co-operation so that he may make that statement now.

Mr. Gauthier: Mr. Speaker, we would like to have our critic present. I know he is on his way to the House so perhaps we could continue with debate and then proceed in another five or 10 minutes.

Mr. Nystrom: Mr. Speaker, on the same point, perhaps any time used by this statement and replies to it could be added on after six o'clock so that we do not lose any time to discuss the ports issue. Is that agreed?

The Acting Speaker (Mr. Paproski): Is there such unanimous consent?

Some Hon. Members: Agreed.

* * *

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Cadieux that Bill C-24, an Act to provide for the maintenance of ports operations, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a few points to make with regard to Bill C-24. The problem that is before us today and which is occurring on the West Coast

where the port is completely shut down to shipments including grain shipments from the Prairies is a very serious one. It is one that has been before the Government since January 1 when the old collective bargaining agreement ran out. Somehow or other, this time has been spent getting to the point where legislation of the lock-out by the British Columbia Maritime Employers Association is being called for.

The problem with regard to container shipments is even older than this problem. I understand that this issue has been before the parties concerned for some 16 years. In any event, the port has been shut down due to the container issue and of course all parts of the port are shut down even though container shipments make up a very small portion of the total shipments that go through the port. In fact, I believe that between seven million and eight million tonnes of general cargo have been handled at the Port of Vancouver since 1977 but only 12 per cent to 15 per cent of the total was containerized. It is a relatively small portion of the port's activity.

As illustrated today by the problems of the Minister of National Revenue (Mr. MacKay), the Government is governing from crisis to crisis. In fact, this particular crisis was not a crisis at all last spring, last summer or even this fall. It is now, however. The need for emergency legislation was telegraphed to us over the weekend by the Minister of Labour (Mr. Cadieux).

It is interesting that these issues are left to fester for so long by the Government. There was a strike at the Port of Thunder Bay beginning September 1. That went on until early October. The Government took no action, even though we are facing the worst crisis in history in the grain-handling industry, until early in October. When the Government did get around to appointing a mediator, Mr. William Kelly, one of the most distinguished mediators in Canada, the strike was resolved in a matter of five or six days.

If a strike like that could have been resolved in five or six days, why did the Government wait a month to do so? Of course, that is the same question we are asking today. Why did the Government wait for nine and a half months to bring this legislation before the House?

• (1700)

In any event, we have to deal with the situation as we see it today. The Bill provides for the legislation of a conciliator's report. The report was completed in early September by the Conciliation Commissioner, Mr. Larson. That report makes provision for a long list of outstanding issues in the negotiation including wages, deep-sea ship gangs, bulk terminals, welfare plan, pension plan, automation protection, and hours of work. It also contains the contentious report on container shipments and the handling of it. The original Conciliation Commissioner, Mr. Dalton Larson, in his report of September 3 provided for the removal of the container clause, Article 26.05, on the condition that the B.C. Maritime Employers Association guarantees that the number of hours available to be worked on containers be fixed at 725,000 hours per year. Any shortfall was to be paid at straight time rates to trustees for the benefit of active members on the basis of work opportunities lost. This guarantee is to continue indefinitely. That is the clause which was not acceptable to the parties concerned. It is proposed that it be sent to a labour conciliation inquiry under the labour legislation and authorized by this Bill.

As we look through this legislation we see a number of concerns. It is not a precedent for a conciliation report to be authorized by legislation. This in fact has been done previously, I believe in 1975 in the Montreal strike, and also again in 1968 in the western grain industrial dispute. We do have a precedent for this.

The concern with this legislation is twofold. One relates to Clause 7, the Industrial Inquiry Commission. This commission would be set up by the Minister. It is provided in Clause 7(1) that he may establish this commission. However, that is where the dispute comes in. The union believes that it will lose some 300 jobs if that container shipment clause is removed because of the provisions provided in it. The B.C. Maritime Employers Association is arguing that if that container clause is removed, some 80,000 additional containers will be handled by the Port of British Columbia. There is great uncertainty on both sides of this industrial dispute. When we get to the clause in the committee stage we will be recommending that the Government deal with the provisions in the Bill now. Under Clause 7(1) it states:

> On the coming into force of this Act, the Minister shall refer the matter of the container provision set out in article 26.05 of the collective agreement to which this Act applies and such other matters related to that provision as the Minister deems appropriate—

We will be suggesting that the Government include provisions for job security, development of the Port of Vancouver, rail facilities, and improvement of the competitive position of the port. The employers are not agreeing to take this clause out of the collective bargaining agreement, but if this legislation does that for them, then what they are concerned about is the loss of jobs. The employers' associations are saying: "Take it out. We will bring in 80,000 additional containers a year. That will create more jobs in the Port of Vancouver". But you cannot necessarily handle 80,000 more containers in the Port of Vancouver. There is the question of the efficiency and the operation of the port. There is the question of the development of business. There is the question of job security. We want to see some provision in the legislation in that regard.

In the Western Grain Transportation Act there is provision for improvements to the port and the railway facilities both by CN and by CPR in the Port of Vancouver. Yet the Government has not acted on that, even though the former Minister of Transport is now the Deputy Prime Minister (Mr. Mazankowski), of whom they are all terrified of. Still they have not acted and put in place those additional facilities. So it is not certain whether the B.C. Maritime Employers Association can actually put in place those additional jobs and handle those additional containers.

I am receiving signals, Mr. Speaker, from my House Leaders. I understand that the Minister of National Revenue (Mr. MacKay) now wishes to make a statement and have the other Members respond. I would agree to interrupt my speech for a few moments, so that the Minister can make his statement.

The Acting Speaker (Mr. Paproski): Do I have unanimous consent to revert to Statements by Ministers?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL REVENUE

LOSS OF MICROFICHE RECORDS FROM TORONTO DISTRICT OFFICE—STATEMENT BY MINISTER

Hon. Elmer M. MacKay (Minister of National Revenue): Thank you, Mr. Speaker. I wish to thank my colleagues for the courtesy that they have afforded me.

I wish to inform the House that at 3.30 this afternoon my colleague, the Solicitor General (Mr. Kelleher), informed me that the RCMP had recovered a package of microfiche at or around two o'clock this afternoon. The Commissioner of the RCMP has informed me that he is satisfied that this material is indeed the missing microfiche which was removed from the offices of Revenue Canada on the evening of October 30, 1986.

The RCMP are continuing their investigation. As Members of the House understand, it would not be proper for either myself or the Solicitor General to comment further on this matter until the investigation is complete.

However, I do want to assure Members that the investigation will continue in respect of the motivation for the removal of the microfiche, whether the information it contained was put to any use whatsoever, and whether the microfiche was duplicated in whole or in part while outside the control of Revenue Canada.

While I am sure the House is as pleased as I am at this fortunate turn of events, this in no way lessens the concerns I expressed to the House a few hours ago over the lapse in security that allowed this loss to take place.

Again I wish to assure the House that the investigations which I have asked the RCMP to conduct into the security of microfiche data held by Revenue Canada, and into this particular incident specifically, will be expedited. I will report back to the House as soon as possible.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Today really is an exciting day. This morning we found out that we had lost 16 million tax filers' data had been lost or stolen. I thank the Minister for bringing the information to the attention of the House, but the fact remains that 16 million taxpayers' files were missing or stolen. Even though they have been found 17 days later, there is no guarantee that the information contained in those files or microfiche was not used or copied.

• (1710)

We will definitely await the result of the investigation. However, I urge the Minister to keep on top of the investigation because the integrity of the tax system, as I said earlier, is in jeopardy. We should not enjoy what has happened; it is really a sad day.

[*Translation*]

Our taxation system is based on the voluntary filing of returns by all Canadians, and if the confidentiality of these returns is no longer respected, obviously Canadians will start thinking twice about filing their income tax returns. I hope an inquiry will prove we can have a more secure system in the future, and that the Minister will report back to the House as soon as possible.

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I join with my colleagues in expressing the sentiment that it has been quite a day. One comes to the office in the morning and expects to do one's normal duties, but then one is hit with the fact that 16 million names and social security numbers are missing from the Revenue Canada office in Toronto.

We can all give a sigh of relief. Canadians can go to bed tonight feeling a little more secure in that the drama has ended. The microfiches have been recovered. However, as the Minister indicated, we do not know whether improper use was made of the microfiches or whether they were copied. Hopefully we will obtain those answers in a short period of time.

The situation indicates that there was an opportunity for individuals to take the documents. There is an obvious lapse of security but, as one of my colleagues indicated, it is good to know that the RCMP always gets its microfiche.

I assure the Minister that we will co-operate in any way we can to help devise a more secure system so that the confidentiality and privacy of Canadian taxpayers will be maintained. I am sure every Hon. Member of the House will co-operate in that effort so that our tax system is a secure and fair one.

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the ministerial statement, this day's sitting will be extended by six minutes. Therefore, the adjournment debate will begin at 6.06 p.m.

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Cadieux that Bill C-24, an Act to provide for the maintenance of ports operations, be read the second time and, by unanimous consent, referred to Committee of the Whole.

The Acting Speaker (Mr. Paproski): The Hon. Member for Algoma (Mr. Foster) has seven minutes remaining in his speech, followed by 10 minutes for questions and comments.

Mr. Maurice Foster (Algoma): Mr. Speaker, we are dealing with Bill C-24, an Act to provide for the maintenance of ports operations. Earlier I mentioned that the Government seems to be governing from crisis to crisis. The announcement this afternoon that the microfiches have finally been found after a three-hour or four-hour delay indicates that it governs from crisis to crisis. Perhaps that is why the Goldfarb poll published in early September indicated that two-thirds of the people who responded felt that the Government governed from crisis to crisis.

I should like to return to the Bill before us. I mentioned that we wanted to see the appointment of the Industrial Inquiry Commission so that it can deal not only with the question of containers but with the operation of the port itself. The British Columbia Maritime Employers Association is holding out the prospect of dozens or perhaps hundreds of jobs, whereas the employees and their union are fearing the loss of some 300 jobs. We want to see the terms of reference of the commission as well as a provision in the Act for a review by the Industrial Inquiry Commission of job security, the development of the port, rail facilities, and improvement of the port's competitive position. If those physical structures are not in place, obviously the estimate of the employers association indicating that an additional 80,000 containers per year could be handled will not come about. Naturally the employees union is very concerned about the situation.

I hope the industrial commission will comment on the lack of action by Canadian Pacific and Canadian National in terms of their responsibilities under the Act governing western rail transportation and their commitments to improve and enhance their facilities. I understand that those commitments have not been kept.

I should like to turn to subclause 13(2) which deals with punishment for offences. They seem to vary from $500 to $100,000 and include the loss of the privilege of serving in a union capacity. Surely officers in the British Columbia Maritime Employers Association should be subject to the same sanctions. If they break the law and are convicted under the Act, they should be subject to the same sanctions as union officials or executives.

I think subclause 13(2) should read as follows:

> No officer or representative of a union or of British Columbia Maritime Employers Association who is convicted of an offence under this Act that was committed while the officer or representative was acting in that capacity shall be employed in any capacity by, or act as an officer or representative of, the union or the association at any time during the five years immediately after the date of the conviction.

Without that provision, we would come down in a very uneven manner on the side of the employers association.

This is not a strike; this is a lock-out. The action is being taken by the employers association to block the shipment of grain and other commodities from a British Columbia port. The port desperately needs every ounce of economic activity it can get, now that Expo 86 is over and the realities of the lack of that activity are so apparent in British Columbia.

We want to see the piece of legislation go forward. We have agreed to the House order to conclude consideration of the legislation tomorrow. We would like to see a number of things introduced at committee stage, but for now we want to see the legislation go forward.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise to speak to Bill C-24 with a great deal of feeling as the Hon. Member for Vancouver East wherein the port is located. We are very proud of our port. It is important to Canada. I also speak on behalf of my constituents who are both directly and indirectly affected by the legislation. By far the greatest source of employment in my riding is in port related industries and shipping.

We know that the Port of Vancouver is a major link for Canada to the Pacific Rim. Every day we see ships at that port carrying bulk goods such as grain, potash, lumber, and coal. Last year the Port of Vancouver handled over 59 million tonnes of bulk cargo, resulting in many jobs for workers in Vancouver.

In addition to bulk goods, in recent years there has been a tremendous increase in container goods—smaller goods and general merchandise which go from Canada to the Far East and Pacific Rim countries and those which come in from such countries. There has been a great increase in container traffic, but not nearly as much as there has been in ports to the south of Vancouver. Only 12.6 per cent of container traffic through the Port of Vancouver is affected by the controversial container clause. I will return to that point later.

We know that the Port of Vancouver is crucial to Canada's economy, as it is to our future trade and our future economy. It is essential not only to people on the West Coast and western farmers. It is also essential to the total nation. It is very important that we keep the port open. It is very important that we have a competitive port. It must be able to handle our goods efficiently and increase our trade with the use of modern technology.

• (1720)

I would like Members of the House and Canadians to know, particularly western farmers, that the problems in the Port of Vancouver go far beyond a container clause which affects only

a very small fraction of the container traffic. There is enormous competition from Seattle and Tacoma to the south of us. I want to mention that these ports are very highly mechanized. The Port of Vancouver has only five cranes to handle containers, whereas Seattle has 21 and Tacoma has 10. We have only four container berths, whereas Seattle has 21 and Tacoma has 8. The growth rate to the south of us is pulling Canadian goods southward, not only goods from the Orient, because the American ports are better equipped. This is a major point of which we must be aware in this debate.

I do not think there is anybody in this House, and certainly very few Canadians, with the regrettable exception of the ship company employers on the West Coast, who want the Port of Vancouver closed down. This is a lock-out. It is a lock-out by employers who had a choice. Even if they chose to lock out the workers, they also had a choice to keep the grain from the Prairies moving at a very crucial time of the year. They have not used that choice. I am very concerned at the action taken.

We all want the Port of Vancouver to be working. We do not want it closed down. On the other hand, I am very concerned with Bill C-24 because it is not just legislation to make sure that the lock-out is removed and the Port is open and working while collective bargaining takes place. It is an arbitrary act which imposes a list of things that have been part of a contract, that are part of the Larson Report and are part of collective bargaining. I hope people will realize it is much more than just dealing with the immediate situation of getting the port working. That is why we felt it was very important. We could not possibly look at this Bill and automatically pass it without looking at the considerable ramifications contained within the Bill.

I would like to say also, speaking for my constituents, that they haved faced enormous unemployment. The shipping has closed down, the lumber industry has closed down and jobs are disappearing all around us. I can be extremely sympathetic to the legitimate concerns of longshoremen. They really have to protect the jobs, unless they are sure that there are alternative secure jobs to replace some of the existing tasks they are performing.

If the container clause is removed, they will not have that security, unless the port is improved and there are real guarantees that there will be permanent jobs to replace those on the containers. Let us face it, Mr. Speaker, containers have to be emptied. It is not as though they did not have to be emptied. I like to point out that in the United States the container clause has recently been approved by the courts. It is not an unreasonable clause at all. I am not speaking for or against the container clause *per se*, but I am trying to present the position so that people will understand that workers in my riding are concerned about jobs. They want to make sure that there is some alternative if that clause is to be removed.

There are much greater problems affecting the port. I just gave a couple of examples that our own Crown corporations are contributing to the competition because they have policies or want policies to ship Canadian goods through the United States.

The CNR is giving incentive rates to move Canadian goods south from Ontario through Chicago and to the Ports of Seattle and Tacoma. It is immoral and absolutely wrong that a Canadian Crown corporation should be doing that. Why should CNR not improve its service? It is a criticism of its service. CNR should be making competitive arrangements and upgrading its services here, including double-decker trains which are needed and are available in the United States to carry containers. We have a lobby also trying to change the Western Grain Transportation Act which will allow shipments of Canadian grain through U.S. ports. I cannot for the life of me see how this is in the interests of Canada. We have to make sure that that does not happen.

Bill C-24 has one provision which is to get the port working. This would have removed the lock-out. We never like this kind of legislation because it is arbitrary. Sometimes it is necessary. That part is not quite as bad as the other part. The part about which we are very concerned is that it imposes very arbitrary conditions on both parties. I am speaking for my constituents, so I will be biased. These conditions will have a serious impact on the workers. It overrules the collective bargaining process. It sets a precedent for other disputes. One cannot help but wonder whether this is the kind of tactic that the Government will use to impose settlements on other measures. My colleague has asked that if there is a safety concern, does it mean that there will be no chance of dealing with it?

The Government wanted to impose very complex legislation in one day. I hope it realizes now why it is still very important that all of us learn more about the implications and consult the various persons affected by it.

Clause 7 is a particularly bad clause. The Minister will appoint an Industrial Inquiry Commission to resolve the container clause. At first I thought maybe that was better than having it imposed by the Larson recommendations. On the other hand, one cannot help but wonder—and I hope the Minister will clarify it—who this commissioner will be. Will it be one person or several persons agreed upon by the parties concerned? How can all parties, particularly the workers in my riding, be assured that they will have an objective review? Will this person or persons be appointed in consultation with the parties concerned?

Subclause 13(2), as has been pointed out in questions already, is a most discriminatory anti-union clause. There is no question about it. It reveals the government philosophy. It states that the punitive measures can take a job away from a union officer for five years. There is no mention of taking a job away from the industry if it breaks the law. This shows again why amendments are so important.

As I say, I am speaking on behalf of my constituents. I make no apologies for that. They include more than longshoremen. They include grain workers, shore workers, warehouse workers, retail operators and their families who are very much

affected by what happens in the Port of Vancouver. The longshoremen are located in my riding as are all maritime unions.

I have been in consultation with the ILWU and want to put on the record some of the concerns it is raising. I hope we will have more details on that. Its concern is that if the Larson Report is imposed, as proposed in this Bill, there will be only a 1 per cent increase in wages. The cost of living has increased by 4 per cent. There will be an increased workload. On the bulk shipments they may have to work 12-hour days, which is a very retrograde step. Pensions are very much left up in the air, and the question has been raised whether the referee would define this further.

• (1730)

The unions are also concerned about the container clause. The Larson recommendations were bad enough, in their view, but this leaves it wide open, and that is even worse. At least Mr. Larson advocated some job security. He says that the container clause has diverted traffic to the U.S. only to some extent. The union has offered to give up the clause if jobs are retained. There can be no doubt that the container clause constitutes a legitimate mechanism to serve and preserve bargaining unit work, not unlike clauses under other collective agreements. He also notes that if Vancouver wins new business because of the elimination of the clause, few if any of the displaced workers would get the new skilled jobs operating cranes and so on. Therefore, there are legitimate reasons for not giving up this clause unless there is some guaranteed job replacement.

The union is also concerned that the legislation takes away the right to strike for two years. There are many issues besides those here which waterfront workers will be concerned about. If safety on the job becomes an issue, for example, there is no way to protest the situation. This Bill appears to supersede the Canada Labour Code concerning the right of workers to refuse unsafe work. It is excessively punitive. Unfortunately, the container clause has been used as a scapegoat because it is really a very small symptom of a much larger problem. Even if the clause is removed, the evidence is clear that it will not make our port competitive unless a whole range of improvements are made.

I would like to refer to a backgrounder paper which was circulated to all Members today. It was prepared before the current crisis and quite apart from the issues at stake today. It is put out by the longshoremen's union. It says that Vancouver will not recover the lost business nor win new business unless the railways, the federal Government, the Vancouver Port Corporation, and the western provinces make major improvements in the transportation and goods handling systems in Vancouver and across Canada. We have spent a lot of time and money ensuring that we have the most modern state of the art facilities not only in North America but in the world, said Mic Dinsmore, Director of Marine Operations, Port of Seattle, but, "You have done none of that in Vancouver".

The report talks about inadequate port facilities. We need at least three new modern container cranes right now. The federal Government has to contribute to the capital cost involved because it is a very expensive investment. However, we must invest in this for the future or we will have no future. Why are there no more cranes? Apparently because of an incredibly slow-moving bureaucracy in Ottawa which has not made a financial commitment.

There is also concern that despite the Canada Ports Act of 1981, the Port of Vancouver has not implemented a port user committee as recommended to look at the problems and come up with solutions. It is desperately needed. There is very little port autonomy as well. A port users committee is a very critical ingredient to any changes. It would bring together business, labour and municipalities, shipping lines and railways, in short all those concerned with the port. There must be an upgrading of railways. Our railways are not competitive with the railways in the U.S. We have to invest for the future. We have to have double-decker cars to transport containers rapidly to connect with the ships at our port. Yet our own railways have not committed resources. Instead, they are giving incentives to carry Canadian goods through American ports. There must be a firm commitment from freight forwarders and shipping lines. The shipping lines are winners, whether Vancouver or the American ports are used. They should be requested to issue a clear statement of intent respecting future use of the Port of Vancouver.

I have spoken to shipping line operators. I know they would rather ship through Vancouver, but they use Seattle or Tacoma. We need to have facilities to accommodate them and get a commitment that if money is invested in the Port of Vancouver, that will be their priority shipping point.

The federal Government also has to protect shipping and make sure the policies are pro-Canadian. I referred earlier to the Western Grain Transportation Act. The grain transportation agency is apparently recommending sweeping changes to the Act, including one to allow these cargoes to be transshipped through American ports for shipment overseas. We have to bring in provincial Governments as well.

What I am trying to explain to the House and the people who may be watching is that this is a very complex problem. We need to have action on many fronts. We have to make sure we have a modern competitive port. That in turn will guarantee permanent jobs, as well as an increase in jobs in the future so our young people can get involved.

There is the option of removing the container clause. There has to be job security, as I have said over and over again, if the parties concerned are going to do that. However, there has been no guarantee to date. As was pointed out very adequately in this report, which I urge Members to read, there is no guarantee whatsoever that containers being diverted to Seattle and Tacoma will come back to Vancouver. Just removing a container clause would not guarantee that. We need to have a competitive, modern port.

I know that my time is up and I just want to say once again how very important this issue is. It is important not only for today but also for the future, not only of the West Coast, but that of Canada. I can tell you as the Member for Vancouver East that it is tremendously important to thousands of ordinary people in Vancouver and their families. They need the jobs and they have the skills to make our port very effective.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Cook: Mr. Speaker, the Hon. Member for Vancouver East (Mrs. Mitchell) expressed some of my own thoughts on this occasion. It is not often that we agree, but there are a number of things she said that we do agree on. However, I would ask her one specific question. Her whole speech seemed to indicate her thinking and I would like a little confirmation.

If the commissioner comes down with the rule that there will be job security for the longshoremen to the extent that it involves destuffing, would it be her opinion then that that clause be removed from the contract in order to make the Port of Vancouver at least a little more competitive? I suppose that could be answered with a yes or no, but I do not expect it.

Ms. Mitchell: Mr. Speaker, I cannot help but note that the Hon. Member, whose riding encircles the Port of Vancouver, like mine does, has not been very vocal on many of these issues. I certainly hope he is going to be the next speaker to tell his constituents what he intends to do about this situation and the Port of Vancouver generally.

• (1740)

The destuffing clause is going to be referred to a conciliator. It has been a part of the collective bargaining process to date. I have listed some of the pros and cons. It is not my job that is at stake, at least I do not think it is. I think it is incumbent upon a conciliator who is going to be very objective and careful and will consider the views of both sides as a result of this Bill to deal with it.

Mr. Greenaway: Mr. Speaker, the Hon. Member says that the situation of containers and destuffing is extremely complex. She likes to tie it to job security. Is the Hon. Member aware of a move in the U.S. to build a 28 acre port facility between Blaine and Bellingham to handle only Canadian trade? If that happens, I do not see how we will save jobs in British Columbia if we do not get rid of that clause. It is my understanding that many shippers would move their freight to Vancouver if that clause were eliminated.

Ms. Mitchell: Mr. Speaker, is the Hon. Member aware that this clause has been in existence in the United States and was just challenged in the courts? The courts upheld the clause, which affected the longshoremen there. That should indicate something about the competitiveness.

I would like to quote as follows from the Larson Report: "There can be no doubt that the container clause constitutes a legitimate mechanism to secure and preserve bargaining unit work, not unlike provisions against contracting out or non-affiliation clauses under other collective agreements". That is an expert in the field saying that this is legitimate.

I do not speak as a union member, but my understanding is that there has been a history of the union being willing to look at this clause. If there were real guarantees of permanent jobs, perhaps there might be some changes. However, you must understand how jobs for longshoremen are dealt out in the hiring hall. A person released from this job will not be hired to man a crane. There are specific jobs for real people who are affected. I hope that answers the Member's question.

Mr. St. Germain: The Member for Vancouver East (Ms. Mitchell) and the Member for Regina West (Mr. Benjamin) said there were no plans for improvement to the Port of Vancouver. Is the Member aware that there are presently bids out for cranes, which are contingent upon resolving this container clause? I do not blame either labour or management. They are both responsible for resolving this situation. However, I think members of the NDP, the socialist Party, are making innuendoes that the Government is not taking a responsible role in providing for future planning for the port. In fact, the Government is doing that.

The Member referred to a port user committee. The Vancouver Port Corporation is in place. It is planning effectively. The establishment of a port user committee would be redundant and would add to the bureaucracy and confusion. You would not be able to find the crane among the piles of paper which would be established as a result of forming another committee.

Is the Hon. Member aware that plans are under way? I would like the Hon. Member's reaction to the long-term operating agreements which have just been put into place by the Vancouver Port Corporation which awarded these long-term contracts which will give stability to the port. Did the Member know these things were taking place?

Ms. Mitchell: Mr. Speaker, I know that there has not been a major improvement in the port since that Member's Government has been in charge in Ottawa. I know that there were two or three years of planning for a master plan which has remained on the shelf of the Vancouver Port Corporation office. The community people in my riding are extremely concerned about all that wasted effort. There have been three different port managers in the last two or three years, which must indicate something.

The Member should be studying the Bill on which we worked very hard in 1981 which said that there should be port users. Does he not realize that the Vancouver Port Corporation consists of political patronage appointees to the board by the Government? Through a port user committee we would bring the railroads, shipping companies, workers, municipalities and the grain industry from the Prairies together to study the inter-

modal connections of transportation. Such a committee would come up with a comprehensive plan for immediate implementation rather than a master plan for 25 years in the future. I urge the House to make this a top priority item for the agenda of the Transport Committee which is meeting tomorrow. This Member had better go to the committee meeting and speak to this.

Mr. Keeper: Mr. Speaker, government Members seem to be indicating that they want to keep the port open and that the way to do that is to remove, through legislation and the process which follows, the container clause from the collective agreement. It is interesting that the Government acts so vigorously when faced with a labour dispute. Although this sort of crisis management approach to the port may keep it open, I wonder whether it is going to keep it competitive and keep business flowing through it. Is there not more to having a good, competitive port than simply fiddling around with a collective agreement?

Ms. Mitchell: Mr. Speaker, it is very important to remember that this is a lock-out. Over a month ago the employers chose to lock out. I commend the Minister for intervening. They were persuaded to have a 30-day cooling off period. Unfortunately, nine days before the cooling off period was over they were talking about locking out again. That was not very conducive to settling anything.

I agree with my colleague who talks about crisis management techniques. That is exactly what I was saying earlier. Positive solutions demand a careful analysis of the problem and a comprehensive approach involving a number of different levels of transportation and port users. I urge the Minister of Labour (Mr. Cadieux), the Minister of Transportation (Mr. Crosbie) and the Government in general to do what they can through the Transport Committee and the Port of Vancouver to ensure that planning is done to solve the problem. This band-aid approach is no good for anyone.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I am pleased to take part in this debate on Bill C-24, the Maintenance of Ports Operations Act, 1986. We all recognize that decisive action is required given the widespread consequences of further disruptions to West Coast operations. I want to praise the Minister of Labour (Mr. Cadieux) for his concern, compassion and prompt decision and sound leadership in handling this issue.

• (1750)

Some Hon. Members: Hear, hear!

Mr. St. Germain: Certainly the issue has been referred to as a crisis. Logically, we would not be taking this action if it was not a crisis, but would be allowing the parties to resolve the situation.

As has been pointed out by the Minister of Labour, Governments should intervene in the collective bargaining process only as a court of last resource, and only after all voluntary, mediation and conciliation efforts have proven ineffective, and only where the parties have clearly failed.

As one who has represented labour as a union president, I understand this fact better than most in the House. This type of action should only be taken as the last resort. No government can continue to allow unresolved private differences to impact on the public interest so seriously.

Part V of the Canada Labour Code which governs industrial relations at the federal level sets out a structure to regulate union-management relations which provides the parties directly concerned with every opportunity to resolve their differences with minimal government intervention. The Canada Labour Code has evolved over the years, taking into account different social and economic circumstances, always recognizing that parties directly involved are best able to resolve their differences.

In view of the fact that in some circumstances the parties may need assistance in resolving particularly difficult problems, the Code makes available the provision of conciliation and mediation mechanisms to facilitate union-management resolution of sensitive and complex issues.

Negotiations for a renewal agreement between the British Columbia Maritime Employers Association and the International Longshoremen's and Warehousemen's Union-Canadian Area began in October, 1985. There followed a series of direct negotiations between the parties themselves, and then there was a series of meetings at which conciliation assistance was provided. Following the unsuccessful efforts of the conciliation officer, the Department of Labour appointed a Conciliation Commissioner to make further effort at bringing the parties together.

The Conciliation Commissioner, Mr. Dalton Larson, conducted hearings and received briefs and finally submitted a report to the Minister of Labour, which was released to the parties in early September. At the beginning of October, the British Columbia Maritime Employers Association implemented a lock-out, which is their legal right under the Canada Labour Code. Shortly thereafter, the lock-out was ended to give further collective bargaining a chance. Toward the end of October, the Minister of Labour showed the leadership to which I referred in my opening remarks and appointed two mediators in an effort to help the parties find a solution to their differences. This effort unfortunately did not succeed and neither have admonishments by the Minister of Labour to both disputants.

In the situation before us, as can be seen, the parties have made use of extensive conciliation and mediation assistance without a successful outcome. It is in such exceptional circumstances that a Government must take action in the best interests of the general public. An extended work stoppage on the West Coast could only damage Canada's international

reputation as a reliable trader. In the present circumstances, the country cannot accept any further deterioration of our standing in world markets.

Clearly, in the absence of any reasonable hope for settlement, and in the absence of any practical alternatives to the crucial role played by West Coast port operations, the Government is required to act with due dispatch in the interests of the economy. I am referring to the local port area economy, the British Columbia economy and the Canadian economy as a whole.

There are many workers whose economic position is directly related to high levels of activity in the West Coast facilities directly involved in this dispute. They include the longshoremen, the grain handlers, the railroaders, the truckers, and other associated transportation industry workers. The extent to which their income base is undermined by a prolonged work stoppage is of direct importance to the local economy, and particularly to the numerous small businesses and entrepreneurs who rely upon the consumption of goods and services generated by these workers.

The local port operations and the local community are not the only economic units inherently dependent on a smoothly functioning port system.

British Columbia is a major exporter of forest products, mineral resources, and manufactured goods, and also serves as a vital transit point for the marketing of grain, the resources and products of western Canada. British Columbia's major ports are an irreplacable link in the transportation infrastructure needed to move the vast quantities involved.

Furthermore, our port system is a major gateway for the importation of goods from major trading partners in the Pacific Rim. Our country's future depends upon the rentention and expansion of such mutually beneficial links.

The survival in the new trading environment of the late 1980s of our markets for western and central Canadian products and resources, and of our reputation as a dependable and efficient trader, is certainly at stake. We in Canada must maintain a reasonable balance of trade through an efficient, reliable and smooth functioning transportation system. Otherwise, our national economy will suffer, our standard of living and our quality of life will inevitably deteriorate and we all will be the losers.

From past disputes at the West Coast facilities, we recognize the short and long-term consequences of disruptions to port facilities. The scheduling of ships for loading and unloading at our West Coast ports is a complex and costly operation. The logistics involved in arranging crews, routes, departure and arrival times function well only in a predictable environment. Down times for ships and crews are immensely expensive, not to mention the costs associated with lost sales or unfulfilled contracts. It is costly to have those ships docking in Burrard Inlet or English Bay. Our economy cannot tolerate its continuation. Unfortunately, we have been victimized by this type of situation in the last while.

In a similar fashion, the vast and costly rail infrastructure that transports grain, bulk resources and general cargo for export involves a highly sophisticated marshalling and routing system designed to provide fast, efficient and economical transportation. It is quite apparent that unpredictability in port operations creates havoc in this system, with major cost considerations involved. Extra costs, of course, weaken our competitive position and contribute to a loss of markets. I am directly concerned with rail transportation because my new son-in-law works for the CNR. During the first round of walk-outs—as members of the NDP have correctly identified it—he was laid off because of the lack of work. He has ten years seniority in the system. Chuck Tanner and others cannot afford to be locked out by management or put on strike by labour because the economy and these individuals cannot afford it.

From the point of view of the railways, the losses associated with their disrupted operations render them less able to respond to the transportation needs of the economy.

For the year 1985, the Vancouver Port Corporation reports encouraging progress in positioning the port as a major gateway for export cargoes to the expanding markets of the Pacific Rim and for imports bound for western and central Canadian centres. In 1985, for the third consecutive year, the Port of Vancouver set new records for the number of containers handled and for the total tonnage of containerized cargo moved in and out of the port. That is a clear indication that we are managing the port well as a Government and that the people whom we have placed in those positions are doing an excellent job.

• (1800)

Containers handled through port facilities rose by 17.5 per cent. The total tonnage of all cargo shipped was 56.1 million tonnes, a decrease of 5.3 per cent from the 1984 record tonnage. Declines from the previous year were recorded in coal, grain, lumber and potash. Sulphur exports reached a new record level of 6.1 million tonnes and wood pulp shipments increased 7.7 per cent to 888,000 tonnes. The Prince Rupert Corporation reported that 1985 set new records for traffic growth.

Under reasonable circumstances the British Columbia economy is expected to grow this year in the 4 per cent range, one percentage point above last year's rate. Expo 86, strong consumer spending and growth in the forest products sector should play an important role. It is estimated that in 1986, the forest, manufacturing and goods producing industries will grow by 5.3 per cent, 9 per cent and 4.8 per cent respectively. Average weekly wages are expected to increase by an average of 3 per cent in 1986, and the Consumer Price Index to remain in the 3 per cent range. Employment is expected to increase by some 5.5 per cent. Concurrently, the provincial unemployment rate should decline to about 11.7 per cent from 14.2 per cent in 1985. However, this figure will remain significantly higher than the national average. Real growth in 1987 will be largely

determined by the strength of the province's resource-based industries and our ability to compete in an increasingly competitive international market-place. The current strike in the forest sector, unfavourable U.S. protectionist policies, and an inadequate competitive response could dampen the province's prospects for the coming year.

Regional wage settlements reported by Labour Canada showed that the average annual increase in base rates for Ontario in 1985 was 4.9 per cent and 2 per cent for the West. The figures for British Columbia are the lowest of the four western provinces for the second quarter of 1986 at 1.8 per cent. For the same period, Ontario settlements reached 4.5 per cent. These differences reflect the varying economic environments in our country. Regional disparities have to be dealt with. This area is a clear indication of where we have to become competitive in Vancouver. The port has to become competitive, and all industries have to become more competitive. As a federal Government we have shown the initiative and the intent to deal with these regional disparities. I bring this point forward at this time because I think it is of prime importance to all Canadians, especially to British Columbians.

Uninterrupted operation of the ports and stable industrial relations are imperative for the continued movement of our western grain and resource-based products. Enterprises and producers facing an increasingly competitive world need to operate in a more predictable and efficient environment. The problem areas in the country are based upon our resource-based industries and our commodity items. We have to diversify but we cannot lose those traditional markets in these areas. The protection of existing jobs and expansion of our markets depend upon our response to present challenges.

It is vital that we all take seriously the responsibility we have to ensure that the British Columbia economy reaches its potential. New investment, expansion of our markets, increased efficiency, growth in personal income, expansion in employment opportunities and reduced unemployment are best fostered in a positive and predictable industrial relations environment.

The Bill before the House orders the resumption of longshoring and related operations in the West Coast ports. With the exception of the container handling issue, the longshoremen are to return to work under the terms contained in the report of the Conciliation Commissioner, Dalton Larson. I am confident that the proposed Industrial Inquiry Commission on the container handling issue will resolve this serious problem and provide the ports of British Columbia with the necessary stability to fulfil their key role in the province's crucial transportation infrastructure. The local economy, the province, the nation and the disputing parties will, I believe, all be the beneficiaries of this particular resolve.

• (1805)

Again, I compliment the Minister of Labour for his leadership and his compassion in dealing with labour and management. Let us be on record as saying that we understand that this is a lock-out. It is an initiative taken by management, not by labour, but it has to be resolved to the satisfaction of both parties.

The Acting Speaker (Mr. Paproski): Before we go into the adjournment debate, I would like to advise the Hon. Member that he has 10 minutes on questions and comments when Orders of the Day are called tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—USE OF LOW SULPHUR COAL

Mr. Gordon Taylor (Bow River): Mr. Speaker, on October 15, 1986, I asked the Minister of the Environment (Mr. McMillan) the following question:

When may we expect a decision on the use of Canadian low sulphur coal in Canada?

The Minister replied with the following answer:

Mr. Speaker, the Minister of State for Mines, the Minister of Transport and myself are trying to formulate a decision or response to the task force report which was released on August 20, 1986. I hope that we will be able to make some sort of preliminary decision on the whole question of displacing American high sulphur content coal with low sulphur content coal from western Canada before very long, perhaps before the end of the year.

On the same day, my colleague, the Hon. Member for Crowfoot (Mr. Malone), asked the Minister of the Environment the following question:

Bearing in mind the Government's interest in environmental protection, improvement for the western economy, and the enhancement of Canada's balance of payments, what action is the Minister undertaking to encourage the use of low sulphur coal in the industrial heartland of Canada?

The Minister said that it did not make sense for the Government of Canada and the country as a whole to be encouraging the importation of high sulphur content coal from the United States when low sulphur content coal is available from western Canada with all of the attendant environmental and economic advantages inherent in displacing American coal. He then said:

—to the extent that the federal Government can do anything about the problem, we are acting on it.

Let us note the following major relevant points as confirmed in the report referred to by the Minister: first, western coal has one-half of 1 per cent sulphur content whereas U.S. coal has 5 per cent sulphur content. The $7 million the federal Government is now providing to clean up the acid rain mess in Ontario could have helped to haul hundreds of tonnes of western coal from Alberta to Ontario and we would not be in this terrible acid rain mess. Second, the Government of Ontario has made a commitment to reduce acid rain in that province by 50 per cent of the 1980 emission levels by 1994.

Third, without emission controls, Ontario Hydro will exceed the provincial limit on acid gas emissions by 1994 when the emission limit of 215,000 tonnes per year nitrogen-oxide, NO8 and SO2, comes into effect. Fourth, Ontario Hydro can meet the provincial emission limits until the year 2000 by using more western Canadian low sulphur coal or by a combination of the use of more western coal and U.S. coal with flue gas scrubbers or solely with the use of flue gas scrubbers on American coal. Fifth, Ontario Hydro is required between now and December 1988 to submit its methods of emission control to the Government of Ontario.

The coal report states that the use of western Canadian coal will have a national benefit through the creation of 13,000 jobs with an income of $41 billion in 1985-dollars.

How can we make our western low sulphur coal competitive with U.S. coal? There are several ways to do so. We can do it by using unit trains to haul the coal and by finding ways to reduce the mining costs. These items alone account for 58 per cent of the estimated price of $88 per tonne. Second, increasing the cost of scrubbers by 20 per cent would make Canadian coal 10 per cent cheaper than the U.S. coal options. Third, we can do it by upgrading the heat values of western coal through research and modern technology.

• (1810)

Ontario will benefit through jobs and taxes, as will the federal Government. In addition, both governments will benefit and save thousands of dollars because of much less acid rain. Also, we will be developing a Canadian industry with all of its economic benefits. If necessary, both governments should provide some financial help for transportation and research.

In the light of the facts presented in the report, it is high time that both the federal Government and the Ontario Government took all necessary actions to substantially reduce the amount of U.S. coal imported into Canada, and to develop our coal resources for the benefit of Canadians. I am satisfied that the capital is there to open and reopen our own low sulphur coal mines in Alberta, and elsewhere in the West. For years Canadians like the late Jessie Gouge and Mr. Omar Patrick and his father worked and pleaded for an opportunity to provide coal to the East, but to no avail. I hope that this latest coal report, which substantiates everything that westerners have been saying for years, will not be another cave-in.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to respond to the Hon. Member's question regarding the use of low sulphur western Canadian coal.

On August 20, 1986, the federal-provincial task force on the use of low sulphur western coal released its report. It was in October, 1984 that the federal and provincial environment Ministers set up the task force to determine the costs and benefits of increased use of western coal in Ontario. The study focused particularly on the role that low sulphur western Canadian coal could play in reducing acid rain causing emissions.

Ontario Hydro is the largest consumer of coal in eastern Canada. The utility must reduce its sulphur dioxide emissions—the principal cause of acid rain—by more than 50 per cent by 1994, in accordance with regulations adopted by the Ontario Government.

The task force report is, therefore, timely for Ontario Hydro, as the document offers comprehensive information for the federal and provincial governments that is frequently not available when evaluating emission control options. This is socio-economic information, information on Canadian jobs and income in different Canadian provinces: Quebec, Ontario, Manitoba, Alberta, and British Columbia. Each of the four options proposed in the report has different benefits for job creation and stimulation of industry in the mining, transportation and public utility sectors.

The report strongly recommends co-operative follow-up initiatives by industry and federal and provincial governments to improve the economic attractiveness of western Canadian coal to Ontario Hydro. Ontario Hydro is now in the process of preparing its emission reduction plan to meet the sulphur dioxide emission limits imposed by Ontario for 1990 and 1994. As the Hon. Member stated, that plan is to be submitted to the Government of Ontario by December 31, 1988. The western coal task force report is timely in that regard. It will permit the socio-economic information developed to be considered in Ontario Hydro's decision-making process.

However, it is not only up to Ontario Hydro to take action. The federal-provincial task force recommended that governments and industry study methods to increase the use of western Canadian low sulphur coal, by investigating means to reduce production, mining, and transportation costs; and by allocating more funds for the research and development of new, more efficient techniques to improve coal quality.

• (1815)

The question of increased use of low sulphur western Canadian coal now requires a resource development focus. In this vein, on October 30, 1986, the federal Department of Energy, Mines and Resources assumed the lead role in directing and co-ordinating the activities needed to put into effect the task force recommendations. To achieve this goal, the Department of Energy, Mines and Resources must act in co-operation with provincial resource departments, as well as with federal and provincial departments of transport and regional development. Together they must choose the best means to increase demand for low sulphur western Canadian coal in Ontario.

In recent weeks representatives of Transport Canada and Ontario Hydro discussed problems related to the cost of transporting western Canadian coal to Ontario. Discussions of this type will continue in order to resolve the situation. In fact, on November 19, 1986, the Alberta Coal Development Adviser

is meeting with the Coal Association of Canada, representing coal producers as well as Canadian National and Canadian Pacific. Also, on November 25, Transport Canada and the Department of Energy, Mines and Resources will be meeting with Canadian National, Canadian Pacific, and Thunder Bay Terminal and Great Lakes freight operators.

Furthermore, in September Environment Canada initiated a macro-economic study to build upon the socio-economic information generated by the task force. The study will deal with some aspects not addressed by the task force, such as the effect of increased electricity prices in Ontario on product prices and markets.

REGIONAL DEVELOPMENT—FUTURE OF WINNIPEG RAIL SHOPS. (B) AEROSPACE INDUSTRY INQUIRY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I want to follow up on a question which I directed to the Prime Minister (Mr. Mulroney) the week before we recessed. It concerned the future of the Winnipeg economy and, of course, the awarding of the contract for the maintenance of the CF-18 to Canadair in Montreal instead of to Bristol Aerospace in Winnipeg where a great many people thought it ought to have gone on the basis of financial and technical merit.

Having just spent a week in Winnipeg, and after shovelling snow, I had an opportunity to meet with many people who lived beyond my particular street.

Mr. Marchi: I was there too.

Mr. Blaikie: The Hon. Member was there for a conference on immigrant women. He had the opportunity of experiencing something which occurs once in every 20 years in Winnipeg—the blizzard.

In any event, I wanted to report to the House the incredible unanimity with which Manitobans regard this decision, the incredible unanimity of contempt for both the process and the outcome of the particular decision.

I rose in the House to ask the Prime Minister whether or not a Minister would make a statement about just what the Government had in mind for Winnipeg. There is a great deal of general rhetoric about western Canada. We hear a lot about the $1 billion farm aid program for grain producers, which is all well and good. We hear about the things which have been done for the oil and gas sector in Alberta. However, I was asking the Prime Minister whether or not someone would stand and give Winnipeg an idea of what kind of future the federal Government had in mind for it.

We in Winnipeg are certainly in a position where we have grave doubts about whether the Government has any future at all in mind for Winnipeg. Our only experience since September, 1984 has been bad news. It is not like the joke about first the good news and then the bad news, or first the bad news and then the good news. There has been nothing but bad news. The awarding of the CF-18 contract to Montreal was really the icing on the cake.

In that context I said in the House, and I say it again: What does the Government have in mind for Winnipeg? All we have seen is the seemingly indefinite deferral of the VIA Rail shop which was supposed to have been built in Winnipeg. It was planned to have been built but it was cancelled by the Conservatives.

• (1820)

We saw the cancellation of the manufacturing technology centre. The building is there but the program is not. We had a provincial Government willing to contribute, but a federal Government that wanted to go ahead only with rehabilitating one-third of the 1,000 boxcars which could have been used in Churchill. CN said that was all it needed. Then, just a few months ago, sure as shooting, when there was trouble in the other ports, CN said it did not have enough cars to take all the grain to Churchill. We have seen the putting off from one year to the next of the needed building of a new diesel or motive power shop in Transcona.

The Government talks about giving money away here and there, the latest being I do not know how many millions of dollars which may be going to preserve an automotive plant in Ste. Thérèse, Quebec. Yet the one thing we know we are going to have for the foreseeable future is the railway. We know it needs new facilities. People are working in shops built in 1909 and 1910. How much foresight does it take to say that rebuilding these would be an investment well made? Yet the money that CN would like to spend on that keeps getting delayed from year to year by the Government. It is an investment that will never go somewhere else. It will not trail off down to the U.S. There is no risk at all involved in building the necessary infrastructure for our transportation system. Yet it is put off and put off and put off. There is just a total lack of foresight and it is becoming very, very irritating to anyone who knows anything about it. There is continued reluctance by the Government to go ahead with the things we know need to be done to develop and maintain the Port of Churchill, as well as the building of lightweight hopper cars.

I am also interested in the future of Versatile in Winnipeg. I met with representatives of the Canadian Auto Workers while I was in my constituency last week. They have been trying to get a meeting with the Hon. Member for Provencher (Mr. Epp) to discuss what the Government is doing to make sure the 1,000 unemployed there now find their way back to work through arrangements which we hope the Government is working on. They have been unable to get a meeting with him. I can understand why Tory Members from Manitoba are not in a big hurry to meet with anyone these days, but these people have been trying to get the meeting for weeks and I hope this does not turn out to be another example of how Manitoba is neglected by the federal Government.

I repeat what I said in the question I am following up today. We need a statement from this Government about how it sees the future of Winnipeg. There were certain understandings between the federal and provincial Governments that the

strength of Manitoba was transportation. There were agreements with Alberta which reflected that province's strength in energy. However, all we have seen is the undercutting of Manitoba's transportation sector since the election in 1984. I would like to know just what the Government has in mind.

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Hon. Member raised a number of questions and I would like to deal with them as quickly as I can because I have only three minutes and you will have to cut me off.

First, by 1980 Transcona will be the main shop for heavy maintenance work and equipment refurbishing in the CN system. Transcona is located within the riding presently represented by the Member and it will benefit enormously from that work. There will be many new jobs and people transferred from other parts of Canada who wish to work in that facility. That is one example of good news for the residents of Winnipeg.

• (1825)

The aerospace industry is obviously of concern to the Member. There are three major aerospace companies in Manitoba which represent about 5 per cent of the total sales of the aerospace industry of Canada and 5 per cent of the employment of the industry.

As one example of what we have done for Manitobans and Winnipegers, Boeing now has the contract to do the wing ferry construction for the Boeing 747s. I understand that creates about 250 jobs, which we hope will be permanent. That is one of the good results of allowing de Havilland to purchase Boeing. I wonder whether the Member has taken a position with respect to that purchase. I seem to recall that his Party was vehemently opposed to that. If that had not happened, those 250 jobs in Winnipeg would probably not exist today.

I was born in Winnipeg and lived there for a quarter of a century and have very strong feelings about Winnipeg, as has the Member. I understand that Manitoba now has an unemployment rate of about 6.9 per cent, the lowest of all the four western provinces.

Mr. Blaikie: It's an NDP Government.

Mr. Kilgour: Would the Member tell us how it makes any sense for the NDP Government of Manitoba to have a payroll tax? If there is any better disincentive for having employment in a province, it seems to me that the NDP Government tax would be at the top of any intelligent person's list. I do not know how that Government can talk about creating jobs when it does everything it can to make it harder for people to create jobs.

We have helped to create an atmosphere in which 75,000 new jobs have been created on the Prairies since the election. We have reinstated VIA Rail which is important to Winnipeg and westerners generally. We recently declared that the Yellowhead route would be part of the national trans-Canada system. We committed $1 billion to the hard-pressed grain farmers. We announced the red meat stabilization plan. There was a major commitment in the Throne Speech to diversify the economy of western Canada.

I will conclude on the very important issue of preserving the 2 million to 2.5 million Canadian jobs which now depend on our trade with the United States. We are doing everything we can to preserve access to that market against the daily opposition of the Member's Party. Approximately 200,000 western Canadian jobs now depend on that market. If the Member's leader continues to do things which will make it harder to maintain a continued access to that market, it can only result in harm to a great many men, women and children in our part of the country.

IMMIGRATION—AWARDING OF MINISTERIAL SPECIAL ENTRY PERMIT. (B) REQUEST THAT MINISTER REVOKE DECISION

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise this evening to review a series of three questions which I asked the Minister of State for Immigration (Mr. Weiner) during the sittings of November 4, 5 and 6. They were with regard to two questionable and very frustrating judgment calls made by the Minister to grant two ministerial permits to two different individuals. One individual, who had a criminal record of over 20 convictions, obtained a ministerial permit from the same Minister to remain in Canada as well as a recommendation that this individual be granted landed immigrant status. Another decision which came to light involved a Hungarian immigrant who was known to have given to the Hungarian Secret Police secret and politically damaging information on Canadians with ties in Hungary.

The most frustrating aspect with regard to immigration policies and programs in this country is the fact that Canadians cannot sponsor loved ones and relatives from abroad to have them join families in Canada. This is despite the fact that under Liberal Governments, family reunification was the cornerstone of our immigration policy.

• (1830)

With the announcement of the 1987 levels, we see that the Conservative Government has lowered the threshold for family sponsorship and family reunification to some 30 per cent. They were considerably higher under Liberal Governments. Second, if they are successful, it usually takes years.

It was no coincidence that there was such outrage and frustration expressed by Canadians across the country when we learned that an individual with a record of over 20 criminal convictions was not only accepted to the country and received a special ministerial permit to allow that person to remain in Canada, but that the Minister had the temerity to recommend him to the Government and Cabinet for special landed immigrant status.

That is shocking because there are thousands upon thousands of legitimate and meritorious individuals who wish to come to this country, as my family and many others did, to

create a better life-style and, in the process, create a better Canada. They want to join in the construction of a new country. It behooves the Minister to give out ministerial permits to individuals who merit such consideration, not to individuals who, such as in the Hungary case, give secret information about Canadians who have ties with Hungary. In fact, it is testimony to the fact that these individuals should not be granted status in this country. That status should be offered to those individuals who warrant and deserve immigration here.

Furthermore, both cases do not come out of the blue. With respect to the individual having over 20 criminal convictions, three previous Ministers of Immigration rejected the lobbying efforts that were made on his behalf. The bureaucracy and the Deputy Minister continue to this day to react negatively and are at odds with the ministerial decision.

With respect to the Hungarian case, again, two previous Ministers of Immigration rejected the lobbying efforts on behalf of this gentleman, particularly by the Member for Edmonton-Strathcona (Mr. Kilgour). We know about these two cases and perhaps there are others which will become public. The Minister has made a very serious call, he went against the advice of his Department, and it seems that while he is probably well intentioned, he has difficulty saying no to lobbying efforts. Previous Ministers and departmental officials clearly rejected special ministerial permits to these two individuals. The present Minister somehow found it possible to grant such ministerial permits.

Canadians are asking, as I did during the week of November 4, what has changed to allow the Minister to contravene his departmental officials and go against the recommendations of three previous Ministers, not all of whom were Conservatives, because the first case goes back to John Roberts when he was Minister of Employment and Immigration.

I am anxiously waiting to hear the Parliamentary Secretary tell us why the Minister granted special ministerial permits in these two particular applications. What were the circumstances that changed since the last Ministers made their recommendations? What has changed in the advice of the Department to warrant special ministerial permits?

Unless the Parliamentary Secretary can give legitimate reasons for these two cases receiving ministerial permits, I believe that he, the Minister for whom he is speaking this evening, and the Government should clearly revoke such ministerial permits. It is only in this way that we can send a strong signal to Canadians and those wishing to enter Canada that they follow proper procedures and regulations because there is no watering down of ministerial permits to people who simply and quite frankly do not deserve them. I look forward to hearing from the Parliamentary Secretary.

• (1835)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I guess I would be much more impressed, as would all Canadians, with the arguments put forward by the Hon. Member for York West (Mr. Marchi) if it were not for the number of inaccuracies, false innuendos and the number of downright questionable comments the Hon. Member makes, both in the House and outside the House, comments which he cannot substantiate.

First, I will deal with the question of whether or not the Minister did or did not follow the recommendations of his Department. If the Hon. Member for York West was open and forthright, or if he really knew what happens in the Department—and I can forgive him for not knowing since he has not had the experience of being in government—he would know that the Minister was provided with options. The fact is circumstances change.

An interesting notion is the one that this person who has been in Canada now for a number of years was all of a sudden created out of thin air by the Minister or by the Government. We have been in government for two years now and this person has been in Canada for a number of years. If the Liberal Government and the policies which the Hon. Member would like to support were really concerned about this particular case, then I do not know how this person can still be here in Canada to be considered by the Minister.

The point I would like to make is that the Minister has acted legally. He has made recommendations to the Minister of State for Immigration (Mr. Weiner) with respect to his consideration. Cabinet determination must be given with respect to whether this person should be considered under the provisions of the Immigration Act of 1976 as a person who has been rehabilitated. I challenge the Hon. Member to take a look at this person's record, since he likes to judge. I hope that some day people can judge him as fairly as the Minister is trying to judge this person. The Government will in fact take due consideration of all elements of this case, some of which have changed in the last year.

[*Translation*]

The Acting Speaker (Mr. Paproski): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.37 p.m.

HOUSE OF COMMONS

Tuesday, November 18, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1986-87

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

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition Nos. 332-1, 332-2, 332-7.

* * *

[*Translation*]

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, I have the honour of tabling the First Report of the Standing Committee on Finance and Economic Affairs.

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

* * *

PETITIONS

DISARMAMENT—REQUEST FOR GOVERNMENT INTERVENTION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I wish to present a petition on behalf of students at the Charles-Rodrigue school in Lévis, and more specifically, a group which calls itself "Anti-war". Their petition concerns disarmament and asks our Government for positive intervention to promote world disarmament.

* * *

FINANCE AND ECONOMIC AFFAIRS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, if the House gives its consent, I move, seconded by the Hon. Member for Lévis (Mr. Fontaine):

That the First Report of the Standing Committee on Finance and Economic Affairs, tabled in the House today, be concurred in.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1110)

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1986-87

REFERENCE TO STANDING COMMITTEES

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 83 I move:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1987, laid upon the table earlier this day, be referred to the several standing committees as follows:

Since the list is rather long and there is a detailed allocation of the Supplementary Estimates to the committees, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): We are agreeable to this procedure, as long as the Minister gives his assurance that it is presented in the usual form, and there are no surprises in it for us.

Mr. Mazankowski: I can give the Hon. Member that assurance. If he does find some technical error, I assure him that I will make that correction.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

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

To the Standing Committee on Aboriginal Affairs and Northern Development:

Indian Affairs and Northern Development, Votes 15a, 20a, 30a, 50a, and L56a.

To the Standing Committee on Agriculture:

Agriculture, Vote 15a.

To the Standing Committee on Communications and Culture:

Communications, Votes 5a, 10a, 25a, 45a, 65a, 70a and 80a.

To the Standing Committee on Energy, Mines and Resources:

Energy, Mines and Resources, Votes L31a and 55a.

To the Standing Committee on Environment and Forestry:

Agriculture, Votes 20a, 25a and 30a.

Environment, Votes 1a, 10a and 15a.

To the Standing Committee on External Affairs and International Trade:

External Affairs, Votes 1a, 5a, 10a, L16a, 20a, 30a, 35a, L45a and 60a.

To the Standing Committee on Finance and Economic Affairs:

Finance, Vote 40a.

To the Standing Committee on Government Operations:

Public Works, Votes 35a and 40a.

Supply and Services, Vote 1a.

Treasury Board, Vote 21a.

To the Standing Committee on Human Rights:

Justice, Vote 10a.

To the Standing Committee on Justice and Solicitor General:

Justice, Votes 1a, 5a, 25a and 40a.

Solicitor General, Votes 1a and 10a.

To the Standing Committee on Labour, Employment and Immigration:

Employment and Immigration, Votes 1a, 5a, 15a, 20a, 25a and 30a.

Labour, Votes 1a and 5a.

To the Standing Committee on Management and Members' Services:

Parliament, Vote 5a.

To the Standing Committee on National Defence:

National Defence, Votes 5a and 10a.

To the Standing Committee on National Health and Welfare:

National Health and Welfare, Votes 1a, 10a, 15a, 25a, 35a and 80a.

To the Standing Committee on Regional Industrial Expansion:

Regional Industrial Expansion, Votes 2a, 10a, 15a, L25a and L26a.

To the Standing Committee on Research, Science and Technology:

Science and Technology, Votes 1a, 15a and 20a.

To the Standing Committee on Secretary of State:

Secretary of State, Votes 5a and 25a.

To the Standing Committee on Transport:

Transport, Votes 1a, 10a, 15a, 30a, 40a and 63a.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

The House resumed from Monday, November 17, consideration of the motion of Mr. Cadieux that Bill C-24, an Act to provide for the maintenance of ports operations, be read a second time and by unanimous consent, referred to Committee of the Whole.

Mr. Speaker: When the debate on Bill C-24 was interrupted last evening at six o'clock p.m. the Hon. Member for Mission—Port Moody (Mr. St. Germain) had completed his speech.

I will now recognize Hon. Members who wish to participate in the 10-minute question and comment period following the Hon. Member's speech.

There being no questions or comments, on debate, the Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, obviously we have not had a great deal of time to review the proposed legislation which was only tabled in the House yesterday and received in our offices at approximately 10.15 a.m. yesterday.

There are a number of points that I wish to make. One point that jumped out when I read the Bill, and I think it would probably impress itself upon all Members, is that in Clause 13(2) when the Minister invokes prohibition against unions or employers for breaking the regulations as set out in this new Bill:

> No officer or representative of a union who is convicted of an offence under this Act that was committed while the officer or representative was acting in that capacity shall be employed in any capacity by, or act as an officer or representative of, the union at any time during the five years immediately after the date of the conviction.

For some reason there is no such application against the employer. If this legislation is intended to bring an even hand to a difficult situation, in Clause 13(1) why did the Government see fit to apply the offence prohibitions against the individual, the union, or the company? Yet in Clause 13(2) the only people who stand to lose their jobs for five years are representatives of the union? This is clearly an indication of the anti-union sentiment and anti-union mentality of this Government.

Furthermore, there is one way of adding some sense of balance to the Act. Those Members who are from British Columbia will want to take a specific look at Clause 13(2). If there is an obligation imposed to respect the law, that obligation should be imposed on both sides. At the very least, there should be an amendment coming from the Government which includes similar sanctions against the employer.

In reviewing the legislation imposed by previous Governments, for example, the Shipping Continuation Act of 1978, an

Act to provide for the resumption and continuation of longshoring and related operations at ports on the West Coast of Canada, assented to in 1982; and an Act to provide for the resumption and continuation of postal services assented to in 1978, for the first time in the history of this Parliament the Government is talking not only about proceeding with regulations which govern both union and management with respect to the application of this Bill, but it is also talking about kicking someone out of a union office for five years if there is a contravention. When we had a postal strike in 1979 the imposition was a $100 a day fine. There was never any consideration that someone should be kicked out of the union office for five years.

When we had the imposition of a back-to-work order on the West Coast longshoremen's strike of 1982, the prohibition was a contempt-of-court charge, if you did not live within the regulations as imposed on the back-to-work order. Likewise, in the Great Lakes shipping agreement of 1978, the only penalty imposed was a contempt-of-court order.

Why is this Government proceeding with legislation which would deny a union office holder the right to serve in that union as an officer for five years at the same time that there is no concurrent penalty being applied against the employer? Are we now suggesting that the employer should be kicked out of his or her office for five years?

I suspect that Clause 13(2) was a deliberate attempt by the Government to essentially buy the company line when it comes to this back-to-work legislation. The provisions for the industrial inquiry commission buttress my argument that the Government has bought the company line hook, line, and sinker. In the industrial inquiry commission the one area that is turned over to the commission is the container issue. Membership in this commission is again chosen in a rather ambiguous way by the Government.

• (1120)

The long-standing problems surrounding the Port of Vancouver were cited in the press release of the Minister of Labour (Mr. Cadieux) when he announced the changes yesterday. He talked about the difficulties which have existed over the last 16 years. In fact some positive suggestions have been put forward by people working on the docks and in the port. They say that the container clause is only a smokescreen. It is the tip of the iceberg.

In fact there is a lack of competitiveness on the part of that west coast port. The Government is not prepared to provide the kind of massive investment into upgrading the port which we see in the United States.

Let us look at the report on the St. Lawrence project in 1985. It cites the Port of Vancouver as handling only between seven million and eight million tonnes of general cargo. Only 12 per cent to 15 per cent of this total is containerized. Therefore, containers are not the only problem facing the Port of Vancouver. That same report of June, 1985 cites the real problem—the lack of competitiveness of the port. For example, between 1976 and 1983 there was reference to cross-border container traffic between Canada and the United States, according to Ports Canada data. In 1983 there were 47,362 unloaded containers destined for Canada in American ports. That amounts to a business loss to Canada because our ports were not competitive. However, 16,103 unloaded containers destined for the United States were waiting on the West Coast of Canada in the same period of time. The lack of competition is not strictly related to containers, because containers only amount to 12 per cent or 15 per cent of business ventures at the port.

I am sure most Hon. Members have had an opportunity to review the brief delivered to our offices by the International Longshoremen's and Warehousemen's Union. It pointed to the real problem. Let us look at the Port of Seattle which is in direct competition with the Port of Vancouver. That port has invested over $90 million in the last two years to build new facilities or upgrade existing ones. A comparison of container capability—who can deliver how much and how quickly—shows that Vancouver has five cranes and that Seattle and Tacoma combined have thirty-one cranes. Is it any wonder that there are competition problems in Canada? Is it any wonder that many of our containers are now being unloaded in the United States for shipment into Canada?

It is not the container clause problem. That is a smokescreen for a far more serious problem which relates to the Government's inability or unwillingness to upgrade the capacity for container movement or shipments over the last number of years. Let us look at the decision-making process in the United States. The union pointed out that most ports were under local control, so decisions could be made quickly and directly by those persons involved. In Canada we have theoretically passed legislation which decentralized authority. However, in practical terms most decisions are still made 3,000 miles away in land-locked Ottawa. We must not only look at the question of containers, we must look as well at the over-all issue of productivity at Vancouver ports.

We will in fact propose a number of amendments. It is our belief that the industrial inquiry commission to be set up by the Government should not be restricted to looking only at the container question. If that is the case, it has clearly bought the argument of the employers that the only problem is in fact containers. We would prefer to look at the over-all question of productivity and competitiveness.

One key issue which the Government has not addressed in this particular piece of legislation is the question of job security. We will be proposing amendments in that regard as well.

I should like to refer to the industrial inquiry commission. The Government is rather vague about who will be appointed to the commission and what will be their qualifications. I wonder whether the qualifications of the appointees to the commission are anything akin to those of recent Senate appointees. To wit, a Senate appointee was quoted this

morning as saying the reasons the Prime Minister (Mr. Mulroney) appointed her were because she was a woman, a Catholic, and from the outports of Newfoundland. There were no references to capability or capacity. She was appointed simply because she was an outport woman who happened to be a Catholic. If that is the nomination process chosen by the Government in the setting up of this industrial inquiry commission, we see very serious problems in the actual application of the responsibilities laid out by the Minister, even as limited as they are.

Mr. St. Germain: Mr. Speaker, I rise on a point of order. I do not think this forum should be utilized by the Hon. Member to make statements relating to Senate appointments. I do not think it has anything to do with the debate. It is character assassination, and it should be stopped immediately.

Mr. Gauthier: Mr. Speaker, I beg to differ with the Hon. Member. That was not a point of order; it was strictly debate.

Mr. Deputy Speaker: The first part of the point raised by the Hon. Member for Mission—Port Moody (Mr. St. Germain) suggested that the Hon. Member for Hamilton East (Ms. Copps) might have commented upon Senate appointments. As far as relevancy is concerned, she did that for an extremely short period of time. Obviously the Hon. Member did not intend to speak on it for a lengthy period of time. I do not consider it to be a point of order. Also, I do not consider the second part of the Hon. Member's point to be a point of order.

Ms. Copps: Mr. Speaker, I believe my comments were related to subclause 7(1) wherein it is indicated that the Minister shall confer upon himself or herself the right to make appointments to the industrial inquiry commission. If we look at the precedent which was apparently set as a result of the Senate appointments announced today, obviously we have a few questions to ask the Government. We should like to propose—and we will be moving amendments to that effect—that the appointees to the industrial inquiry commission must have the approval of both the union and the management.

I think there are plenty of precedents. For example, if we look at the general composition of unemployment insurance boards, generally speaking there is a union representative, a management representative, and a third representative appointed by Government. We feel that that would be a more desirable model than the commission membership being appointed by the Minister.

Who is on the commission? What are their qualifications? What expertise do they bring? According to the Minister's press release, this is the result of 16 years to 17 years of debate and discussion; also there has been a number of studies. We should like to see someone on the commission who knows what he or she is talking about. Naturally, coming from the Conservative Government, that might be a little difficult to find. However, it is something which must be considered. We will be making some amendments in that regard.

We have concerns about appointees to the industrial inquiry commission. We should like to know how they will be appointed, and we should like to see an extension of the terms of reference of the commission. Because the terms of reference are restricted solely to the container issue, which represents from 12 per cent to 15 per cent of the business in Vancouver ports, 85 per cent to 88 per cent of the problem is not being dealt with. An examination of the brief submitted to all Hon. Members by the ILWU would be a good way for us to consider some of the amendments.

At the same time I must point out how concerned my Party and I are about subclause 13(2). It discriminates against union workers because it indicates that if one is a company man, there is no problem. The prohibitions against companies are excluded from Clause 13(2). If one is a union office holder then he can be thrown out of the union for five years. He can even be deprived of his livelihood if he breaks any of the provisions of the proposed legislation. It seems to me that fair is fair; if legislation is to be introduced which imposes a penalty on one party then the same penalty should be imposed on the other party. It will be our proposition that the only way of dealing with this unjust subclause in the legislation is to strike it altogether. There are plenty of precedents to suggest that contempt of court provisions, a fine or other such provisions may be substituted which will indeed get the point across that legislation which must be obeyed is being passed. However, at the same time we do not want to penalize someone by taking five years out of his life from union or working activity simply because he has not followed the provisions of the Bill when there are no similar prohibitions against the employer.

[*Translation*]

So there are certainly a number of amendments we would like to propose, including amendments which, I feel, are simply a matter of fairness to the workers, because if we look at the provisions of Clause 13 (2) of the Bill, they clearly reflect the policy of this Government which has decided that if employees do not agree and break the law and are convicted, they are faced with the possibility of being kept from promoting union policies for a period of five years. And the Hon. Member says that—I don't know whether he read the clause, but in any case, Subclause (2) provides that:

> No officer or representative of a union who is convicted of an offence under this Act that was committed while the officer or representative was acting in that capacity shall be employed in any capacity by, or act as an officer or representative of, the union at any time during the five years immediately after the date of the conviction.

Unlike Subclause 13(1), the reference is not to both employees and employers, to both workers and companies.

The second subclause refers only to workers, not to companies: And we think that penalizing a worker or a union member by prohibiting him from union activities for five years is much too harsh. It is an abuse of the legislative process, and we would prefer to see the subclause withdrawn altogether. That would be our choice, first and foremost. Failing that, we

should at least have the same prohibitions, the same interdictions applying to employers. How can we tell employees that, if they break the law, they could be kicked out of the union for five years when there is no equivalent sanction for employers? We are going to move to have this provision withdrawn, because I know there have been instances, involving even Liberal Governments, where the Government and the Opposition supported back-to-work legislation, whether the problem was a strike or a lockout. There are precedents.

There have been quite a few instances but, to my knowledge, this is the first time, as far as we have been able to ascertain, that we have a penalty to the extent of putting someone out of his job for five years. For instance, if we look at the Shipping Continuation Act which was passed in 1978, at the time the penalty for refusing to submit to the legislation and breaking the law was contempt of court order. That was the penalty in 1978. Contempt of court. If . . .

• (1130)

[*English*]

Mr. Deputy Speaker: I would ask the Hon. Member to conclude as her time has expired.

[*Translation*]

Ms. Copps: It meant a $100 fine. So I think there are precedents for imposing less serious penalties and for at least having the penalty apply to both employees and employers.

[*English*]

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Mission—Port Moody (Mr. St. Germain).

Mr. St. Germain: Mr. Speaker, the Hon. Member for Hamilton East (Ms. Copps) questioned numerous aspects of the Bill. I would like to address a couple of the matters she brought up this morning. She obviously has only one issue in question, that is, Clause 13. She mentioned this point twice in English and once in French. She repeated herself three times on this very clause. She pointed out that she did not have time to study the Bill, which was obvious by the fact that she kept repeating herself on this particular issue. It is an important issue. I agree with the Hon. Member in that respect. However, I do not think that we need her making the country believe that she is the sole protector of labour in the House of Commons. As a union president in the past I will certainly stand up for labour front and centre, which was proven in this House when the issue of shakes and shingles was before us. At that time her own Party refused to protect the jobs in the shake and shingle industry by refusing to reject the exportation of logs, blocks, bolts and blanks to the United States of America. So we do not need any lessons on the issue from the Hon. Member. The NDP stood with us on this issue when it was raised. The Hon. Member for Skeena (Mr. Fulton) took a strong position with us, but Members of the Liberal Party did not. The Liberal Party was prepared to sell out to the shake and shingle industry.

Let us now come down to the ILWU union aspect. Had the Hon. Member been in the House yesterday to listen to the debate on this particular issue she would have heard the Hon. Member for Regina West (Mr. Benjamin) bring an amendment forward to the Minister of Labour (Mr. Cadieux). The Minister of Labour said it was an excellent idea. I can assure you, Mr. Speaker, that this amendment will be implemented into the legislation.

The Hon. Member has also misled, not intentionally, the House in that she said these people will be deprived of being able to earn a livelihood. That is totally wrong. If she were to read the clause she would see that they will only be deprived of sitting as executives of the union, but they will still be able to be longshoremen. If she were to read the proposed amendment—

Ms. Copps: You don't even know what a bargaining agent is. Have you not ever heard of a full-time union appointee?

Mr. St. Germain: The fact is that the amendment which has been presented so adeptly by the New Democratic Party and which we are prepared to accept as a Party is well taken.

The Hon. Member spoke of cranes. If the Hon. Member knew anything about the West Coast she would know that there are 31 cranes in Seattle and Tacoma simply because the business has been going there. That is what we have to stop. If the Hon. Member knew anything about the West Coast she would know that the Americans are thinking of building a port in Bellingham, which is just south of the border. That is why we have to get the business back to British Columbia. For years the matter has not been resolved.

I would like the Hon. Member to comment on what she really knows about the West Coast in terms of shipping and cranes. It is a disgrace to get up in the House and not know anything about an issue on which one speaks. This is nearly a repeat of the shakes and shingles issue. And Members of the Liberal Party are all excited again because they do not know the issues on the West Coast and they are trying to deal with a problem about which they know nothing. I would like the Hon. Member to comment on the cranes and why she was not here yesterday to hear the Hon. Member for Regina West when he so adeptly brought forward his recommendation.

Ms. Copps: Mr. Speaker, for one who describes himself as a former union president, I am disturbed that he does not seem to understand how unions operate. Of course I repeated the issue with respect to Clause 13. I repeated it and I will continue to repeat it because it is a union-busting clause. This is anti-union legislation and Members of the Conservative Party got caught with their pants down. The Hon. Member should not talk to us in the Liberal Party about fighting for the working man and woman. I represent the most industrialized riding in the country and I have the right to speak out on labour matters.

Some Hon. Members: Hear, hear!

Ms. Copps: Mr. Speaker, the clause in question states:

No officer or representative of a union who is convicted of an offence—while the officer or representative was acting in that capacity shall be employed in any capacity by, or act as an officer or representative of, the union—

Now, presumably the association which the Member purports to speak for has paid employees. If they happen to be found in contravention of this law they can be thrown off their jobs for five years.

• (1140)

Some Hon. Members: Shame!

Mr. St. Germain: They are longshoremen.

Ms. Copps: Absolutely. They also have bargaining agents. The Hon. Member talks about shakes and shingles—

Mr. St. Germain: You know nothing about them.

Ms. Copps: He had the President of the U.S. shaking so much that Canadians were left with a case of the shingles because that Government put us in a position to be ripped off by the Americans. Where was he? Was he speaking for Canadians when it came to saving Canadian jobs? He was shaking in his boots because he was listening to that shekel salesman, the President of the U.S., who sold this country out to get a fast-track deal on free trade.

As for the NDP double-talk, they can take whatever position they want. They may take one position in B.C. and another here in Ontario, but we speak as one.

Mr. St. Germain: Mr. Speaker, I find it totally disgusting that the Member would get up and question the action taken on shakes and shingles. There is one thing about it, we are in control.

Some Hon. Members: Oh, oh!

Mr. St. Germain: Today the U.S. would give anything to remove the tariff on shakes and shingles. They realized they erred in their judgment. The fact is that the action we took was so positive and so definitive that we saved 99 per cent of the jobs in that industry. That industry is going to come out ahead because we control the production of raw cedar in North America. We will continue to control it through the limitations on exports of cedar shakes and shingles to the U.S. or anywhere else. I do not need any lessons from her on this.

She asks if I know anything about labour. At least I represented labour and stood in the rank and file.

Ms. Copps: So have I.

Mr. St. Germain: As was pointed out by another Hon. Member, no one over there has run companies or represented unions.

The Hon. Member also brought up the matter of the Commissioner. She said we are the Government and we should be showing leadership. I can tell you, Mr. Speaker, that the leadership shown by the Minister is second to none on this particular issue.

Mr. Foster: Why do you want to apple polish? This is a serious matter.

Mr. St. Germain: I realize that. It is very serious, to the point that I think the Minister made an excellent choice in Mr. Kelly as a mediator. This is an example of where we are prepared to make certain that there is compassion and understanding, and that labour is given its full day in court the same as management. We want to see the situation resolved to the benefit not of a select group of employers or employees, but for all Canadians. If the Hon. Member realized the dilemma that Canada is in as a result of our dependency on our natural resources, and how we must maintain a solid transportation operation on the West Coast—

Mr. Gauthier: Point of order, Mr. Speaker. The Hon. Member is making a speech. He had his time yesterday. Today he is supposed to make a comment or ask a short question.

Mr. Blais: It was a comment.

Mr. Deputy Speaker: Order, please. The Hon. Member is commenting. He started the question and comment period. No other Member stood up to comment and therefore the Chair went back to the Hon. Member for Mission—Port Moody (Mr. St. Germain). I ask the Hon. Member to quickly close so that the Hon. Member for Hamilton East (Ms. Copps) has equal time to answer.

Mr. St. Germain: It is obvious, Mr. Speaker, that the Liberal Party of Canada is quaking in its boots. The Hon. Members are shaking right now. The Hon. Member for Hamilton East is liable to end up with a case of shingles. Maybe she should put shingles on her roof and start buying more Canadian products so we can improve the plight of all Canadians.

I want to know whether the Hon. Member for Hamilton East opposes this legislation? Would she sooner see a major shut-down and lock-out on the West Coast as opposed to the resolution of the problem presented to this House so efficiently by the Minister of Labour?

Ms. Copps: Mr. Speaker, I wish the Hon. Member would stop apple polishing. He should realize that the Prime Minister is not going to give him a promotion just because he makes kind comments about the Minister of Labour. If he heard what I had to say in my speech, I made a number of specific proposals and we are going to be making a number of specific amendments. I would like to work with the Hon. Member to improve the legislation. At the moment it is anti-union and the Government's employer bias was clearly demonstrated by the fact that the commission is looking strictly at the question of containers. Also because of the aforementioned penalties assessed against union workers but not against management. If we can address some of these very serious anti-union problems,

then certainly I am prepared to look at a compromise. However, the Bill as it stands at the moment is in favour of the employers. The Government bought the employer version, line and sinker and we would like to have someone speak for the workers.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for North Vancouver—Burnaby (Mr. Cook).

Mr. Chuck Cook (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, to emphasize the seriousness of this debate and what is taking place in the Port of Vancouver at the moment, I have been in touch with people in that city in the last 10 minutes and I can report to this House that there are now 24 vessels sitting there, 18 of which are grain cargo ships. The other 6 are there for other cargo. Some 18 of those grain ships will have demurrage charges which will have to be paid by the Canadian Wheat Board, which in turn is paid for by the farmers of Saskatchewan, Alberta, British Columbia and part of Manitoba. This dispute involves every farmer on the Prairies. It involves one in 10 people who depend upon the Port of Vancouver for their livelihood. Keep that in mind. If this legislation is not passed today the other six vessels will undoubtedly leave the port and go elsewhere. They are waiting only in the hope that this port can be opened by tomorrow morning, which hopefully it can.

It is a fascinating dispute in one sense of the word. It has a long history. We have had the container clause in contracts on the coast since 1970. Finally, in 1982, in the collective agreement signed that year, they made some forward movement in connection with that clause. One representative of the British Columbia Maritime Employers Association and one representative of the International Longshoremen's and Warehousemen's Union were to do a study on the container clause and determine its effect and whether it was really that damaging to the Port of Vancouver. It is interesting to note that Mr. Don Garcia, at that time the Canadian area president of the union, worked on behalf of the union, and D.B. McLennan worked on behalf of the employers. They brought in their report which basically said that perhaps the container clause could be dropped for at least a year with guarantees from the employers that there would be no loss of work during that year to union members. It looked like it was a possibility. It is interesting to note that Mr. Garcia agreed to that. However, the 3,700 longshoremen in Local 500 turned it down totally. They would not agree. Mr. Garcia was defeated as union president in the 1984 union election. I suspect that was as a result of his agreeing to have the container clause removed for a year to learn what the result would be. Dave Lomas became the president of the longshoremen in 1984.

• (1150)

In 1984 the Vancouver Ports Corporation, representatives of the employers association and Mr. Dave Lomas went to the Far East searching out new cargo for Vancouver. They wanted to learn why shippers were not using the port and to tell them why they should use it. It was reported that many shippers in the Far East said it was the container clause which caused them to avoid the Port of Vancouver. In fairness, there were other reasons, but the container clause was one reason.

Having learned this, Mr. Lomas began to express the view that something be done about the container clause. It is interesting to note that in April of 1986 Mr. Lomas lost his job as union leader. That possibly had a good deal to do with the fact that he had realized that the container clause was affecting the Port of Vancouver. Mr. Garcia won the election and became the president again.

There is absolutely no way Don Garcia could agree to anything with regard to the container clause. I think he believes that he lost his job over it on one occasion by attempting to be reasonable. Certainly Mr. Lomas lost his job because the 3,700 longshoremen in Local 500 want that bird in the hand and are not prepared to consider anything else. Even if it were guaranteed that the union would lose no work if the container clause were removed, could the union president agree to such a thing? Even if he did, the membership of the union would not ratify it. The 3,700 members of the union are absolutely immovable. The union executive would not dare to entertain such an idea. In addition, we now have an irresistible force because the employers now believe the clause must come out of the contract because of what it is costing them, the Port of Vancouver, the people of western Canada and our national image with regard to Vancouver becoming a major trading centre.

I am not prepared to say that the container clause is the only problem with the Port of Vancouver. It certainly is not. I found myself nodding my head in agreement with many of the comments made by members of the Opposition. However, we have an immovable object, the union, and an irresistible force, the management, which has locked the workers out because they want the contract settled. That situation presents a dilemma. The only answer is to force a solution, and that is the reason for the Maintenance of Ports Operations Act, 1986. The port must be put back into operation.

Is this Bill fair? I think most Hon. Members would agree that it is. It forces the employers to open their doors in order that work may resume. It specifies the Larson Report as the basis of the contract until 1988, but only because the parties are at loggerheads and cannot agree on anything. The Minister of Labour (Mr. Cadieux) has not denied the parties the right to bargain and reach an agreement on anything. If they reach an agreement, Clause 12 of the Bill applies. That clause states, in simple terms, that if the two parties can agree on any contractual language, that language will apply. The Act also calls for an industrial inquiry commission into the Port of Vancouver and the container clause. It specifies that the conclusion of that commission will become part of the contract until 1988 as well. How else can you solve a problem when people are not talking to each other?

In his opening remarks on this Bill the Minister of Labour said that in this situation there is more punishment for others than for those involved. That is true when the port is closed

down. One in ten people in Vancouver, every prairie farmer, every shipper of wheat, potash or anything else is affected. There are 24 ships in the port now. If this strike were to continue for another couple of days, prairie farmers may be paying for more than 18 ships awaiting grain. That is money out of their pockets every day.

There is only way in which I believe that we will be able to change the attitude of the longshoremen. I am not talking about the union leadership, because I believe the leadership knows the container clause should be investigated and removed for a trial period. The only way to change the attitude of the longshoremen is to guarantee them the same amount of work when the clause is dropped. In that way we can learn whether there will be as much work and whether the employers will have to pay a subsidy. We will find out if the removal of that clause will bring shipments back to Vancouver.

Another reason why I sincerely hope that the industrial commission removes the clause is that the Port of Vancouver and its officials have used the container clause as a crutch to explain why the port has not done better. If we take that clause out and the Port of Vancouver does not do any better, we had better look seriously at the management of the Canadian ports, and the employers will have to consider the kind of marketing they are doing because they will no longer have the container clause to use as an excuse.

I am not baiting labour. The employers are so convinced that this is the answer, they have already agreed that if there is any loss of work as compared to previous years they will subsidize the union for as many hours of labour as was done in the past. What could be fairer than that? If there is no improvement in the port without the container clause, and if the number of hours of work for longshoremen decreases substantially, then the union is right and the management and the port are wrong. They will have to realize that.

• (1200)

On the other hand, if there are 3,600 longshoremen who have been looking at the bird in the hand as opposed to the bird in the bush during this period of time, this is the only way they can be convinced about what is in their own best interest.

The longshoremen have made a number of valid points in the material that they sent to every Member of Parliament. There is more wrong with the Port of Vancouver than merely the container clause. The railway infrastructure is not as it should be. I can recall reading about the Port of Vancouver and the silk trains in the early 1920s. Shipments of silk would arrive from Japan, be instantly loaded onto trains which would be given a clear track right to eastern Canada. Silk from the Orient would arrive in eastern Canada quickly. It was a romantic period during which the silk trains became famous in the country. During my life I have not seen anything that the railways have done in terms of co-operating with the Port of Vancouver, either by applying rates or making it easier for shippers to use the Port of Vancouver. Without the co-operation of the railways, the trucking lines and the entire infrastructure, the Port of Vancouver will continue to be defeated by Oakland, Seattle, Tacoma, and now even Bellingham. This is because the American railways are better competitors.

The double stack train has been mentioned. Many of them are being used because shipping a container from Seattle to Chicago by using double stacking saves the shipper approximately $400 per container. Canadian railways do not have this capacity, although Canadian Pacific is talking about implementing something similar next year.

In order for the Port of Vancouver to compete, obviously the federal Government through the Department of Transport must lean on CN and CP to pay more attention to the West Coast ports of Canada and ensure they have an opportunity to compete fairly, as they cannot do now because of the railways.

I agree with the Member who spoke previously that the scope of the industrial inquiry commission should be broader than just the container clause. It should cover the whole gamit. I am surprised at the attitude of the Liberal Party. For years I sat in opposition in the House of Commons asking for an industrial commission into the Port of Vancouver. That never happened and I never had any co-operation. I spent years dealing with the Canada Ports Act and fighting for more autonomy for the Port of Vancouver.

Let me give an example. When a shipper in Seattle wants to move a million widgets through the Port of Seattle, knowing the rates and the arrangements, a board meeting can be convened to make a decision in half a day. While there may be slightly more autonomy to the Port of Vancouver in Canada, that kind of special deal would involve telexes heading back and forth to the Canada Ports Corporation in Montreal so that possibly in a week or two something may be done. By that time, those million widgets would have gone through the Port of Seattle.

The Port of Vancouver will never realize its full potential until it can function independently. Unfortunately, that has not yet happened and those of us from the West Coast will continue to fight the good fight in that regard.

This Bill must pass today for the sake of all Canadians. The union is prepared to work. The Bill will force the employers to stop their lock-out, because it is an absolute necessity that the port begin to operate again. The issue may be settled by knocking heads together. If the parties are not satisfied with the Larson report, they only have to arrive at an agreement between themselves. We cannot allow the port to be closed because it is essential. I hope the legislation passes today so that the port will open. We can then proceed to address this long dispute at the Port of Vancouver.

Mr. Deputy Speaker: Questions or comments? Resuming debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, Bill C-24 is an Act to provide for the maintenance of ports operations. Those who are beginning to follow this debate have come to realize that

the purpose of this legislation is essentially to end an employers strike. The fact is that employees are the ones who are locked out. My Party finds it interesting that we are seeing a capital strike by the Maritime Employers Association who are looking for more benefits. The fact is they are being ordered to open their doors.

My concern about Bill C-24 is that it is essentially an apple containing a razor blade. I say that because there are a number of matters that have to be addressed very carefully, including the process of selecting the referee, the final terms of reference for the industrial inquiry commissioner, who it will be, and how the much bandied about Clause 13 is finally handled.

Before I move on to the specifics, I want to comment on what the Liberals have been saying today. I found it interesting that today they are proposing many amendments and finding many things wrong with the legislation, yet only 45 minutes after they received it yesterday their House Leader stood in the House to demand that it go through all stages in one breath so that the lock-out can end immediately. They did not want a full debate to take place in the House of Commons.

Another concern, which I address to the Minister of Labour (Mr. Cadieux) as much as to anyone else, is that it was unfortunate that even as Members of the House received copies of this Bill the ILWU and members of the MEA on the West Coast had not received a copy of the legislation. They did not receive a copy until we vaxed one over the telephone at 10.15 yesterday morning. I recognize that the Minister had time constraints, but I think that when any legislation affecting employers or employees comes before the House, there is a responsibility of the House to ensure that those who may be directly or indirectly affected by the legislation are given copies before a debate takes place.

It is clear that this legislation is to order employers to open their doors because the situation on the West Coast is a lock-out. I have read the press clippings and I am amazed at the number of journalists, not only in the print media, but on radio and TV, who have called this a strike by longshoremen. Nothing could be further from the truth. It is the employers who have been involved in a lock-out.

Let me deal with Clause 13, particularly Clause 13(2). The Minister moved quickly on the suggestion made in the speech by my friend, the Hon. Member for Regina West (Mr. Benjamin). He agreed in principle that what is being applied to union officers must be applied to corporate officers as well. I am sure that everyone involved would have preferred that Clause 13(2) simply be deleted. I find no comparable precedent in the last decade of legislation before the House that was solely directed against a union. That is why the criticism directed against Bill C-24 as it now stands is correct. It is clearly anti-union. Because of the speed with which the Minister of Labour moved, I think he was intending to send a signal to the Maritime Employers Association as to where this process is going to go rather than simply taking a smack at the ILWU. The reason I say that is because there are two big sleeper sections in this Bill. The first section is the referee clause which is for the implementation of the Larson Report which touches on many different things. It requires the referee, who is acting directly for the nine locals of the International Longshoremen's and Warehousemen's Union and the 65 shipping and stevedoring companies to deal with various things, some of which are not fully delineated in the Larson Report as it stands. They are; recognized holidays, vacation with pay, the welfare plan, taking into account the effects of the unemployment insurance carve-out and the effect it will have on many workers. I would encourage Hon. Members of this House to take a look at the pension section of the Larson Report because I do not see how a referee, no matter how fair minded—and I understand from the Minister the referee will be chosen from Labour Canada—would be able to implement that with the kinds of wording and recommendations which have been left by the Larson Report.

• (1210)

There is automation protection. The public should be aware that the section on wages provides for no increase in 1986, which means an absolute freeze, 2 per cent starting January 1 of next year and 3 per cent on January 1 of 1988. All three of those increases run far behind the consumer price index or inflation. Therefore, the longshoremen are being asked to take a drop in wages for each of the next three years in terms of real pay.

There are sections on deep sea ship gangs, hours of work, despatch to rated classes, on-site training, continuous operations, transportation and travelling time and employment on the job. A previous speaker from the West Coast pointed out Clause 12 allows for the two sides, the ILWU and the MEA to come together to find common ground if they can find contractual language on any of these matters they find more satisfactory than the implementation of the Larson Report and its recommendations.

I would like to spend a moment on the other big sleeper. It concerns the industrial inquiry commissioner who is to be appointed by the Minister to deal with the container clause, the famed provision in Article 26.05, and such related other matters as the Minister deems appropriate to the container clause. This commission will have all the powers under the Inquiries Act and I, therefore, think Hon. Members of the House should keep in mind that that inquiry commissioner or commissioners will have the power to subpoena witnesses and documents, to cross examine, to take sworn evidence and so on, and perhaps for the first time on the West Coast really dig to the bottom of the container clause. But some kind of process should have been agreed upon in advance in terms of the appointment of the industrial inquiry commissioner. Other speakers have proposed that a short list be put forward and someone who is jointly acceptable to the two sides be chosen or that perhaps a short list of names be brought before a committee of this House, or the House Leaders, so at least there is a process to protect both sides.

I come back to my acronym of there being a razor blade in an apple because we can see clearly the anti-union bias in Bill C-24, and the signals which have gone to the Maritime Employers Association as a result. I think we want to be sure that not only the referee but the inquiry commissioner in particular must be and must be seen to be without bias in dealing with this highly contentious provision on containers in Article 26.05.

I would like to refer Hon. Members and those people who are interested to the Larson Report. Page 48 deals with both the Vancouver and Prince Rupert areas with respect to the packing and unpacking of containers at the docks and in warehouses, and I quote:

That requirement is emminently defensible based on the fact that a consolidated cargo must be packed or unpacked in any event in order to dispatch it to the several consignees to which it is destined or to consolidate it for shipping to a single destination.

Mr. Larson continues on this same point on page 54. He refers specifically to the container clause and why it is so important that the Minister move with extreme care in whom he choses and what is the attachment of related matters to that industrial inquiry:

There can be no doubt that the container clause constitutes a legitimate mechanism to secure and preserve bargaining unit work not unlike provisions against contracting out or non-affiliation clauses under other collective agreements.

Mr. Larson next says the following on page 56:

The employers expect that the profit from the one operation may be equal or greater than the profit from the other but for the employees who are presently loading and unloading containers it is a virtual certainty that only a few, if any, have the potential to be trained to operate cranes and even if all could be trained, there would not be enough work for them to do because the cranes are not labour-intensive.

Mr. Larson then goes on to say at page 57:

It has only been in the later stages of the negotiations that the Union has refused to bargain about the elimination of the container clause and I take that refusal to stem more from the failure of the Association to devise an acceptable guarantee than a firm decision that the clause not be eliminated under any circumstances.

Mr. Larson studied this in considerable detail and he gives us some idea of where to go in terms of the "container clause". I think some considerable study is required because, as we have learned from this debate, in the United States, following a number of very lengthy and protracted court procedures, the container clause is being reinserted on the West Coast of the United States because it was found that for many of those commodities it is more cost effective for them to be destuffed the way they did in the past.

In terms of the referee, who I understand from the Minister will come from Labour Canada, and in terms of the industrial inquiry commissioner, it is very important that not only myself, but other Hon. Members of the House not give the Minister carte blanche to wander off unwatched when we in this House are giving such powerful tools in Bill C-24 as those particular clauses.

I would like to look at some of the very important points raised by the ILWU in the release by Dan Cole, the Secretary-Treasurer of the ILWU, just in the last 48 hours. I quote from one of his documents:

Our Union understands the Port and its issues as well as anyone. We know that eliminating the Container Clause and crossing your fingers in the hope of increased business will cost us jobs without ensuring one more container moves through Vancouver.

Vancouver cannot compete with Seattle or Tacoma, not because of the Container Clause, but more imporantly due to inferior facilities, lack of local planning and control, and ineffective marketing of port operations.

The Port of Seattle has invested over $90 million in the past two years in building new facilities or upgrading existing ones. A comparison of container crane capability shows Vancouver with 5 cranes while Seattle and Tacoma combined have 31 cranes.

In my area on the north coast of British Columbia, there are several hundred longshoremen, about 150 full-time operating out of Prince Rupert and many more working part-time. We have 40 to 50 working regularly out of Stewart and 40 to 50 working regularly out of Port Simpson. We do not handle or deal with a lot of containers, it is principally raw logs being loaded for export to Alaska and to the Orient, wood in its sawed form coming principally by rubber and by rail to Prince Rupert, pulp, some explosives, grain and some other commodities. In Vancouver it is a much more complex fabric in terms of the work undertaken by the ILWU.

I want to spend another moment on Article 26.05, the container clause, because it has been touted by the Maritime Employers Assocation as being the big issue which is holding back development of the Port of Vancouver, but I believe it is more complicated than that. I quote from the background paper provided by the ILWU:

• (1220)

The container clause—Article 26.05 of the I.L.W.U.—B.C. Maritime Employers Association Collective Agreement—establishes a 90-mile radius around Vancouver (east to Hope, south to the U.S. border and west to Vancuover Island). Any container destined to a location outside the radius goes directly to that location. Any container destined to a location within the radius going to one owner, also goes directly to that location. Only containers with goods going to more than one destination and/or owner within the radius must be unpacked and loaded onto trucks or railway cars by longshoremen.

As Table 1 shows, the container clause affects less than 15 per cent of all containers which pass through the Port of Vancouver.

The report has this to say about container traffic:

Container traffic through the Port of Vancouver has been increasing: Since 1982 inbound container traffic has increased by 44 per cent and outbound by 64 per cent. The problem is that container traffic through American ports has increased even faster. In 1972, Vancouver container volume was 9.5 per cent of total U.S. West Coast volume. By 1985, Vancouver volume was only 4.8 per cent of the West Coast total.

You can see, Mr. Speaker, that it had been basically cut in half. The report continues:

There are several factors accounting for different growth rates: In 1985 Tacoma more than doubled its container traffic as a result of the move of Sea-Land, one of the major shipping companies, to Tacoma from Seattle. Seattle suffered a corresponding decline.

A major comparative study of West Coast ports concluded that the ports which showed the most growth—Long Beach, Los Angeles, Tacoma—were those where the local Port Authority had been the most aggressive in marketing and

developing inter-modal connections. Seattle, for example, has spent US $35 million on terminal improvements just to keep one major customer, American President Lines.

One only need refer to the chart provided in the same background document to see the problems we are having in the development of ports in British Columbia, including those of Vancouver, Prince Rupert, Stewart, Kitimat or any on the Fraser System. The political intervention in our system includes the federal Cabinet, the Minister of Transport (Mr. Crosbie), Transport Canada, the Canada Ports Corporation Board of Directors, the Vancouver Port Corporation Board of Directors and finally the Port Manager and staff. There is this incredible bureaucracy, and of course those at the port level are all at this time appointed Conservative hacks.

The situation in Canada is not the same as the typical situation in a western U.S. port. The political intervention in that system begins with city council and goes to city officials, the port itself which is a public corporation, the Board of Harbour Commissioners, the executive and staff and then the actual seaport landlord. There is a much more direct chain of command for any borrowings required to develop the port.

I would like to deal with whether or not containers will come back to Vancouver because I think that is the key that has been misunderstood in this debate. I have touched on my concerns over Clause 13(2), and I think the Minister has agreed in principle that, although he will not take the clause out as it applies to unions, he is prepared to apply it evenly to corporations as well as the union. It is a saw off. I would prefer to see Clause 13(2) dropped.

Regarding the industrial inquiry commission, the commissioners and the final terms of reference, I am hopeful that the Minister will, later today, come to some kind of agreement on an amendment or procedure to see that fair-minded and unbiased people who are agreeable to the positions of both the ILWU and the MEA are chosen. This will provide for a process that will work and will be satisfactory in its conclusion. I think it is very important that whoever is chosen from Labour Canada to be the referee exercise great caution in providing contractual language so that it is acceptable and can be lived with by both sides in the dispute.

Let me wind up with something about containers which is not fully understood. I am quoting again from the union background document under the heading "Will The Containers Come Back To Vancouver?"

About 92,000 containers will cross the border from the ports of Seattle and Tacoma to Vancouver in 1986. Fifty thousand of these containers will be landed in the American ports by ships that also call at Vancouver (Dual Callers). If the longshoremen would only give up their container clause, so the critics argue, the shippers and freight forwarders would drop those 50,000 containers in Vancouver. The increased work would more than offset the 12,000 containers which the longshoremen currently unpack as a result of the container clause.

Then there are another 42,000 Vancouver-destined containers shipped to Seattle on lines that do not stop in Vancouver. Opponents of the container clause argue that a portion of these would be off-loaded in Vancouver as well.

So giving up the container clause should mean more work for Vancouver longshoremen, not less. The increased volume of containers moving through the port of Vancouver should more than make up for the loss of work unpacking a small number of containers. Why won't the Longshoremen's Union give up the clause?

Quite simply, there is no guarantee whatsoever that the containers presently diverted to Seattle and Tacoma will come back to Vancouver.

The Ports of Seattle and Tacoma will do whatever they can to keep those containers flowing through their ports. The Port of Seattle will be "very responsive to whatever Vancouver does if they are successful in removing their container clause," says Seattle Port Manager Ross Dwyer. Their track record indicates they have been very successful in attracting business because of their aggressive marketing approach. An example is Seattle's promise to install three cranes with longer gantries to handle the new wider-body vessels ordered by American President Lines—each vessel can carry 3800 TEUs—even before these ships have been launched.

Vancouver, in contrast, has done little to get a larger share of the business or even keep what it has.

So far, there has been no indication that the Vancouver Port Corporation is prepared to change. The current strategy seems to be "get rid of the container clause and keep your fingers crossed."

I know that farmers across Canada are greatly concerned about the movement of grain, as are people in Vancouver. The over-all amount of merchandise coming into the Port of Vancouver for off-loading destined for areas throughout Canada and the number of commodities going out through Vancouver, Prince Rupert, the Port of Stewart and other ports clearly means that we must come to some kind of an acceptable process designed to get the collective agreement process moving again.

I can only say about the container clause that there seems to be a degree of acceptability both on the part of the ILWU and the MEA, but I would urge the Minister to move much more cautiously in the referee process and the industrial inquiry commission process regarding the appointments that are made and the terms of reference. Particularly, I would urge him to gut the anti-union signals he has so clearly entrenched in Clause 13(2) which provides that sanctions may be taken against unions and their officers with no similar provision for action to be taken against Maritime Employees Association companies. At least to this point in time, those are the ones who have been the dogs in the manger.

We are talking about a lock-out by the employers. This is not a strike by the workers. The workers have made it clear all along that they intended to continue to move grain and other commodities without any work stoppage whatsoever. They are the ones who have been the good operators. The MEA has brought this matter to the point where the House of Commons had to deal with it rather than the collective bargaining process.

Mr. Foster: Mr. Speaker, it is obvious that the Hon. Member has the same concern as our Party about the clause in the Bill which provides for the industrial commissioner, that is, that the clause is drawn too narrowly. It refers only to the container clause and does not deal with the concerns the workers will have with regard to job security, the development of the port, the development of rail facilities and improvement in the competitive position.

The B.C. Maritime Employers Association is arguing that there will be an additional 80,000 containers going through the

port if the container clause is taken out. At the same time, the unions are very concerned that there will be a loss of jobs. The Hon. Member has to some extent already made this point, but I would be interested in hearing confirmation from him that the terms of reference and that Clause 7 should make provision for the matter of development of the port, and so on. Without the development of the port and the competitive position, those jobs may well not be there.

• (1230)

The Hon. Member has very well outlined the type of aggressive marketing made by the ports of Seattle and Tacoma. But there was legislation in the Western Grain Transportation Act which required that CN and CP improve rail facilities and port facilities in Vancouver and other West Coast ports. Yet the Government is not pressing to see those actions taken to improve the port and make it more competitive. I would be interested to know if the Hon. Member feels that these types of provisions should be included in Clause 7 of the Bill. These provisions require that the industrial disputes commissioner report—perhaps not in a binding way—on the container clause, because that is in the Act, and as well that he report on job security, development of the port, development of rail facilities, and the improvement of the competitive position of the port. Unless that happens, there will not be the extra jobs which the employers' association is forecasting. Naturally, the employees will be unhappy if that competitive position does not improve with the removal of the container clause and the jobs are not there.

Mr. Fulton: I will be very brief in response to that question. The industrial inquiry commission will find that it has to look at some of the points that the Hon. Member has touched on. There is no doubt that in terms of the questions on rail, warehousing space, crane capacity, docking facilities, it is a great deal to ask of the commission to get a clear grip within six months. Because of the broad powers provided under the Inquiries Act, to be able to cross-examine witnesses and subpoena documents, a considerable amount of information at the nub of the issue will be looked at.

In terms of the broader aspects of the port, in terms of grain handling capacity, to ask the industrial inquiries commission to do all of that within six months would be unrealistic. Then you start getting into the questions of hopper cars, demurrage, how much grain is going to be moving out, what are the likely long-term contractual prospects with the Soviet Union, China, and everyone else.

In terms of what is presently in the Bill, I do not think it is possible to amend that clause to provide for something much broader. Certainly, as a British Columbia Member, I would like a process put in place that takes a closer look at all of the ports on the West Coast, and looks at the best way of developing those for dealing with the Pacific Rim, and market commodities that are just now starting to come on line. Here I think of new coal prospects, new grain markets, new wood products, and other new products that may come on line, as well as new imports coming into the country.

In terms of asking the industrial inquiry commission to deal with everything that has been dealt with in the Larson Report, it is quite clear that the Government has decided to go another way. In terms of amending this Bill to try and throw all of the Larson recommendations in under Clause 7, I frankly think that would be ruled out of order during this debate.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: The Hon. Pierre H. Cadieux, Minister of Labour, moved:

That Bill C-24, an Act to provide for the maintenance of ports operations, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the Chair.

The Chairman: House in Committee of the Whole on Bill C-24, an Act to provide for the maintenance of port operations.

Shall Clause 2 carry?

On Clause 2—*Definitions*

Mr. Murphy: Mr. Chairman, I move:

That Bill C-24 be amended on page 1 by deleting line 21 and substituting the following:

—payments in respect of pensions, M & M, Supplementary Pension, Welfare Plan and Supplementary Unemployment Benefit Program.

Mr. Cadieux: Mr. Chairman, I wish to point out that the amendment proposed by my hon. colleague is unnecessary in view of the fact that those items mentioned in the amendment are already included in subparagraph (b). That is the reason why subparagraph (b) is there. I do not see the necessity of such an amendment.

The Chairman: The Chair is ready to rule on the amendment. The Hon. Member for Churchill.

Mr. Murphy: There are two different things. Obviously, the Chair does have the right to rule. However, in response to what the Minister has said, I do believe it is very important that we have some real guarantee that the words I have mentioned are included with what is in subparagraph (b). I would certainly prefer to see the Minister stand up in this House and indicate that he is willing to accept this wording just to make sure that the worker's right to these extra benefits are guaranteed.

The Chairman: I am ready to make my ruling. It may not be necessary to hear the Minister. I have the proposed amendment by the Member for Churchill which appears to me to be

a substantive amendment to the interpretation clause. I cannot accept that amendment by virtue of 773(10) of Beauchesne. Therefore, I must rule the amendment out of order.

On Clause 2, the Member for Thunder Bay-Atikokan.

• (1240)

Mr. Angus: Mr. Chairman, if I might discuss your ruling, on a point of order, he has indicated that it was basically concluded, so how can it be substantive?

The Chairman: The Chair has ruled on the proposed amendment, and of course the Chair must stand by its ruling.

Mr. Althouse: Mr. Chairman, I rise to seek further clarification. Perhaps the Minister could assure the House that it is his understanding that the current wording in fact includes the items to which the Hon. Member for Churchill referred, namely,the discussion and negotiations on the M and M supplementary pension, the welfare plan, and the supplementary unemployment benefit program. Would he assure us that it is the Government's intention to include these items?

Mr. Cadieux: Mr. Chairman, I believe I have already indicated that. We have been informed by the drafters of the Bill that they were included. That is why subclause 2(1)(b) is there.

Clause agreed to.

On Clause 3—*Resumption of Operations and Work*

Mr. Murphy: Mr. Chairman, I have a number of amendments to Clause 3. However I should first like to move the following:

That subclause 3(a) of Bill C-24 be amended by deleting line 18 on page 2 and substituting the following:

"all grain handling operations at ports".

The Chairman: The Chair has read the proposed amendment of the Hon. Member for Churchill and finds it to be in order.

Mr. Foster: Mr. Chairman, could the Hon. Member explain the purpose of the amendment?

Mr. Angus: Mr. Chairman, the amendment in the name of the Hon. Member for Churchill along with another three amendments to be dealt with later are designed to meet the intent of the legislation. As we understand it, the intent of the legislation is to ensure that Canadian grain will begin to move again on the West Coast.

Rather than tinker with the collective bargaining process, which one would assume is still under way in British Columbia, our purpose is to instruct the companies, through this amendment, to open their gates so that workers can return to work at those places which deal with grain. Thereby we would relieve the pressure upon the federal Government and upon western Canadian farmers by allowing their products to go to market. At the same time we would not be interfering further in the collective bargaining process. The union and company association involved would continue to take whatever actions they deem appropriate to achieve a collective agreement dealing with all other bulk commodities and, in particular, with the question of the movement of containers. That is the intent of this particular amendment as well as the additional three amendments to the same clause.

Mr. Boudria: Mr. Chairman, I need a few more details about what is being proposed by the Hon. Member. He referred to grains. Is it his view that other agricultural products should be included in the same way? If that is the case, why are they not covered by the amendment of the Hon. Member for Churchill?

Having conferred with the Hon. Member for Algoma, who is our Party's critic and an expert on such matters, far more than most Members of the House, I am not even sure whether oil seeds and other agricultural products have been included. Perhaps the Hon. Member could indicate whether he feels oil seeds would be covered by the description of grains in his amendment. Perhaps he could elaborate upon whether or not he feels other agricultural products should be covered.

The reason I am asking these questions is that while it is recognized that "grains" is a generic term, we often refer to grains and oil seeds. I want to be assured that both are covered under his proposal this morning.

Mr. Angus: Mr. Chairman, the Hon. Member used the term "grains" as being generic. In drafting this particular amendment and those to follow, it was the intention that it would be interpreted as the generic. If a grain product is being prevented from moving because of a decision by the British Columbia Maritime Employers Association, we think that it should be allowed to be moved. Quite frankly, those particular gates should be unlocked for the purpose of supporting prairie producers of any kind of grain commodity. Supposedly the whole purpose of the legislation is to provide for the movement of grains and agricultural products.

Mr. Boudria: Mr. Chairman, I am not being critical; I am just seeking further explanation of the meaning of the Hon. Member's amendment.

Would he entertain a further amendment, or is he thinking of amending it further, to cover other agricultural commodities shipped out of the same port?

Although we are speaking largely in terms of grains and oil seeds exported from that port, nevertheless it deals with other agricultural commodities, perishables, and some livestock, although certainly not in as great quantities as the other products. We recognize the general difficulty faced by agriculture, not just the grain sector. Although we know that its case is a particularly difficult one, generally we recognize that agriculture is faced with difficulties. Would the Hon. Member entertain amending it to cover other agricultural products? Perhaps it is just an oversight. I think it would further his very good proposal this morning.

Mr. Angus: Mr. Chairman, of course I have no problem with modifying it. Perhaps I am in your hands, Mr. Chairman, in terms of the most appropriate mechanism and whether I can in fact accept a friendly amendment in this particular place or whether the Hon. Member would in fact have to move a subamendment to meet the intent of what he said. Either way we would certainly support the suggested change.

The Chairman: Certainly the Hon. Member could move a subamendment, providing it is in order.

Mr. Angus: Mr. Chairman, some of my colleagues have indicated a desire to speak on this particular clause. While they are doing so, perhaps the Hon. Member could look at the wording and see whether he can come up with a very specific amendment before we complete consideration of the particular clause.

Mr. Boudria: Mr. Chairman, I will follow the Hon. Member's suggestion. While some of his colleagues are directing further remarks to the particular clause, I will draft an appropriate subamendment and present it shortly.

Mr. Murphy: Mr. Chairman, in moving the amendment it was my intent to focus on what the Government and others have said was the real purpose of the legislation. There is a concern, especially in western Canada, that grain must be moving to port. In the past, union representatives have indicated their willingness to move grain. The problem is that they are locked out at the present time. If the real intent of the legislation is not to force workers back to work with a new collective agreement, and if we want to deal with the main problem of getting grain to market, that is what the Bill should do. If that is what the Bill proposes to do then that is what it should state.

• (1250)

What is now happening is that, by law, we have a situation in which the workers have the right to strike and the employers have the right to lock out. They have been denied the opportunity to come to any sort of negotiated settlement in this Bill. They fall under the provisions of the Canada Labour Code and must negotiate as employers and employees with rights in terms of this legislation. By acting today to close the situation we are saying that we will not let them negotiate.

The port has not been shut down for a very long time. We have an offer from the workers that they are more than willing to move grain products. I would like to hear from the Minister as to why this legislation does not restrict itself to that one item and why he will not support the amendment.

Mr. Cadieux: Mr. Chairman, I do not know whether I should speak right away in view of the fact that there might be a subamendment to the amendment. Nevertheless, since my hon. colleague indicates that I would not support the amendment I might as well make it clear that I will not support the amendment.

The Bill we are dealing with now is entitled an "Act to provide for the maintenance of ports operations". We intend to have all commodities dealt with in the ports of British Columbia, which is what has to be done right now.

Mr. Cook: Mr. Chairman, since some of the comments made by the Hon. Member for Churchill disturbed me, I would ask him to look at Clause 12 of the Bill. The Hon. Member says that they cannot negotiate. They have every right to negotiate, and that right is maintained in that clause. If the parties can agree on any particular clause at all then the Bill will not apply to that clause. The suggestion that they cannot negotiate is entirely wrong. I think that should be very forcibly stated.

Mr. Boudria: Mr. Chairman, I would like to take this opportunity to move an amendment to the amendment which states:

That the amendment be amended by inserting immediately after the words "grain handling" the following:

"and other agricultural"

The Chairman: The Chair has received the proposed subamendment put forward by the Hon. Member for Glengarry—Prescott—Russell. In the opinion of the Chair, it seems to extend the scope of the amendment. However, I am ready to give it the benefit of the doubt. Therefore, I find the subamendment to be in order.

Therefore, the debate is on the subamendment.

Mr. Boudria: Mr. Chairman, I thank you for your ruling with respect to the subamendment. The purpose of this subamendment is to clarify what is meant in the amendment. I believe this has been acknowledged by the Hon. Member who proposed the amendment in the first place.

So that members of the Committee of the Whole can understand the purpose of the subamendment, it is to further define what is meant in the amendment. First, it is not entirely clear whether grain handling would always cover oil seeds. The subamendment would ensure that there is no confusion and that, in fact, we mean grain in its generic sense.

Second, the purpose of the subamendment is to reassure the agricultural community, not just the grain producing sector, that we want to afford them the same protection as grain producers. The reason for this is because of the U.S. farm Bill and other policies which have hindered areas of agriculture in Canada that are not solely restricted to grain production. Indeed, there are various other sectors of our agricultural economy which are suffering as much as the grain area. My remarks are not meant to diminish the gravity of the situation with respect to farmers in the grain sector but, rather, to indicate that this is a burden that all farmers have been asked to carry. Therefore, potential damage from stoppages of shipments of any agricultural product is serious and the devastating effects, although considerable in the grain handling sector, also exist in terms of stoppages of potential exports of other agricultural commodities as well.

Mr. Angus: Mr. Chairman, I would like to indicate our support for the principle of the subamendment. It extends and confirms the original intent of the amendment put forward by the Hon. Member for Churchill.

The Chairman: Shall the subamendment proposed by the Hon. Member for Glengarry—Prescott—Russell carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Subamendment (Mr. Boudria) negatived: Yeas, 9; Nays, 29.

The Chairman: The Hon. Member for Churchill on the amendment.

Mr. Murphy: Mr. Chairman, with respect to the amendment, we certainly support the subamendment. We thought that was actually a very good suggestion by the Hon. Member on behalf of the Liberal caucus. However, we also, as we stated earlier, believe it is important to deal with the amendment itself and see that it is passed. There is certainly a perception in this country that we are ordering these people back to work because we want the grain to move. If that is not the case, then the Government should say so. It is very important to understand that we have legislation which regulates collective bargaining and gives certain powers to both sides if they are unable to reach a successful conclusion. What we are doing with the passage of this legislation is saying that the Canada Labour Code is not being allowed to work in order to settle collective agreements.

• (1300)

The Chairman: I regret to interrupt the Hon. Member. It being one o'clock, shall I rise, report progress, and request leave to consider the Bill again later this day?

Some Hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: It being one o'clock I do now leave the chair until 2 p.m. this day.

At 1.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MEMBERS OF PARLIAMENT

EASTERN ONTARIO PROGRESSIVE CONSERVATIVE MEMBERS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Conservative Government is raping the economy of the Ottawa Valley. The people of eastern Ontario elected several Tory Members to Parliament in September, 1984, but they are now wondering where those voices have disappeared to.

While the Government romps merrily onward destroying many of the fine achievements of the National Research Council, right here in the city of Ottawa and across Canada, the people are asking what has silenced the voices of the Hon. Member for Nepean—Carleton (Mr. Tupper), the Hon. Member for Ottawa—Carleton (Mr. Turner), the Hon. Member for Ottawa West (Mr. Daubney), and the Hon. Member for Lanark—Renfrew—Carleton (Mr. Dick) who is a member of the Conservative Cabinet and is supposed to be the defender of eastern Ontario interests.

All the Members carry on a deafening silence while the public service and scientific community of Ottawa are torn asunder, while one of the finest world-renowned science and technology achievements, namely, the $50 million Algonquin Radio Observatory at Lake Traverse is being phased out after only 20 years of operation, while another great achievement of Canadian science and technology, Atomic Energy of Canada Limited, is cut to shreds and leading members of the scientific community are leaving Canada, and while the Government arranged for the sale of Mitel Corporation to British Telecommunications Corporation only to have the latter decide to cut several hundred jobs—

Mr. Speaker: Order. I regret that the Hon. Member's time has expired.

* * *

[*Translation*]

MINES AND MINING

OPENING CELEBRATION FOR LARGEST MINING PLANT IN ABITIBI

Mr. Guy St. Julien (Abitibi): On Saturday, November 15, Mr. Speaker, Selbaie Mines, north of Joutel, marked the opening of the largest open-pit mining plant in Abitibi, or zone A-1.

This project called for investments of $130 million by Ressources BP Canada, Esso Mineral and TransCanada Pipelines, as well as 800 extra man-years of work for development and construction. In every respect, the project was carried out in a commendable spirit of team work.

S.O. 21

Thanks to the outstanding performance of executive director Robert C. Bryce and the active participation of Quebec's Department of Energy and Resources, the employees are proud to work for Selbaie Mines and play a leading role in the mining industry of Abitibi-Témiscamingue and Canada.

* * *

ACID RAIN

QUEBEC MAPLE TREES—NEED FOR GOVERNMENT ACTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Over the past five years, Mr. Speaker, Quebec maple syrup producers have tapped 2 million fewer trees as a result of the acid rain phenomenon, a loss estimated at a minimum of $87 million by the Agricultural Producers' Union. In addition, if this serious situation does not improve, the Quebec maple syrup industry is expected to disappear within five years.

Mr. Speaker, owing to the nearly slavish respect of the Prime Minister (Mr. Mulroney) for President Reagan, this Government is destroying the source of income of 10,000 men and women in Quebec.

• (1405)

[*English*]

But acid rain not only threatens Quebec's maple syrup industry, it also threatens one of our national symbols. If arguments of reason and common sense cannot convince the Government of the urgency of the problem, we can only hope that the evocative image of a withered and colourless maple leaf, and empty maple syrup bottles, will have the power to stir the Government to action.

* * *

ROYAL CANADIAN MINT

REOPENING OF OTTAWA FACILITIES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I want to draw the attention of Members to an event occurring today that is of interest and importance to all Canadians.

Today the Royal Canadian Mint is officialy reopening its historic facilities at 320 Sussex Drive here in Ottawa. These renovated facilities will provide a renewed impetus for the Mint's future success in the highly competitive minting industry.

As members may know, the Mint's international marketing achievements were recently recognized when it won the 1986 Canada Export Award. This achievement speaks both to the technical expertise which resides in the Mint, and also to the excellence displayed in marketing this expertise all over the world.

Success stories like the Mint demonstrate how we Canadians can meet international challenges and compete successfully on a world-wide scale. I ask Hon. Members to join with me in congratulating the staff of the Mint and wishing it the best success in the future.

* * *

CANADA POST CORPORATION

CANCELLATION OF MEETING BY MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Minister responsible for Canada Post has acted in a cowardly and irresponsible manner by cancelling at the last minute a meeting scheduled between himself and a group known as "Citizens United for Equitable Postal Service".

Representatives from this organization had made all their plans to travel to Ottawa from various communities in the country. Airline tickets were bought and other expenses had been incurred. The alleged reason for the cancellation of the meeting that was scheduled for November 18 is that the Minister is speaking in Vancouver two days later, on November 20.

I have news for the Minister. Holiday week was last week and nobody requires three days in 1986 to get to Vancouver, even if one is a Tory and a little slow at moving about.

Mr. Speaker: Order. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) used one word in his statement which seems to the Chair to be unparliamentary. The word is "cowardly". I wonder if the Hon. Member would please the House by withdrawing it.

Mr. Boudria: Certainly, Mr. Speaker.

* * *

FASHION ACCESS CANADA

NEW NON-PROFIT ORGANIZATION WELCOMED

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I am pleased to rise before the House today to encourage my fellow Members to support an exciting new national non-profit organization that will assist young Canadians make realistic and informed decisions as they seek education and career opportunities in the Canadian fashion industry. Fashion Access Canada-Entree Mode Canada, will publish a career guide next year. In 1989 it will convene a national symposium, to be followed by the creation of a fashion access resource and development centre.

This dynamic group has organized a phenomenal fashion presentation, with contributions from a stellar group of the

brightest lights in Canadian fashions, as well as some promising newcomers, Friday night in Ottawa at the Capital Congress Centre.

As it happens, the Member for Outremont (Mrs. Pépin) and I today are wearing creations of a young designer from Toronto. With all the promise that Fashion Access Canada represents for the youth of tomorrow in one of our most important industries, I am confident that it will not be long before I will be wearing a dress fashioned by a young person from Argenteuil-Papineau.

* * *

INDUSTRY

MITEL CORPORATION—ANNOUNCED CLOSURE OF RENFREW PLANT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, two weeks ago Mitel Corporation announced a major export of production which will result in the closing of that company's Renfrew plant at a cost of more than 500 jobs.

Mitel has said that the Renfrew plant must be closed so that production can be moved closer to international markets. We have to recall, however, that it is no longer Mitel management which is calling all the shots, but British Telecom which, thanks to the Government's blind faith in foreign ownership, now owns a majority stake in Mitel and is moving that company's technology to Wales.

On May 16, 1986, in Parliament, the former Minister of Regional Industrial Expansion read from a letter of intent signed by British Telecom promising to preserve Mitel's Canadian workforce of 2,500. That job guarantee has now been broken.

• (1410)

Since 1978 over $32 million in federal grants has gone to Mitel for the purposes of technology development. My leader has called for a full accounting into the contractual obligations of Mitel in all past and present federal spending agreements in light of the Renfrew plant closing. The Government should also table in the House all documents pertaining to the sale of Mitel to British Telecom so that a parliamentary committee can review the situation and this shoddy loss of Canadian jobs.

[*Translation*]

PHARMACEUTICAL INDUSTRY

NEW DEMOCRATIC PARTY'S ALLEGED NEGATIVE ATTITUDE TOWARD QUEBEC PHARMACEUTICAL INDUSTRY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, today I would like to call the attention of this House to the fact that Quebecers are very disappointed with the cavalier attitude taken by the Leader of the New Democratic Party (Mr. Broadbent) to the development of Quebec's pharmaceutical industry, when he sent a letter that was critical of this project to the entire English-speaking population of this country, forgetting Quebec altogether.

On Friday, November 7, Mr. Speaker, under the approving eye of their leader, the stalwart troops of the socialist party found nothing better to do all day in the House than delay the tabling of our Bill on the pharmaceutical industry.

Why does the leader of the socialist party want to deprive Quebecers of industrial investments totalling nearly one billion dollars? Why does the leader of the socialist party want to deprive Quebec of 3,000 jobs with very substantial technological benefits?

Mr. Speaker, Quebecers are not about to forget the socialist party!

* * *

[*English*]

NUCLEAR ENERGY

ONTARIO—PREMIER'S REJECTION OF FURTHER NUCLEAR POWER PLANTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Premier Peterson made the right decision not to favour the building of more nuclear power plants in Ontario. "I don't see another Darlington being built", he said. That is a wise decision considering Ontario Hydro's $25 billion debt is one half of the provincial debt. Peterson rejected the possibility of power shortages within five years and said his Government feels no pressing need to plan new generating facilities. He hinted his Government might try to save power through conservation rather than build a multibillion dollar plant.

The Ontario Select Committee on Energy called for a change to the Power Corporation Act to allow Hydro to invest in conservation efforts. Currently Hydro is only allowed to spend money to create power. We urge the Premier and his Cabinet to put Ontario Hydro on the path to energy conservation to reduce our dependence on nuclear power.

S.O. 21

LATVIA

ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on November 18, 1918, Latvia was proclaimed an independent democratic republic. Independence perished when the Soviet Army marched into Latvia in 1940.

The anniversary of Latvian independence is celebrated in recognition of the spirit of independence and freedom which still burns bright in the hearts of the Latvian people. As a nation, Latvia has had to endure great hardship, suffering from the devastation of two world wars and lengthy periods of foreign occupation. Today, on the 68th anniversary of its independence, Latvia remains illegally occupied by the Soviet Union.

When at times we take for granted the liberties we enjoy in Canada, we need only recall the adversity and strife suffered by Latvia to appreciate our good fortune as Canadians. November 18 is an important day of commemoration for Latvians throughout the free world. Let us join with them in marking this day as one of special significance for all who value freedom, liberty, and justice.

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NATIONAL RESEARCH COUNCIL

CHEMICAL INSTITUTE OF CANADA'S CRITICISM OF BUDGETARY CUTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister of State for Science and Technology (Mr. Oberle) has responded to the criticisms of the cuts to the National Research Council budget by stating that those criticisms are due to partisan considerations. I want to bring to the Minister's attention the fact that the Chemical Institute of Canada, representing 8,000 professionals in the chemical field, has written to the Prime Minister (Mr. Mulroney) criticizing the Government for the cuts it has made to the National Research Council budget, and stating that continuous cuts in research will dismantle many scientific endeavours which have taken decades to build, and will relegate Canada to the position of a second-rate science nation.

We in the New Democratic Party agree with that view. We believe the announced review is unnecessary and what the Minister should do is put back the funds he has taken away from the NRC. Research teams are being broken up, expensive equipment such as the $50 million Algonquin Observatory is being effectively abandoned, and we have to ask ourselves whether we can afford not to make these—

• (1415)

Mr. Speaker: I regret that the Hon. Member's time has expired.

ENVIRONMENTAL AFFAIRS

REPORTS ON QUALITY OF ST. CLAIR RIVER WATER

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, as all Hon. Members are aware, my constituency of Sarnia—Lambton contains many chemical plants situated along the St. Clair River. Similarly, every Hon. Member knows that occasionally we experience chemical spills into the river from these plants. This is the negative news of which we are all made aware in great detail.

For example, when the least toxic form of dioxin was detected in the parts per quadrillion range in a single sample of Sarnia drinking water, the information was immediately released and highly publicized. While not pleasant, this report was accepted as it fell within the Ontario provincial Minister's statement that he would not be party to any delay in reporting of data, good or bad.

It is, however, unacceptable that the constituency of Sarnia—Lambton had to wait several months for the news from the Ontario Minister of the Environment that, after extensive testing, no dioxins had been found in the St. Clair River between January and June, 1986. In fact the news was released to the press in late October. Several weeks later the report was given to the concerned organizations in my constituency. I would urge the federal Minister of the Environment (Mr. McMillan) to liaise with his provincial counterpart to ensure that timely reporting with a balanced perspective becomes a fact.

* * *

SHIPBUILDING

MINISTER'S REPORTED REFUSAL TO MEET INDUSTRY REPRESENTATIVES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to inform the House of the so-called consultation process of the Minister of State for Finance (Mr. Hockin) and the Government's attitude toward the shipbuilding industry of Canada. Last week the President of the Canadian Shipbuilding and Ship Repair Association was informed by officials of the Minister that the Minister could not meet with everyone and that he was simply too busy.

The Minister's predecessor was not too busy to meet with representatives of the Fisheries Council of Canada when it wanted to discuss the retention of the import duty exemption for foreign-built fishing vessels. Why then has the Minister refused to meet with representatives of Canada's hard-pressed shipbuilding industry who seek to reverse this exemption? Is it because the Minister is all too familiar with the broken promises the Government made to the Canadian shipbuilding industry? Is it because the Government has made a decision to write off this industry and allow thousands of jobs to be exported to other countries?

Canadians want a full and fair consultation process, not a process whereby only those with special influence or ties to the Conservative Government have access to the Minister. The Minister should acknowledge his grave error and should meet with the President of the Canadian Shipbuilding and Ship Repairing Association to come up with a suitable policy for this sector.

ORAL QUESTION PERIOD

[*English*]

REVENUE CANADA

DISAPPEARANCE OF TAX RECORDS—MINISTERIAL RESPONSIBILITY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of National Revenue. When the Prime Minister was Leader of the Opposition he said:

> Effective and proper conduct of the affairs of the Department of National Revenue is based on two-way trust. That is indispensable.

Yesterday the Minister destroyed that trust by refusing to accept responsibility for the disappearance of the microfiche tax records of 16 million Canadians.

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): This is the biggest invasion of privacy in Canadian history and perhaps in world history. Why is the Minister evading responsibility for this invasion of privacy? Why is he evading responsibility for this bad management of his Department's affairs?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I am not seeking to evade responsibility; neither am I seeking to minimize the gravity of what has occurred. I have undertaken to the House, and will undertake again to my hon. friend, to take steps to try to make certain that the Department is more secure in the future and that there will be security procedures which will make the situation less likely to occur again. I have undertaken to do this and to report to the House as soon as possible.

[*Translation*]

CONFIDENTIALITY OF INCOME TAX RETURNS—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, for two weeks, the Minister has been aware of the greatest invasion of privacy in Canada's history. What steps did he take during those two weeks to keep the information contained in the microfiche from being used to obtain details of the income tax returns of Canadians, and can he guarantee in the House today that the information provided by Canadians in their income tax returns is fully protected? Can he answer this important question?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, first I think my hon. friend would realize that while the investigation was going on it was difficult to inform the House and the country of what had occurred. Second, I immediately asked my Deputy to exercise his responsibilities under the Financial Administration Act to account for the delay in the reporting of this loss.

We have sent directives across the country to ensure that the microfiche which are a necessary part of tax administration are in secure custody, that all of the necessary security procedures are in fact in place and that they may be improved upon. I have asked that the necessity for so many sets of microfiche be reviewed. I have asked that security procedures, not only as far as the custody of the material is concerned but as far as the suitability of personnel is concerned, be reviewed as well. There will be other measures taken in due course.

• (1420)

POSSIBLE USE MADE OF MISSING INFORMATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have listened to what the Minister said. I recall that he said yesterday "there is no likelihood that the information provided an entrée into the computer system of taxpayers, there are safeguards in place to protect that."

Will the Minister confirm that even today, two weeks after he found out about this mess, it is possible to obtain information from the tax returns of taxpayers by simply phoning a Revenue Canada district taxation office and giving the type of basic information to the person who answers the phone that was found in the missing microfiches? Will he confirm that in spite of what he has just told us it is possible to use the information from those missing microfiches to obtain information about the confidential tax returns of Canadian taxpayers?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I do not know exactly to what circumstances my honourable friend is referring. What I have tried to say to Canadians and to this House is that one can never be sure in individual cases that there might not be a lapse in security. But to say that the information that was made available on this type of microfiche would automatically provide an entrée, or that telephone inquiries to a Revenue Canada office under these circumstances would produce information, I do not think is in accordance with what usually occurs.

INQUIRY CONCERNING PROTECTIVE MEASURES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): At my request this morning a woman telephoned the Revenue Canada office in Montreal. She gave my name, my social insurance number, my address, my date of birth. She was able to get into my 1985 income tax return.

My question to the Minister is this. Since November 4 you were aware that 16 million tax files had been lost. What type of measure did you implement?

Mr. Speaker: Order, please. I would ask that the Hon. Member remember that when addressing another Member or a Minister, he is not supposed to use the word "you".

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I gather that my honourable colleague certainly gave permission to this lady to do that. He probably also gave her a Power of Attorney. I do not know what the circumstances were. But if this situation has occurred, and if it is irregular, then there are measures that will have to be taken. On the other hand, I would like to know more about the circumstances before answering the question and just exactly why he did this, and under what circumstances the lady used his name and his data.

Mr. Gagliano: Mr. Speaker, you cannot give Power of Attorney by telephone. Therefore, the woman just picked up the phone and said that "I am Alfonso Gagliano, this is my social insurance number," and she received the information.

[*Translation*]

CONFIDENTIALITY OF INCOME TAX RETURNS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): I have a supplementary, Mr. Speaker. Considering the declaration of taxpayers' rights that guarantees that financial and personal information is confidential, how do you account for the fact that although since November 4, you were aware that tax files had been stolen, this morning, November 18, it is still possible to have access to that information by telephone? Is this declaration worth the paper it is written on?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): That kind of telephone access, if it is exactly as the Hon. Member described it, is certainly not a proper type of access. I will take that very seriously. As I did yesterday, I am also suggesting that in view of what happened there has been a breach of the Taxpayers' Declaration of Rights. The very fact that this information disappeared is a guarantee of that breach.

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ENVIRONMENTAL AFFAIRS

DETROIT CONFERENCE ON GREAT LAKES WATER QUALITY CONTROL

Hon. Edward Broadbent (Oshawa): I have a question for the Minister of the Environment. Starting yesterday and continuing today and tomorrow there is an important conference taking place in Detroit on the subject matter of water quality control in the Great Lakes.

• (1425)

Attending that conference are the Governors of two U.S. States and the Ministers of Environment from both the Province of Quebec and the Province of Ontario. At a time when we are trying to get the Americans to take environmental matters seriously, why was the Government of Canada represented by only an empty chair?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member's question is based upon a story in *The Globe and Mail* this morning which was as outrageously unfair as it was totally inaccurate. It was unfair because I had three speaking engagements within the same 72-hour period, so it was not physically possible for me to be in Detroit, and inaccurate because the Government of Canada was in fact represented at that conference by the seven top experts on the subject in the entire country.

Mr. Broadbent: I want the Minister to know that, however the Government may act, we do not rely upon *The Globe and Mail* for our facts.

Some Hon. Members: Oh, oh!

COMPOSITION OF CANADIAN REPRESENTATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Minister confirm that he just informed the organizers of the conference not many days ago that he would not be attending? Will he admit to the House that while there were officials there, there was not a political representative of the Government of Canada and there were political representatives of the Governments of Ontario and Quebec and of two U.S. States? Where is the leadership from Canada on this?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I would be the last one to accuse the Hon. Member and his Party of relying totally upon *The Globe and Mail* for their facts. When they rely upon facts at all, which is rare enough, they come from the Canadian Labour Congress. The truth is that the Government of the United States was not represented by a major politician. It was represented by a senior official. For our part, we were represented by among other people Dr. James Kingham, the Director General of the Great Lakes program.

Mr. Broadbent: The two million Canadians represented by the Canadian Labour Congress will have noted the Minister's comments with interest.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, does the Minister not think that the Government of Canada is lending credibility to the arguments of certain American politicians, namely, that we do not take the issue seriously when we do not send a political representative down there to make the case which would demonstrate Canadian government leadership? Surely that is the issue.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I agree that it is very important for the Minister of the Environment and other Ministers to go down to the United States to plead Canada's case in the United States. I have done that more often in 12 months than any previous Minister of the Environment has done in 12 years.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRINCE EDWARD ISLAND MINISTER OF FINANCE

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. Gilbert Clements, Minister of Finance for the Province of Prince Edward Island.

Some Hon. Members: Hear, hear!

* * *

TRADE

EXPORT OF HELICOPTER PARTS TO IRAN

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to direct my question to the Deputy Prime Minister. There is increasing concern that our export control policy may be dictated by Washington. In January of last year, as the Deputy Prime Minister properly pointed out, export permission was refused for T-400 engine parts being shipped to Tehran. In September, the U.S. Department of Commerce authorized United Technologies to authorize Pratt & Whitney Canada to ship helicopter parts to Tehran. During the same month export permission was granted. During that period of time were there representations made by the U.S. administration to the Canadian Government to relax or set aside our export control policy?

• (1430)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the reason that that process took place is because the assemblies in question had a U.S. component for which an export control permit was sought. Because the assemblies in this particular case were used for civilian commercial use, no permit was required.

MINISTERIAL CONSULTATION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Deputy Prime Minister tells us that they were used for civilian purposes, something which I do not think we know yet from the evidence. That being said, the control policy itself provides that there will be ministerial consultation when any component could have a military or civilian application. Was there such ministerial consultation? What evidence did the Minister in question look at that satisfied him that it was for civilian application only?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I indicated to the House yesterday, we were assured by Pratt & Whitney that the parts in question were for civilian commercial use. That undertaking was reaffirmed in a letter to the Canadian Government. Furthermore, on September 10 the Secretary of State for External Affairs announced a new export control policy and drew attention to the fact that the area of helicopters is one that provides some difficulty because of the interchangability of the use of helicopters from commercial to military service. As a result, the Minister drew that question to our attention. It is a matter which is being considered currently by Cabinet. If there is to be any change in that policy it will be announced in due course.

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ENVIRONMENTAL AFFAIRS

DETROIT CONFERENCE ON GREAT LAKES WATER QUALITY—CANADIAN REPRESENTATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of the Environment. The fact remains that at a major conference at which issues of Great Lakes water quality were being discussed there was an empty chair in which a Canadian should have sat. Why did the Minister, or the officials in his Department, allow such a deplorable image to be created, that of an empty chair in which a Canadian should have sat? Never mind who attended the conference, the fact remains that beside the Canadian flag at an important panel discussion there was an empty chair. Why did the Minister allow that to happen?

Some Hon. Members: Hear, hear!

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I repeat, the Government of Canada was represented officially by the seven top experts on Great Lakes water pollution in the country: Elizabeth Dowdeswell, Regional Director General of Ontario; Dr. James Kingham, Director General of Great Lakes Programs; Dr. Ron Shimizu, Corporate Adviser on the Great Lakes, and four others. There was no empty chair.

Mr. Broadbent: Where was the Government of Canada?

Mr. McMillan: There was a Canadian flag and sitting behind that flag were seven of the top experts on Great Lakes water pollution in the entire Dominion of Canada.

EMPTY CHAIR

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, no one is disputing who attended the conference. What we are disputing is why the Government of Canada allowed an empty chair and why it did not arrange for at least one of those seven top officials to sit in the chair representing Canada when an important discussion was going on. Why did the Minister not arrange for that to happen?

Some Hon. Members: Hear, hear!

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has the mistaken impression that a conference was being held in Detroit at which Canada and the United States were negotiating key questions—

Mr. Broadbent: No, he did not say that.

Mr. McMillan: —in the absence of an official delegation from the Government of Canada. That is not true. It was a forum in which Great Lakes related issues were aired, just as they were several months ago on Mackinac Island when I was present with many of the same participants.

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[*Translation*]

EXTERNAL AFFAIRS

USE OF PRATT & WHITNEY ENGINES IN IRAN—REQUEST FOR EXPLANATION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Deputy Prime Minister. I'm afraid that Canada is sending supplies to both Iran and Iraq, the two belligerents in the Persian Gulf, because according to my information, Iraq uses eight B-212 ASW-type helicopters, in a special configuration, to attack ships equipped with the same engines manufactured by Pratt & Whitney. It uses them to sink Iranian tankers in the Persian Gulf. I want to ask the Minister: How can he possibly believe Pratt & Whitney's claims that the engines are used only for peaceful purposes, when we know perfectly well that helicopters of this type require a steady supply of spare parts to be able to continue their missions?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we believe that Pratt & Whitney has acted in good faith. As well, we believe that the parts in question were destined for civilian commercial use. I can inform the House that as a result of the questions that have arisen Pratt & Whitney has voluntarily postponed further shipments of the order in question, the order being in the amount of some $2.7 million U.S. About $624,000 U.S. of the order has been shipped. However, until such time as the investigation and examination of this issue are completed, Pratt & Whitney has voluntarily withdrawn or postponed any further shipments.

As I said, there has been an acknowledgement of the dual capability of these machines.

Mr. Garneau: That is not what you said yesterday.

Mr. Mazankowski: I informed the House yesterday on the basis of the information I had at that time. There is new information. I have always qualified my answers in that regard. I am trying to be as forthcoming as I can. If the Hon. Member has some criticism with that, then he is probably not interested in my further completion of the answer.

Mr. Garneau: That is what I have, some criticism.

[*Translation*]

PROVISION OF HELICOPTER PARTS TO PERSIAN GULF REGION—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister is telling us that he has every confidence in the information provided by Pratt & Whitney which, in turn, gets its information from the Ayatollah Khomeini. That is how it works.

I want to ask the Minister how he expects this House to believe that helicopters, not commercial but military helicopters, in Iran and Iraq can keep flying without having a steady supply of spare parts to repair engines on a daily basis. How?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I think I pointed out, there is a difficulty in proving categorically that these machines are used for one specific purpose or the other. I think the Hon. Member knows that we do not have an embassy in Iran and that this is like selling a typewriter or a telephone. Conceivably, these items could find a way to be used militarily.

Mr. Gauthier: Come on, you can't kill with a typewriter.

Mr. Guilbault (Saint-Jacques): Thank you for the admission.

Mr. Mazankowski: I repeat, Pratt & Whitney, because of the questions that have arisen, has voluntarily postponed any further shipments until this case can be further analyzed.

EXPORT OF AIRCRAFT ENGINES

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is also directed to the Deputy Prime Minister. Does the Minister know that Pratt & Whitney has also been providing engines for military aircraft—not helicopters but military aircraft—being used in the Iran-Iraq war? Is the Minister aware that the Pilatus PC7 produced by a Swiss company with Pratt & Whitney engines has been used by both sides in the Iran-Iraq war? Did Pratt & Whitney ask for permission to export those engines? Did the Government give such permission?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not aware of that assertion. I will certainly undertake to the House to try to find out and report back as soon as I can.

ISSUANCE OF EXPORT PERMITS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, although one cannot expect the Deputy Prime Minister in the ordinary course of events to know about these matters since they are not in his jurisdiction, I wonder if he could explain why he would not know today and have been informed that Pratt & Whitney has in fact been exporting engines for military aircraft. Does the Government not know anything about this at all? Were export permits granted? The onus was on Pratt & Whitney. Did it ask for the permits?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is making some very serious allegations. I hope that she can substantiate them. There have been ongoing discussions between the Department of External Affairs and, indeed, the Secretary of State for External Affairs, and Pratt & Whitney. I am sure that any and all of the questions the Hon. Member is raising will be pursued.

I repeat, in our opinion-Pratt & Whitney has acted responsibly. It has followed the rules. It has followed the guidelines. The fact of the matter is that the Hon. Member for Winnipeg—Fort Garry tried to allege yesterday that the specific engine in question was used strictly for military purposes, by using the *Canada Defence Products Guide*. He was stretching it somewhat in that the PT6 T-3 engine does not have a military application, but the PT—

• (1440)

Mr. Speaker: Order.

Mr. Mazankowski: —family of engines does.

Ms. Jewett: That is not what I am talking about.

Mr. Speaker: Order. That is getting into debate.

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STATUS OF WOMEN

EXCLUSION OF WOMEN FROM CALGARY PETROLEUM CLUB

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Energy I direct my question to the Deputy Prime Minister. In light of the Neanderthal vote yesterday by the cavemen at the Calgary Petroleum Club, does the Minister intend to instruct the chairman and chief executive officer of Petro-Canada to turn in his membership, and then ensure that no employees of any other Crown corporation are subsidized in any way by the Canadian Government in order to belong to this club?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, the Hon. Member might be interested to know that today I wrote a letter to the Minister responsible for the Status of Women in the Province of Ontario, pointing out that the Agent General for the Province of Ontario belongs to the Canada Club in London which excludes women.

Some Hon. Members: Oh, oh!

Mr. Hees: Next question.

REQUEST THAT MINISTER BURN MEMBERSHIP CARD

Ms. Sheila Copps (Hamilton East): Mr. Speaker, while the Minister talks about another lousy Conservative appointment—

Some Hon. Members: Oh, oh!

Ms. Copps: —I would like to get back to the question. Does the Deputy Prime Minister intend to instruct at least one of his cabinet Ministers, listed in the 1986 issue of *Who's Who* as a member of the Calgary Petroleum Club, to burn his membership card? If he does not burn it, some people in this House are going to ask him to do so.

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker—

Some Hon. Members: Stand up, Harvie.

Mr. Speaker: Order, please.

Mrs. McDougall: Mr. Speaker, I think we all recognize that there are private clubs in this country where men go and there are private clubs where women go. I think if little boys want to belong to clubs and little girls want to belong to clubs, they are perfectly free to do so. It is not a policy that I support.

Some Hon. Members: Hear, hear!

* * *

MINES AND MINING

FALCONBRIDGE NICKEL MINES LIMITED—ANNOUNCEMENT OF LAY-OFFS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. Falconbridge Nickel Mines Limited will eliminate 275 jobs by the end of this year, and another 250 by the end of 1988. The company is claiming poverty as the reason for these lay-offs. At the same time it found $31.6 million to buy 24 per cent more of Western Platinum, a South African mining company. Can the Minister tell this House what kind of accountability the Government requires from Falconbridge when it treats Canadian workers in such a cavalier fashion, totally ignoring its social responsibility to the community?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we are deeply concerned about the lay-offs. We are also concerned about Falconbridge's reacquisition of 24 per cent of that South African firm. My understanding is it was a strategic corporate move which was not destined to be a long-term policy. Notwithstanding that and not having all the facts before me, I placed a call to the president of Falconbridge and asked to see him to discuss this and other matters, particularly the issue of jobs and the future of Falconbridge as it relates to the future of northern Ontario.

CORPORATION'S INVESTMENT IN SOUTH AFRICA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, that is sufficient only for now. Would the Minister not agree that the voluntary guidelines regarding investment in South Africa are not working? What does he intend to do about Falconbridge's blatant disregard not only for the guidelines but for the Secretary of State for External Affairs' letter regarding the guidelines? What does he intend to do about that?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, part of the purpose in having the president come to Ottawa is to examine this proposed transaction in light of the Canadian Government's policy, to ensure that it is consistent and that we have all the facts.

As to the longer question, I repeat that this Government has taken a very special interest in the economic welfare of northern Ontario. There have been more than seven possible initiatives outlined under the leadership of the Solicitor General, and the federal Government is going to continue pursuing those initiatives and try to address some of the very serious problems affecting northern Ontario. We hope we will have the support of the provincial Government as well.

* * *

PHARMACEUTICAL INDUSTRY

FINANCIAL CONSEQUENCES OF AMENDING PATENT LAW

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and concerns pharmaceutical goods. Now that he acknowledged yesterday that the price of drugs will go up, is he prepared today to admit that the vague $1.4 billion investment in 10 years promised by the multinationals pales in comparison to the $211 million annual saving multiplied by 10 years? Why is the Minister willing to forgo a $2.11 billion saving for a promise of $1.4 billion?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I made no such admission yesterday because the price of drugs will not increase by one cent, not those now on the market, not those coming on the market. I wish Hon. Members would stop trying to put false words into my mouth.

As to the potential savings and costs, when we get to committee, if the Hon. Member is there and looks at the true facts, she will see that the benefits from this Bill completely overwhelm any costs and those costs will not be in the form of higher drug prices.

Mrs. Killens: Mr. Speaker, I suggest the Minister read yesterday's *Hansard* to see the reply he gave me then. Yes, I am willing to go to committee to study it, and I have a question *en français*.

[*Translation*]

INQUIRY WHY COST STUDIES NOT TABLED

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): If the Minister is so sure that this legislation will have more benefits than disadvantages, why is he refusing to table the cost studies?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the whole idea behind a committee study is that all of these facts, studies and analyses can be gone over in a reasonable fashion and reasonable people can make judgments. If we are able to get along and pass the Bill through second reading and into committee, all of the evidence will be there. She will be able to see that drug prices will not go up by a single penny.

* * *

[*Translation*]

NORTH AMERICAN AIR DEFENCE COMMAND

SOLICITATION OF FOREIGN FIRMS TO ESTABLISH PLANTS IN CANADA AND PARTICIPAGE IN SDI—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in the absence of the Secretary of State for External Affairs, I have a question for the Minister of Regional Industrial Expansion. The Minister of Trade for Quebec, Mr. Pierre MacDonald, has just invited French companies wishing to take part in the Star Wars program of Mr. Reagan to locate in Quebec. My question is this: Does the Minister agree that the provinces or the federal Government can invite foreign companies to locate in Canada if they wish to take part in the Star Wars program of the United States?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I believe that the position of the Government in this matter has always been quite clear. We want to let the companies decide for themselves whether they want to take part in this program or not, and as for any invitation made by the provinces, this is naturally a decision made by the provinces themselves and we simply intend to follow the debate.

• (1450)

[*English*]

POSSIBLE PARTICIPATION BY PROVINCIAL CROWN CORPORATIONS

Mr. Lorne Nystrom (Yorkton—Melville): In that case, Mr. Speaker, I have a question for the Deputy Prime Minister with regard to Government policy. Is the Deptuy Prime Minister in agreement with the Quebec Minister, Pierre MacDonald, who says that the federal Government policy permits provincial Crown corporations to participate in Reagan's star wars program? Does he not agree that that is a violation of what the Prime Minister of Canada said about a year ago the guidelines should be?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): No, Mr. Speaker, quite the contrary. I think the policy of the Canadian Government was quite clearly spelled out. While Government initiatives were not to be condoned, private companies and institutions interested in participating in the program would be free to pursue such opportunities.

* * *

HERBICIDES

USE OF WEED KILLER 2-4-D

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Health and Welfare. For the past 40 years or so Canadian home owners and farmers have relied on a chemical weed killer called 2-4-D. Is it true that the Minister intends to ban 2-4-D prior to the next growing season?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I cannot confirm that. There is a constant review of various herbicides which are used both domestically and for commercial farming purposes. I, along with the Minister of Agriculture, examined this very carefully, but no decision has been taken.

* * *

TRADE

UNITED STATES DUTY ON CANADIAN SOFTWOOD LUMBER

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister for International Trade, but in her absence I will direct it to the Deputy Prime Minister. The 15 per cent countervail duty imposed by the United States on softwood lumber is costing Canadians jobs. Last Friday the sawmill at Searchmont, Ontario, shut down laying off 150 people. What action is the Government going to take to stop this loss of jobs and restore those which have already been lost due to the United States countervail?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, if I may, I will reply on behalf of the Minister who is presently at meetings with her provincial counterparts involved in discussing the United States countervail. There were meetings yesterday and there are meetings today. The Government is committed to fight this action.

REQUEST THAT GOVERNMENT LAUNCH CAMPAIGN IN UNITED STATES

Mr. Maurice Foster (Algoma): Mr. Speaker, in view of the tremendous loss of jobs, the benefit of which is going mainly to three United States lumber companies, why is the Government not prepared to mount a massive offensive in the United States with consumer groups and house-building groups in order to fight this countervail? We must take action now if we are going to turn this back, rather than holding endless meetings as we are at this time.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, as the Hon. Member knows, the provinces own the resources in this country. We are working in co-operation with our partners, the provinces which are affected. Those decisions will be made by the Minister and the provinces as the negotiations proceed. It is very important that we work hand in hand with the provinces, as we are doing.

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EMERGENCY MEASURES

BOOK'S ADVICE ON DEALING WITH NUCLEAR ATTACKS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Minister of Public Works. His Department has recently published a book on what Canadians should do in the event of a nuclear attack. It makes recommendations such as digging a trench a foot deep and three feet wide, crawling into it and pulling a door or some boards down on top of you, and all sorts of other interesting proposals.

Is the Minister aware that tens of thousands of copies of this publication are being sent to Canadians? Did he authorize it?

Hon. Stewart McInnes (Minister of Public Works): I confess, Mr. Speaker, that I am not aware of the publication. If the Hon. Member has a particular question, I would be prepared to respond after making inquiries.

REQUEST THAT MINISTER EXAMINE PUBLICATION'S CONTENTS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I do have a specific question. Part of the publication indicates that appropriate shields would include the following: water beds, tables, magazines, bookcases, doors, chests of drawers, dressers and so on. Surely the Minister will admit that this is a

bizarre publication reminiscent of the Cold War of 30 or 40 years ago. Would the Minister take steps to examine this situation and ensure that tens of thousands more copies of the publication are not sent out to Canadians? This is an unbelievably bizarre Government publication.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Hon. Member has presented a situation which is deserving of an inquiry. I do not know the date of the publication. I will investigate and reply to him.

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PUBLIC SERVICE

LAPSING OF FUNDS BY DEPARTMENTS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the President of the Treasury Board. The issue of lapsing funds at the end of the fiscal year in dozens of Departments was to be addressed by the Government in the past months. It is certainly of concern to the Public Accounts Committee as well as taxpayers in general. What progress, if any, has been made on this issue?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am happy to report that we have been monitoring our spending patterns very closely. As he will know from the Supplementary Estimates which I tabled this morning, which were the lowest for any equivalent period of time since 1972-73, we are on track and well within the spending limits set by the Minister of Finance. We follow the issue of lapsing funds very closely. We were able to reduce the amount of lapsing funds considerably last year. Through the measures which were introduced by the Treasury Board and the Comptroller General this year, we expect that performance will be repeated.

* * *

TRADE

UNITED STATES DUTY ON CANADIAN SOFTWOOD LUMBER

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister for International Trade, I will direct my question to the Deputy Prime Minister. We are rapidly reaching the end of the road of negotiations with the United States on the dispute about softwood lumber. Although we question the action, Canada has only until November 28 to negotiate a suspension agreement with the United States in response to the 15 per cent duty on softwood lumber.

Is it the intention of the Government to negotiate such a suspension agreement with the United States? If so, has the Government come to an agreement with the provinces with regard to the level to which the stumpage fees will be increased?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I just replied to the Hon. Member's colleague that meetings with the provinces and the federal Government are taking place at this moment. When there is an announcement to be made with regard to the action being taken, it will be made in the appropriate manner by the Minister.

[*Translation*]

GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I recall very clearly the question asked by my colleague for Algoma a while ago. The Minister did not reply to my colleague and he is not replying now. We are simply asking whether the Government of Canada intends to use the suspension agreement in the softwood lumber disagreement. Is this what the federal Government has decided to do or does it intend simply to appeal to international organizations such as GATT?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am not sure if the Hon. Member is expressing his position on the negotiations.

Mr. Garneau: I am asking the question.

Mr. McDermid: If that is the Liberal position, we are pleased to have it, because that is something new and different.

Mr. Garneau: Answer the question. You are the Government.

Mr. McDermid: I will repeat what I said earlier to the Hon. Member. Those discussions are going on at this time. When there is an announcement to be made, it will be made in the proper forum by the Minister.

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ABORIGINAL RIGHTS

SETTLEMENT OF COMPREHENSIVE CLAIMS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question would appropriately be directed to the Prime Minister who, on several occasions, has stated a commitment on the part of the Government to fairness and justice for the native people of Canada. Can the Government assure this House and the native people of Canada, whose future so much depends on it, that there will be adopted in the near future a fair policy for the settlement of comprehensive claims?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the

record of the Government in the area of Indian affairs has been outstanding. The Minister in charge today, the Member for Kindersley—Lloydminster, and the former Minister, the Member for Rosedale, have both done an outstanding job on behalf of the Indian people of Canada. I am sure that the Hon. Member recognizes that these are very difficult and complex issues. Nonetheless, the Government is working very actively in this particular area, as well as other areas that affect the Indian people. I am sure that a more comprehensive response could be provided by the Minister of Indian Affairs and Northern Development when he returns to the House.

• (1500)

POLICY INQUIRY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, since the Standing Orders do not allow for commercial breaks, and since the problem is that this responsibility is always delegated by the Government to the particular Minister, will the Deputy Prime Minister give some commitment from the Government to the introduction of a comprehensive claims policy which will improve on the previous abysmal record in the settlement of these claims?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member knows of the Cooligan report on comprehensive land claims. He has been told before by the Minister of Indian Affairs and Northern Development about the Government's response to the Cooligan report and the comprehensive approach that the Government is taking. This is also in preparation for the constitutional conference in May, 1987. I think the Hon. Member should co-operate very closely with the Minister of Indian Affairs and Northern Development, who has focused these issues and directed them toward that meeting.

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CANADA POST CORPORATION

ALLEGED INTERCEPTION AND OPENING OF MAIL

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. Has he investigated the comments of the President of the Manitoba Institute of Chartered Accountants who said that local chartered accountant firms routinely intercept and open mail without required court authorizations? How widespread is this practice and how many Canadians have had their privacy violated without a court order?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I have just been informed of this situation. I shall soon have an opportunity to speak to the president of the Institute of Chartered Accountants and I shall report to my colleague later.

[*English*]

REQUEST FOR INVESTIGATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the incident was reported in the *Free Press* on November 14. I think the Minister had enough time to investigate. I hope he will carry out a thorough investigation, and is he now committing himself to that thorough investigation so that this will not be repeated?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I am not saying that the corporation is not investigating. I am saying that I am not aware of the progress of the investigation. As soon as the investigation is completed I will inform the Hon. Member of its conclusions.

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PRIVILEGE

COMMITTEE EXAMINATION OF ORDER IN COUNCIL APPOINTEES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I seek your guidance under the new Standing Orders. According to Standing Orders 104(1) and 104(2), Parliament has empowered committees with the responsibility to examine appointees within a specific period of time, which is 30 sitting days, pursuant to Standing Order 103.

In an organizational meeting approximately a week ago, the Standing Committee on Human Rights decided to invite some 16 of the 28 recently appointed members to the Canadian Human Rights Tribunal for questioning pursuant to Standing Order 104. That particular agenda was agreed to by the subcommittee, which included a majority of members of the Conservative Party as well as representatives from each Opposition Party.

When the proposition was put to the committee, it was decided at a meeting that each Member of Parliament would have the opportunity to invite only one person to appear before the Committee. Therefore, instead of reviewing the 16 appointees which was originally decided by the subcommittee, we are now talking about reviewing two appointees, one nominee from the Liberal Party, one nominee from the NDP and the balance from the Conservative Party.

If the Parliament of Canada was truly sincere about reform of the committee process, to permit Members to review all Order in Council appointments, I submit that the action of the majority Conservative Members on the Human Rights Committee was a perversion of the attempt to democratize the process and allow Order in Council appointments to be improved—

Mr. Hnatyshyn: You cast reflections on people. I would not do that to you.

Mr. Speaker: Order. The Hon. Member for Hamilton-East (Ms. Copps) will know that it is against parliamentary decorum to impute motives to any Hon. Members. I know the Hon. Member would not want to do that.

The Hon. Member is giving an explanation of a situation that has arisen in committee. I think it would be advisable if Hon. Members paid attention to these matters because, as a consequence of reform, committees are being asked to do things and use initiatives that they have not had before.

It is the Chair's disposition to continue listening to the Hon. Member. It may not be a question of privilege, but there certainly seems to be a point that the Hon. Member wishes to bring to the attention of the Chair. I would ask Hon. Members to hear the Member thoroughly.

Ms. Copps: I certainly did not intend to impute any motive. I am seeking your guidance because, as I see our responsibilities under the Standing Orders, specifically to be in a position to review all or part of Order in Council appointments as recommended under Standing Order 104, I do not see how we can fulfill those responsibilities when we are being limited as to the number of persons who can be brought before the committee in a kind of lottery system.

I seek your guidance as to whether or not the intent of Standing Order 104 is being subverted because of an arbitrary decision of the committee.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on the same question of privilege. I was in attendance at the meeting of the Standing Committee on Human Rights yesterday. It had been agreed by the steering committee of that committee that some 16 appointees to Human Rights Tribunals would in fact be heard by the committee and examined with respect to their qualifications under the Standing Order in question.

Yesterday, over the opposition of both members of the Opposition who were present, it was decided that that list would be eliminated and, instead, each member of the committee would only be entitled to put forward one name. That means that each opposition Member could put forward one name and Government Members could each put forward one name. That is an attempt to muzzle the committee effectively in its important role of monitoring the appointments to the Canadian Human Rights Tribunals.

I, as a member of the committee, raised serious questions with respect to the qualifications of a number of members who were suggested for appointment. The actions of the majority effectively deny me as a member of that committee and, more importantly, a Member of this Parliament, from giving any kind of effect to the Standing Order that provides for overview and scrutiny.

The final point is that the process of scrutiny in this particular instance is of particular significance because a broad coalition of organizations, including the Canadian Jewish Congress, the National Action Committee on the Status of Women, the Canadian Human Rights Advocate, and many others, raised serious concerns with respect to the qualifications of the individuals who were appointed to this very important position of a member of the Canadian Human Rights Tribunal.

What we saw yesterday in the Standing Committee on Human Rights was an attempt to deny Members of Parliament our right to question these appointees with respect to their qualifications. Surely that kind of muzzle constitutes a breach of the privileges of Members of the House, as well as a breach of the Orders of the House. I would ask Your Honour to take the necessary steps to ensure that the full intent of this very important and new Standing Order is in fact respected.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I attended that committee meeting as well. I can confirm the description of what occurred. I agree with the description given by the Hon. Member for Burnaby (Mr. Robinson).

• (1510)

I want to make the point that this is a new section of the rules. I know it is very rare that the Chair will enter into procedures and decisions made by chairmen of committees. However, I want to ask you, Mr. Speaker, to bear in mind that this is a new section of the rules and a new power being given to committees. The practice followed last night effectively eliminates this rule, which is a rule of the House of Commons.

The Chair, I submit with respect, has a duty to ensure that these rules are applied and that committees do not follow procedures which prevent members of the committee, in their duties as members, from seeing that the rules are available and that the review of newly appointed individuals pursuant to Orders in Council does occur.

In effect, of the 16 members who were selected by the committee, nine will not be able to be reviewed because of the interpretation imposed over the objections of the Opposition by the majority of government Members at the committee last night. It is not a matter about which the Chair ought to say, with respect, this is a matter for the committee to settle. A real abuse took place last night.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first I would submit there is absolutely no breach of an Hon. Member's privilege here. It is my understanding that the subcommittee made one decision and the full committee, all members of the committee, made another decision. What the Hon. Member is complaining about really is that she did not win at the full committee. I am sorry, but that happens around this place and the majority rules.

It is a very good principle that each member of a committee be asked to pick one member who he or she thinks should come forward under the appointments process. Something which has not been brought out, and I am sure you will be aware of it, Mr. Speaker, is that we have a committee of chairpeople who

look at the budgets of all committees. Each committee has a budget for calling witnesses. If a committee has a sufficient budget, it can call witnesses within that budget. However, it would be an abuse of the process, and what we are trying to do around here, if every appointee to every committee were invited to appear before the committee.

Lastly, I would point out that only yesterday the *Toronto Star*, which does not exactly support our Party in every case, drew to the attention of the Ontario Liberal Party that the federal Government has an appointments review process in existence which was brought in by this Government under parliamentary reform, and we make no apologies for bringing in what this Hon. Member never brought in at all when he was in Government.

Mr. Gauthier: You are making a farce out of it.

Mr. Lewis: It is a lot of nonsense that all of a sudden it is a breach of privilege to have the right to review appointments, which was never given under the previous Government.

Mr. Gauthier: So what is your argument?

Mr. Lewis: That is nonsense and everyone in this House knows it. Me thinks thou doth protest too much.

We submit that every committee of this House is the master of its own destiny and that a full committee has a right to take what the subcommittee suggests and either endorse it or change it. That is the process which has been in existence since I have been here. It is just a continuation of the process, and I submit there is absolutely no abuse of privilege.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I am a member of the Liaison Committee and someone who has served as a chairman of a Standing Committee since the election of this particular Parliament. I am pleased in a sense that the issue has been raised because I believe we do need opportunities in the House to address the new rules, the purposes which brought them into existence and the possible consequences for the future and for the welfare of Canadians which can come out of the process of parliamentary reform.

It seems to me that the principle that committees must remain masters of their own destiny is a very important principle. The House should be very careful about going back to a system which really existed before, which is that the House had to rule on the activities which would engage the committee. Outside of Main Estimates, most of the committee in this House had no permanent standing reference. If we were to adopt the principle, which I think is implicit in the submission of the Hon. Member for Hamilton East (Ms. Copps), that the House should determine, or you, Mr. Speaker, as the Speaker should determine the activities that a committee must engage in, we would really be taking a step backward from the notion of reform.

There are clear indications that the workload for different committees is of a very different order. However, there is a responsibility, I think particularly in the first two or three years of the new parliamentary rules, for committees to look very carefully at two things, both the opportunity and the responsibility to develop policy, to assert it to the House and to the Government, and to have the Government forced to respond to the policy ideas of Members who have taken the time and trouble to inquire into policy matters in detail. That is one sense of responsibility. The other is really the oversight responsibility. I think we often think of that as the financial oversight responsibility, but it includes the oversight responsibility in relation to appointments to boards and commissions.

I think of my own committee which has a lot of Crown corporations, bodies and appointments which are referred to it. It would be conceivable that my committee, for instance, if it were to examine each and every one of them, could spend four, five or six meetings a week and several times the allotted budgetary amount, simply to look at that particular responsibiilty of oversight. Instead, representatives from all three committees up to this point have decided that the policy development phase of our activities is the most important part of what we wish to do on behalf of the Parliament of Canada and the Canadian people. We have chosen to use our scarce resources to advance that cause.

I would hate to see any sense of principle enunciated in this Chamber which would take that right and responsibility away from the Members which this Chamber saw fit to appoint to the committee. Therefore, I would urge you, Mr. Speaker, to take that line of reasoning into account in whatever ruling you might be prepared to make in relation to this particular point.

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I attended the committee meeting in question last night as an alternate. I am not a regular member of that committee. I was astounded to see that a committee was thinking about talking to 16 people. However, it was explained to me that it did not really expect 16 people to attend—perhaps they would not be available that day. So the committee was really only expecting to see a small group of that 16.

I rise to put on record this fact. One of the Hon. Members opposite who spoke in favour of this point of privilege stated on the record of the committee that he was prepared to bring Canadians here from right across Canada, sit them in a committee room and give them a two-minute examination. That is simply an abuse I could not countenance, and I made a strong protest at that point.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think you very generously allowed the Hon. Member for Hamilton East (Ms. Copps) to make a point of privilege. I submit it is not a point of privilege. It is not even a point of order. Without getting into the issue *per se*, I submit in support of my colleagues that this is a committee issue. The committee has certain powers, obligations and responsibilities and, as has been said earlier, it clearly is master of its own House. In the true spirit of parliamentary reform, I think that has to be considered as well, because if the committee has more powers and more

latitude in doing certain things then certain responsibilities and decisions it makes are part and parcel of that process. I simply want to bring the point back to the basics of parliamentary procedure and draw to your attention, Sir, that Beauchesne's Fifth Edition clearly outlines at Citation 117(7):

> The opinion of the Speaker cannot be sought in the House about any matter arising or likely to arise in a committee.

I think this is still essentially the bible which governs our rules of procedure, consistent with the Standing Orders, and I would hope the Chair would take that into account when it adjudicates this issue.

• (1520)

Hon. Herb Gray (Windsor West): Mr. Speaker, the Government proposed to the House with a great deal of fanfare and self-congratulation a number of changes to the rules, including the rule we are discussing, Standing Order 103, which says in part:

> A Minister of the Crown may, from time to time, lay upon the Table a certificate stating that a specified individual has been nominated for appointment to a specified non-judicial post. The same shall be deemed to have been referred to a standing committee—

And it goes on. With an equal amount of self-congratulation, the Government proposed to the House Standing Order 104 which reads in part as follows:

> The committee specified pursuant to Standing Orders 67(5) and 103, during the period of thirty sitting days provided pursuant to Standing Order 103, shall if it deems it appropriate, call the so named appointee or nominee to appear before it during a period not exceeding ten sitting days.

It may be generally true that a committee is the master of its own business, and it may also be true that even Standing Order 104 gives some discretion to the committee with respect to what it should do in carrying out the direction of the House pursuant to that Standing Order. However, I submit that the words of the Standing Order are clear. The committee must look at the advisability of calling each specific appointee whose name is presented to the House—

Mr. Mazankowski: That's not what it says here and you know it.

Mr. Gray (Windsor West): —whose name is presented to the House by the Government in an individual order.

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): My hon. friends are attempting to interject and make comments. They must be trying to interrupt me because they know that they have a weak case.

Mr. Speaker: I want to assure the Hon. Member for Windsor West (Mr. Gray) that the Chair is hearing every word. I did not take it that anyone was seriously impeding the Hon. Member's ability to put his case.

Mr. Gray (Windsor West): Mr. Speaker, I am saying that I do not think it is appropriate for the committee to carry out the directions of this House pursuant to Standing Order 104 by making a blanket determination that all the people in a certain category referred to it for consideration not be heard. Rather, since each name is tabled in the House individually and referred to the committee individually, the committee must make an individual determination.

If the Government majority on the committee in question operates so as to prevent the Standing Order from applying in a meaningful way, then I submit with the utmost of respect that the Government and its supporters will be seen as not taking seriously what they claimed by presenting the new Standing Orders to the House as a major reform.

Further, not too long ago when the Minister of Justice (Mr. Hnatyshyn) was asked during Question Period why he appointed to the Human Rights Tribunal a supporter of Ferdinand Marcos and a supporter of martial law in that country—

Mr. Speaker: Order. The Chair has, I believe, been generous in assuring that all Hon. Members have made a contribution to the argument, both pro and con. I would ask the Hon. Member to perhaps close off his argument now and not to wander too far into debate, history or other circumstances.

Mr. Gray (Windsor West): Mr. Speaker, I will relate my last comment directly to the issue on which you are asked to rule. I am paraphrasing and speaking from memory when I say that the Minister of Justice said that the question interfered with the work of a committee because the particular individual and his qualifications had been referred to the committee for consideration.

Either the Government is serious about having committees review the qualifications of appointees or it is not. If it is serious, then nothing should be done to prevent the committee from looking at each and every appointee. If government supporters on the committee use their majority to prevent that from happening, then it is a distortion of the intent of the House which passed the Standing Order in question. I therefore ask you, Mr. Speaker, to accept the proposals made in that regard by the Hon. Member for Hamilton East (Ms. Copps).

Mr. Speaker: I believe it is the prerogative of the Chair to close off the argument. I want to assure Hon. Members that I have listened very carefully to the points that have been made. As I said at the beginning of this debate, this is a matter which clearly does arise from a committee, but in view of the fact that changes are taking place in the committee procedures and approaches as a consequence of reform the Chair felt that this matter ought properly to be debated here in the Chamber so that a considered opinion could be rendered by the Chair at an appropriate time.

I would prefer not to make a ruling at this time. I can assure the Hon. Member for Hamilton East (Ms. Copps) who raised this matter, as well as all other Hon. Members who have spoken, that I shall look with very great care at the submissions made and will try to come back with some comments

which may be helpful. I will, of course, advise the Hon. Member and others when I will render a decision. Perhaps I can contact Hon. Members about that later. I want to thank all Hon. Members for their interventions. The Chair has found them all to be very helpful.

I would also like to bring to the attention of the House a notice of a question of privilege raised by the Hon. Member for Peterborough (Mr. Domm). The Hon. Member for Peterborough does not wish, as I understand it, to argue the case today, but wishes to be assured that there has been no delay which would prevent the Hon. Member from bringing his question of privilege to the Chair. I want to assure the Hon. Member that I consider this to be a valid notice, and when it is appropriate for the Hon. Member to raise the matter in argument, as I understand it is important and complex, that will be arranged.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I rise on a point of order. I appreciated the remarks that were made. I was trying to rise to catch your eye, Mr. Speaker. Here under the shadow of the clock, it is sometimes a little difficult to catch someone's eye.

There is one other point I would like to mention which no other Hon. Member mentioned. The House Leader made mention of reflections on the work of a committee. We can see what happens to the House when that happens, but you have taken that into consideration, Mr. Speaker.

There was another point made under Standing Order 59 that was to me equally germane to the issue, and that is that there is not to be a reflection on a vote taken in the House, *mutatis mutandis*, under the rules. That also applies to committees. Even with the sincerity that exists and because of the new ground being broken by committees, something which should be left to the committees, we can see the procedural wrangle we can get into. No matter how well intentioned is a point which comes to the floor based on a vote of a steering committee, let alone an entire Standing Committee, the whole place bogs down. Standing Order 59 which says that no Hon. Member may reflect on a vote in the House applies equally, I would suggest with the greatest of respect, to the committee.

I am not going to deal with the argument of my good friend from Windsor. He must be a little tired as he heads into the last of the month. He made a very interesting argument. The angels on the head of pin had more vitality than the conviction in his voice. Nowhere in Standing Order 103(1) is there anything about a steering committee. It is the committee itself and that is what we all know is the committee—

Mr. Speaker: The Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) has contributed to the debate and I shall take into account his comments. Certainly all Hon. Members will agree that this place cannot be used endlessly and continually to settle all matters that take place in committees. However, the Chair has indicated that it is my view that this is an important matter. As I say, I hope I will be able to make a ruling which will be of assistance to all Hon. Members and to the committees.

• (1530)

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF PORTS OPERATIONS ACT, 1986

MEASURE TO ENACT

The House resumed consideration in committee of Bill C-24, an Act to provide for the maintenance of ports operations—Mr. Cadieux—Mr. Danis in the chair.

The Chairman: When the committee rose for the luncheon break, Clause 3 was under discussion and an amendment had been proposed by the Hon. Member for Churchill. Therefore the question is on the amendment.

Ms. Mitchell: Mr. Chairman, I rise to speak on NDP amendment No. 1(A). The Government has said all along that its main concern about the lock-out of West Coast longshoremen is in the area of the stoppage of grain shipments from the Prairies. We share that concern. There has never been any question about it. I hope it is the priority of every Hon. Member of the House.

Why did the Government choose such a broad shotgun approach to this piece of legislation? It affects all operations, removes collective bargaining rights and imposes a contract. Why could we not have legislation to deal with the movement of grain and to provide for ways to deal with the other disputes?

Therefore our amendment asks the Government to be specific and to apply this piece of legislation to the handling of grain rather than to all port activities.

An article which appeared in the Winnipeg *Free Press* referred to prairie farm groups and grain companies which were demanding that Ottawa prevent a planned lock-out this week of West Coast ports, thereby shutting down half of Canada's export capacity. Mr. Moore, the general manager of United Grain Growers, said: "We want them to leave grain alone. If that does not work, we will be going to the Government". That is history now, but it is unfortunate that the British Columbia Maritime Employers Association refused to exempt grain from the lock-out. The longshoremen have stated publicly a number of times that they would work the grain.

The amendment before us would delete "longshoring and related operations at ports on the West Coast of Canada" and substitute therefor "all grain handling operations at ports". The effect of the amendment would be to require employers to lift the lock-out of workers in grain operations. The workers could return to work. The gates at the Port of Vancouver would be opened as would the gates at the grain elevators. Then waiting ships could be loaded with this year's abundant

crop of grain. Also waiting trains could continue to unload their cargo into B.C. grain elevators for future shipment to Pacific Rim destinations.

I think the Minister wants a positive resolution of the situation so that there will not be undue bitterness in the future. I urge him to consider seriously an amendment which would help resolve the lock-out and would allow the few longshoremen who work on the shipping end of grain to resume their work.

We all deplore the lock-out imposed by the British Columbia Maritime Employers Association which closed down the operations of the port. It is always very unfortunate when such a thing happens. Apparently it was a tactic to try to force an imposed settlement of the contentious grain container clause, which involves only a small aspect of port operations. Only a very few longshoremen handle grain on the ships, and they have always been willing to continue grain handling during disputes.

Again I ask the Minister to consider the amendment. It would allow time for other aspects to be resolved and it would keep our grain moving. We believe that Bill C-24 takes away the rights of workers and imposes a contract which I do not think is agreeable to either party.

Mr. Cadieux: Mr. Chairman, I should like to make a few comments on the proposed amendment and on the points raised by the Hon. Member for Vancouver East and by other Hon. Members who spoke this morning.

I do not want to repeat the speech I made yesterday. It was a relatively long speech which outlined the history of the negotiations between the two parties involved. Everyone knows that their bargaining record is a dismal one. The reason that we are dealing with the Bill today takes that into consideration.

This Act may be cited as the Maintenance of Ports Operations Act, 1986. I should like to answer certain concerns by quoting from my speech. As reported in *Hansard* at page 1231, I said:

> In addition to the damage which a lengthy work stoppage would cause to Canada's reputation as a reliable exporter of grain, the business community and its employees dependent upon water transportation for shipment of their goods and resources, are also subject to undue hardship as a result of this work stoppage. We are once again faced with a situation in which the parties to a dispute are able to inflict more punishment on others than on themselves.

Therefore we will not support the amendment.

Mr. Foster: Mr. Chairman, I seek clarification of the Hon. Member's amendment. As I read it, it would reinstate grain handling operations but would not reinstate the handling of minerals such as potash from Saskatchewan, other minerals from British Columbia or lumber from British Columbia and Alberta. Would it strictly reinstate grain handling operations but not the handling of the other major resource commodities of Alberta, Saskatchewan and British Columbia?

Mr. Angus: Mr. Chairman, I should like to respond quickly. Clearly the intention was to focus upon grain. That seems to be from where public pressure is coming; to my knowledge, there has not been an overwhelming cry about the other sectors. It has been indicated that if we are to allow for the collective bargaining process, we cannot leave one element working in the system. Both sides must have flexibility to take whatever stands or use whatever tactics are appropriate from their perspective in order to try to reach a collective agreement.

• (1540)

We have conducted a very narrow focus on the grain sector to allow it to get back to work. It is a very small component in terms of the members of the union. It is a very small component in terms of the companies involved. I think if Hon. Members look at Schedule I they will see that there is only one company listed that would be covered by this clause. I refer to the association of terminal operators. All the rest of the companies would be left out, allowing the collective bargaining process to continue.

The Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Amendment 1(A) (Mr. Murphy) negatived: Yeas, 11; nays, 56.

Mr. Angus: Mr. Chairman, I rise on a point of order. Just so that everyone is clear as to what we are doing, there are three additional amendments that relate to the same matter of substance and we will not be moving them. My colleague, the Hon. Member for Regina West, will move the next amendment on our behalf.

Clauses 3 to 5 inclusive agreed to.

On Clause 6—*Terms, etc., of agreement amended.*

Mr. Benjamin: Mr. Speaker, I have an amendment to move with respect to Clause 6. I move:

> That Bill C-24 be amended in Clause 6 by deleting lines 40, 41, 42, and 43 on page 3 and substituting the following:
>
> "—1986, other than the recommendations contained in the report concerning Articles 12, 13, 14, 16, 19.08, 21.03(1), 26.05 and 28.01(1) of the agreement."

Mr. Chairman, I will be quite frank, open and honest with the Minister. The purpose of this amendment is to comply with a request by the union to switch the location in the legislation of where items in the collective agreement will be decided upon and be binding on both parties by a referee, that it be done by the industrial Commissioner or the commission. These items have to do with pensions, the welfare plan and a host of other items. It is felt that since they are subject to binding decision in any event one can now assume, although it is a risky assumption, that the two parties will continue their collective bargaining from now until the end of 1988, as is specified in

the legislation. Quite frankly, and to be perfectly blunt, there is no incentive for the employers to continue the collective bargaining process. I say this because in my opinion, and in the opinion of many others, the employers believe that they have the least to lose when the matter goes before a referee and when they cannot agree on the interpretation of various parts of the Larson Report or on the contractual language. It is our view and that of the longshoremen that they would prefer to have these matters dealt with by the industrial commission or the Commissioner. They would rather rely on that binding decision than that of the referee.

I submit that this will make the decision making that might be required of the referee less onerous in terms of the numbers of items on which the referee will have to make decisions since they will have already been considered by the industrial Commissioner. Thus the remaining items of the collective agreement will be subject still to the collective bargaining process and the rulings of a referee.

I submit that this would speed up the process and that there would be less time required of the referee. I admit at the outset that this would place more duties on the industrial Commissioner. However, the Commissioner already has access to a number of people. I presume the Minister will be generous in terms of the number and quality of staff the Commissioner will have. I presume that they will be the most competent people available, including the official he has sitting in front of him. In fact, the official he has in front of him now would make an excellent industrial commissioner. In fact, he would make a good Minister, provided he ran for the NDP.

In all seriousness, this is not only a genuine concern but a sincere request of the Minister to consider this amendment favourably. We provided copies of the amendment to the Minister and to members of the Official Opposition in advance. We have had conversations and the Minister has assured us, and we believe him, that he will give the most favourable and sympathetic consideration he can to this matter. He has said that he will continue to think about it right up until the time at which he has to decide whether he will accept it or vote against it.

I am faced with an onerous task, one which I do not know if I am quite up to or not. With all my charm, my perspicacity, my sweetness and light, I am trying to persuade the Minister, if he is not persuaded already, that this amendment is a good one. It is worthy of acceptance. I think it will help in the matters which have to occur over the months ahead, particularly in the next six months. I think it will also help to get a message through to both parties about reaching an agreement on all the other remaining items to be negotiated in the collective agreement.

• (1550)

Goodness' knows, both sides need to be given a message on many items. The Minister is somewhat more optimistic than I or many others are about the possible success of the collective bargaining process until the end of 1988, without the referee having to do very much, if anything. I might say to the Minister that I believe his optimism is on very shaky ground. In fact, in light of his experience and that of his predecessors, he is somewhat more than optimistic and is on very, very shaky and weak ground. What he is faced with is the fact that the referee is going to end up doing the collective bargaining. It is highly unlikely, in my opinion, that the two parties will reach agreement on very many if any of the clauses other than the container clause. That is why, Sir, we ask the Government to accept this amendment. We genuinely believe it will assist him, his officials and the two parties to get a fair decision from the Commissioner on the clauses we have mentioned in the amendment.

It will also, we believe, spur the two parties on to reach an agreement on the remaining items. That would also serve for the time when there are disputes not only in the ports but in many other areas, whether it be railroads, grain handling or whatever. I would think it would have a beneficial effect on disputes in bargaining in many other areas of this country. When they realize what Parliament did in this instance, particularly if the Minister will accept our amendment, they are more likely to come to an agreement rather than lock-outs or strikes.

All of us who have been here any length of time have had to face this sort of situation, at least since I came here, six or seven or eight times. Nobody likes it, nobody wants it. No one on any side of the House is a winner. All Members and all parties are damned if they do and damned if they do not, and both at the same time. That is why the better this Bill is, the more likely that it will have an effect on collective bargaining in many other areas of the country. Both employers and unions will have to think about this as they begin the collective bargaining process.

Sir, I know the road to hell can be paved with good intentions but we feel this is a good intention worthy of acceptance. We really do believe from discussions and meetings we have had in many places and with many people, including Members of this House, that it will be helpful. It will strengthen the legislation. I plead with the Minister, who has been sitting carefully thinking, to agree that this motion is acceptable and would be of assistance as well as a good addition to this legislation.

The Chairman: The Chair finds the amendment proposed by the Hon. Member for Regina West to be in order.

Mr. Fulton: I have just a brief point in support of what my colleague has reminded the Minister of. The Minister is aware that some of the points dealt with in the Larson Report are not conclusive. They have not completely gelled. I am thinking of matters relating to pensions and welfare plans and the UIC carve-out and so on. Quite frankly, I do not think the referee is going to find it that easy to get together with the two sides and simply find contractual language in that Larson, as he completed his study, found certain points that had not gelled.

He simply was put into a situation where he could not come up with a conclusion.

I do not think the proposal being made by my colleague would add substantively or enormously to the work to be done by the Commissioner in that the amount of track, so to speak, left to be put in place to complete some of those items is not that great. I think the commission is likely a better place for that to take place in that, as I said earlier, the referee may find it necessary on some of these points to come back through Labour Canada to the Minister, back to the House, to get direction through something other than Bill C-24 that would allow the process to be completed. I do not think that is what is intended by this legislation. I think that since the process as set out for the industrial inquiry commission is of a specific duration, that of six months in which to come up with the basic part of it, it gives the Minister some leeway in coming down with final contractual language and so on. This is really a more appropriate way for it to be done rather than throwing those uncompleted items to the referee who may in all likelihood be unable to complete them.

Mr. Murphy: Mr. Chairman, on the same point, unfortunately the legislation we are dealing with today is very complicated and difficult. Instead of referring all the problems related to the breakdown of negotiations to one body, we have a number of different agencies involved. However, as any of us who have been involved in collective agreements, either through negotiating them or administering them or just studying them, realize, what happens in one section of a collective agreement has a definite bearing on other parts.

One of the problems faced by the union with the proposal of the Minister is that if the inquiry comes down with a certain recommendation or recommendations regarding how the container issue will be resolved, it certainly will affect the clauses we have suggested and should also be referred to the same authority, for example, the clauses affecting such things as welfare, wages, automation, hours of work, hours of work at bulk terminals, et cetera. Obviously if there is a recommendation on the container clause that reduces the hours of work, it will have some effect on the workers. It will also affect how the pension plan is going to be implemented, as well as their medical and dental plans. It will affect a number of issues which are very important to the maintenance of that collective agreement. You cannot divide them. You cannot say the container clause is very important and we will send it over by itself and forget about the other items in that collective agreement.

If the worst happens as far as the employees are concerned and the container clause is removed and a number of people lose work, then obviously they are going to be very concerned with what additional benefits should be there concerning their pension. They are going to be very concerned about the hours of work and how they are determined. That being the case, it is very important that the Minister listen to the representations made by the Hon. Member for Regina West and the Hon. Member for Skeena and by myself to make sure he does not send parts of the collective agreement to the referee and other parts to an inquiry restricted to the container clause. The collective agreement is one agreement. It affects the workers and their families. It affects the performance of the workers on the job and it is very important that it be dealt with by one group, especially when there can be no joint agreement.

• (1600)

It is very important that this matter be resolved in the manner which we have just suggested. If the agreement falls apart six, eight or nine months down the road, it could very well be because of the split jurisdiction which the Minister is recommending. If the container clause goes one way and the hours of work, automation and welfare clauses are not appropriate, there will not be peace on the waterfront in B.C.

Mr. Angus: Mr. Chairman, I would like to add a couple of points to the arguments made by my colleagues. It is not necessarily to the advantage of the union to have the recommendations in the Larson Report reopened. There are instances in which the Larson Report recommends in the union's favour, but those clauses are included in this package to allow that crossover. Instead of a very narrow focus on the container issue, a number of things are included to allow the give and take which is necessary in the collective bargaining process to arrive at an agreement which the parties are prepared to accept and tolerate. I urge the Minister to give very serious consideration to our proposal to broaden the scope of the Commissioner in order to achieve a true collective agreement. Clearly, anything imposed from above is not a collective agreement.

Mr. Cadieux: Mr. Chairman, the issue which has been raised today is very serious, and what we are doing today is also very serious. If the issue were not so serious, we would probably not have introduced this special Bill. This legislation was introduced in the House because, as far as I am concerned, the parties have a horrible record with respect to collective bargaining. They were not able to arrive at an appropriate agreement between themselves. We have given them all the help possible. We gave them a conciliator, a commissioner, and then two mediators. All efforts were made to enable the parties to sit at a negotiating table and prove to the Canadian people that they could finally reach an agreement. They have failed.

I have been to see the parties. I told them that they have the responsibility to reach an agreement and that if they did not we would impose an agreement upon them. The Larson Report is based upon discussions which have taken place with the parties. In the circumstances, I think it is the best compromise we can make. This does not prevent the parties from sitting down and coming to an agreement. We will not support the amendment.

Mr. Benjamin: Mr. Chairman, I regret very much the Minister's decision. Our amendment fits perfectly with the arguments he has just made. We were only asking that these

crucial items, on which it is unlikely they will ever bargain collectively, be part and parcel of or connected to the container clause. The container clause affects most seriously the other articles which we have named. The remaining items can be left to the collective bargaining process.

Our amendment was designed to fit in with the arguments put forward by the Minister yesterday and just now. We urge the Minister to reconsider. This amendments suits his purposes and those of this House exactly. The amendment was drafted after a very great deal of careful thought and consultation. The union is no more happy about a binding decision of Parliament than are the employers. However, even the union admits that those are items which they would prefer to leave in the hands of the industrial commission which will make a binding decision. That surely fits in with what the Minister just said. I hope he will make a last minute reconsideration and agree to accept the amendment.

Amendment (Mr. Benjamin) negatived: Yeas, 11; Nays, 27.

Mr. Benjamin: Mr. Chairman, I hope the Chair will watch closely when votes are called. As soon as the Chair calls the vote no one else may enter the Chamber.

The Chairman: The Chair takes note of the point raised by the Member for Regina West.

Mr. Angus: Mr. Chairman, all of the additional amendments on the page entitled: NDP Amendments 2, 3, 4, 5, and 6, were consequential and will, therefore, not be moved.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: Agreed.

Clause 6 agreed to.

On Clause 7—

Mr. Foster: Mr. Chairman, I would like to amend Clause 7 by moving:

That Bill C-24, an Act to provide for the maintenance of ports operations be amended in Clause 7 by striking out line 1, at page 4, and substituting the following therefor:

"this Act applies, including provision for job security, development of the port, rail facilities, improvement of competitive position of the port and such other matters relat-"

The purpose of this amendment is to make it clear to the industrial inquiry Commissioner that these other matters should be reported on by him. The employers association is arguing that if the container clause is removed, tens of thousands of additional containers will come through the Port of Vancouver. That clearly will not happen without these other matters relating to the development of the port and the rail facilities being dealt with.

I have spoken a couple of times this morning about the obligation which CNR and CPR have under the Western Grain Transportation Act to improve those facilities. There is also the competitive position of the port. These recommendations will not be binding on the Government, they are simply other matters relating to the port operations. They are, however, very germane to the some 300 workers who are threatened with lay-off if the container clause were to be removed. It will make it clear to the Government and to the Port of Vancouver that it must get on with these improvements.

• (1610)

I think it is important that this amendment, including the provision for job security, be accepted. I hope the committee will give us full support for the amendment.

The Chairman: The Chair finds the amendment to be in order.

Mr. Angus: Mr. Chairman, we think that the amendment makes sense because it fully clarifies the role of the Commissiner. We will support it.

Mr. Cadieux: Mr. Chairman, first I want to take this occasion to thank Hon. Members of both opposition Parties for their co-operation in giving me the text of their amendments in advance. Obviously it makes our task a little easier. I have had discussions with some members of each Party this morning in order to give them some preliminary impressions of the amendments. The effect of this particular amendment would be to require the Minister of Labour to refer to the industrial inquiry commission matters which are well beyond my authority as Minister and which are well beyond the scope of the collective agreement. Therefore we cannot accept the amendment as it is.

As I assured my colleagues this morning, the terms of reference that will eventually be given to the commission will definitely be large enough for it to look at those points that have been made by Hon. Members.

Mr. Foster: Mr. Chairman, it just occurs to me that the Minister seems to be saying that all of this will be done and that clearly the matter relating to job security is in the clause of the conciliation report now, so that there is no question about job security. The Minister seems to be saying that this will be done, that hopefully the industrial Commissioner will make this report and explore all of these matters, advise the Government and the port authority about what has to be done to ensure that the port handles more containers in the future. However, the Minister does not want to put it in the Bill.

Since the Minister expects the Commissioner to do this, I would feel much better if he would agree to put it in the legislation, even at this late moment.

Mr. Cadieux: Mr. Chairman, again I will assure my hon. colleagues that the terms of reference will be wide enough to include such points as job security. As a matter of fact, the Commissioner looked into that in his own report. I am sure that all Members of the House will be very satisfied with the terms of reference that would be given to the commission.

Mr. Murphy: Mr. Chairman, I think the Minister's answer still raises a lot of questions. Terms of reference are one thing; what actually happens with the recommendations is something else. That is the major problem with setting up this inquiry. It will only have the power to act in one area with regard to recommendations. It will be able to write a clause, include a clause in the collective agreement on the container issue, or remove a clause. It can make all sorts of other recommendations, some of which will go to the Department of Transport, some of which may go to the employer, and some of which may go to the employees. However, the point is that if the other bodies do not feel like acting, nothing will happen. That is a real problem facing the workers.

They have some security with the present clause in the collective agreement. That could be taken from them and no other agency of Government, the employer or anyone else must act on the recommendations. Only the container clause will be binding on the parties. There is no need to act on the other recommendations.

I know the difficulties involved in getting labour legislation passed in the House of Commons. There has only been one decent piece of legislation introduced during the seven years I have been a Member of Parliament. That was the legislation on occupational health and safety and maternity leave clause extensions. It took four years before the Government even bothered to introduce that legislation and it was almost killed at the last moment before the election. When one considers the history of how the House of Commons deals with labour legislation, I am not very optimistic about what the Minister just said.

We need some guarantees that if there are other recommendations, they will be acted upon by the Government. We cannot simply tell the workers to accept whatever comes down from the Commissioner because Parliament will look after the other recommendations that may be imposed. History has proven that the House of Commons will not act quickly on the recommendations that affect the job security of workers.

Mr. Foster: Mr. Chairman, I appreciate the support of the Hon. Member for Churchill on this amendment. This issue has existed for 16 years. It is obvious that the Government, in concert with the employers association, plans to remove this clause. Surely it is not asking too much of the Government to include in the legislation the consideration of these other factors. There is the whole question of job security, the development of the port, the improvements that will be made, and the requirement for the port to be competitive so that we will in fact be moving containers back from Tacoma and Seattle.

I believe that if the industrial Commissioner ends up removing that container clause as recommended in the conciliation officer's report, he would feel much better if he described everything that must take place in order for that port to become competitive, attract additional containers, maintain and hopefully increase the number of jobs. I hope the Minister not only agrees to do this in the report but will agree to do it in the legislation itself.

Amendment (Mr. Foster) negatived: Yeas, 10; Nays, 30.

Mr. Murphy: Mr. Chairman, I rise on a point of order. We gave notice before that we were having trouble with Conservative Members coming in when the vote already commenced. I think it is incumbent upon the Conservative Whip to have his Members here before the vote commences. It is not too difficult for them to stay here for the next 25 minutes and listen to the debate, instead of wandering in when they choose.

• (1620)

Mr. Lewis: On the same point of order, Mr. Chairman, I think it should also be pointed out to the House that Hon. Members on the government side are allowing full rein and discussion on the opposition amendments.

Ms. Mitchell: Allowing? Do we have rights?

Mr. Lewis: It would be very easy for every one of us to be in here speaking to the opposition amendments. Instead, we are carrying on business in the lobby behind the curtains. If the Hon. Member wishes plenty of discussion on every one of the opposition amendments, we will get into it.

Ms. Mitchell: Okay. Go ahead.

Mr. Lewis: But I think we are doing the business of the House and we should proceed.

Ms. Copps: Mr. Chairman, I have another amendment.

The Chairman: On Clause 7?

Ms. Copps: Yes. I think we predicted that the previous amendment would not pass, so I have an amendment to Bill C-24 which has also been handed to the Minister as well as to the New Democratic Party. I move:

That Bill C-24, an Act to provide for the maintenance of ports operations, be amended in Clause 7 by striking out line 1 at page 4 and substituting the following therefor.

"this Act applies, including provisions for job security, and such other matters relat-"

I think if you refer, for example, Mr. Chairman, to the recommendations of the Larson Report, the section which is being deleted, that is, you will find that the question of containers which is being referred to this commission deals in part with the question of job security because it suggests that there be a guarantee that the number of hours available to be worked on containers be fixed at 725,000 per year. So I do believe this amendment is within the terms of reference of the commission. It also speaks specifically to one of the concerns which has been expressed by the longshoremen, and that is, the question of job security. Surely, if we are going to look at the container question as an isolated case, we should have a more wideranging view. Even if we are restricting our commission specifically to looking at the container situation, I think this

particular amendment provides for a chance to look at provisions for job security and should be supportable by all Hon. Members, and I so move.

The Chairman: The Chair does find the amendment proposed by the Hon. Member for Hamilton East to be in order.

Mr. Cadieux: Mr. Speaker, I do not want to take the time of the House. I gave my arguments previously on the first amendment. I think they apply to the second amendment. Again, I just want to repeat that the terms of reference will definitely include that.

Ms. Copps: Mr. Chairman, with respect to the arguments on the first amendment, as I understood the Minister, he could not agree to a provision for development of the port rail facilities' improvement of competitive position because it was outside the terms of the collective agreement. Quite clearly, the container issue, which is the one being put forward to the commission, includes a guarantee regarding the number of hours available to be worked on containers, so it is included in the container provision.

It is in fact a more stringent interpretation of the amendment. When the first amendment failed to come back, we decided on this one as it specifically relates to job security. Job security has a place within the confines of the collective agreement and surely the whole reason for the container issue is the question of job security for the workers. All we are asking is that in the context of this commission, among the other parameters and frames of reference set in the legislation as established, the Commissioner also be asked to look at provisions for job security. I do not see how this in any way is outside the jurisdiction of the collective agreement or the Larson Report because it was indeed in the Larson Report that reference was made to the minimum number of hours worked which translates in a certain sense to a kind of job security.

Amendment (Ms. Copps) negatived: Yeas 10; nays 28.

Mr. Angus: Mr. Chairman, reluctantly, especially after the Minister complimented us on giving him copies of our proposed amendments in advance—he actually meant well in advance—he just received part of our, if you like, Plan B, which we always need to have because we want to ensure that we keep working on behalf of the people out there. Therefore, I move that:

Bill C-24, Clause 7(4), shall be amended by deleting line 6 on page 4 and substituting the following:

—by the Commisison, however in no event shall the recommendation provide for a lower work guarantee than was recommended by the conciliation commissioner.

In brief, this establishes a bottom line. It says the commission cannot impose something which is less than what has already been recommended, nor can it negotiate below that point.

Mr. Cadieux: Mr. Chairman, I thank the Hon. Member for giving me the amendment, notwithstanding that fact that it was not received well in advance. Because we also like to work for the people out there, I have given consideration to the amendment. I do not think it would be right to impose limits, whether bottom or top, in the inquiry, and I will let the commission make its own decisions.

The Chairman: The Chair finds the amendment to be in order.

Amendment (Mr. Angus) negatived: Yeas 10; nays 28.

Mr. Foster: Mr. Chairman, I have another amendment concerning Clause 7 on page 4, to strike out lines 4 and substitute: "—appointed by the Minister, subject to the approval of the employers association and the union". It seems to me that we are really making a very historical decision.

Ms. Copps: Historical blunder.

Mr. Foster: My colleague, the Hon. Member for Hamilton East, says it is a historical blunder, and only history will prove whether or not that is true. In any event, it seems to me that the Minister would want to appoint an industrial commissioner who carries the respect and the confidence of both the employer and the employees. Whether he does that by appointing a single commissioner or a group of commissioners, I think it is essential that both the employers association and the unions involved lend their support to this amendment. Therefore, I move:

That Bill C-24, an Act to provide for the maintenance of ports operations, be amended in Clause 7 by striking out line 4 at page 4 and substituting the following therefor:

"sion appointed by the Minister, subject to the approval of the employers association and the union, for a final"

• (1630)

This amendment is a very simple one. It simply provides that the appointment of the Commissioner is subject to the approval of both the employers association and the unions concerned so that the final recommendation will be the most acceptable one by both the union and the employers association.

The Chairman: The Chair does find the proposed amendment to be in order.

Mr. Cadieux: Mr. Chairman, on this particular point, I would like to indicate to Hon. Members who are working so hard in committee this afternoon that these parties have not been able to agree on very much for the past 16 years. Unfortunately, I would not expect them to be able to agree on this either.

I would like to assure the House that in order to ensure that there will not be a blunder as someone has suggested, the best possible person or persons available will be appointed to head this commission. I am sure everyone will be very happy.

Mr. Murphy: Mr. Chairman, according to the words he just spoke, the Minister is almost acting in such a way as to create no possibility of future success. The amendment, which is something we supported in previous conversations with the Minister, is something that is necessary. If there is a time frame in which employers and employees must agree on a person to head the inquiry which is not met, then the Minister can act unilaterally.

It is important to consult both the employees and the employers to see if they can come to some agreement as to who should head the inquiry. This is a safeguard which is used in many arbitration laws across Canada. The reason for that is that there are people who are knowledgeable in various areas of transportation and labour relations on which both parties can agree. These people have dealt with certain people in Vancouver and in British Columbia. I am sure the union and the employers association could agree on a person who would listen to their arguments and would have some basic understanding of the transportation industry in B.C.

I do not think the Minister would have to accept that much if he were to agree to this amendment. If he wishes, we could move a subamendment putting a time frame on it. That would be agreeable to our caucus. However, I do think it is important that he does consult with and get the approval of both parties, or at least make the attempt to get the approval of both parties. He said that the parties have not agreed on very much in the last 16 years and that may be true, but I do think it is important that the Minister take another stance to show that he does believe that they can work together and that he give them the opportunity for which this amendment calls.

The Chairman: Shall the amendment to Clause 7 carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Amendment (Mr. Foster) negatived: Yeas, 9; Nays, 29.

The Chairman: Shall Clause 7 carry?

Some Hon. Members: Agreed.

Clause 7 agreed to.

Clauses 8 to 12 inclusive agreed to.

The Chairman: Shall Clause 13 carry?

On Clause 13—*Punishment for offences*

Mr. Cadieux: Mr. Chairman, I would like to propose an amendment to Clause 13, copies of which were circulated to my hon. colleagues well in advance, I believe. I move:

That Clause 13 of Bill C-24 be amended by adding, immediately after line 16 on page 7, the following:

"(3) No officer or representative of a member of the employers association, including any corporation listed in Schedule I, who is convicted of an offence under this Act shall be employed in any capacity by, or act as an officer or representative of, the employers association at any time during the five years immediately after the date of the conviction."

That, I believe, reflects a very serious concern that was raised both yesterday and today in debate about Clause 13 and the additional penalty as it was referred to. I thought that concern had to be remedied. That is why the Government is proposing this particular amendment. Hopefully, Mr. Chairman, you will find the amendment to be in order.

The Chairman: The Chair does find the amendment proposed by the Minister to be in order.

Ms. Copps: Mr. Chairman, we do have a number of concerns about the clause. I am afraid, however, that this particular amendment does not respond to those concerns.

In the Bill, the Minister is suggesting that an officer or representative of the union can be prohibited from holding the position of officer or indeed from actually working. For example, a person who happens to work full time for the union who is involved in a work stoppage which is a contravention of the proposed law could be deprived of earning a livelihood for five years because this particular—

Mr. Scowen: Serves him right.

Ms. Copps: The Hon. Member says that it serves him right. We in the Opposition believe that there should be justice. The wording of the Minister's amendment suggests that no officer or representative of a member of the employers association may be employed by that association. That means that on the employees' side, a full-time union member can lose his job for five years, but on the employer's side, someone who happens to be a member of the employers association cannot hold office or membership in the association but can carry on his own private business in the private company which is a member of the association. On the employer's side, there is no way that a person may potentially lose his livelihood for five years, whereas on the employee's side, those who might be working full time for the union could actually lose their livelihoods for five years.

It seems to me that this is a punitive piece of legislation. We discussed this with the Minister and looked back on other precedents which do include fines or contempt of court charges. In fact, a five-year ban on officership in a union or on being an employee of a union is a penalty that is far too harsh when the impact of depriving one of membership in an employers association as called for in this amendment will essentially have no effect on the individual employer. It only means that an offending employer may no longer be a member of the executive of the employers association. However, people who work full time for the union and are involved in an illegal work stoppage can be thrown out of their jobs for five years.

Unless there is a similar prohibition against employers, this amendment is simply a facade because it pretends that we apply the law equally to employers and employees while in fact that is not the case. I believe that the current five-year penalty is too harsh and that it does not apply across the board. For these reasons we cannot support the amendment.

• (1640)

Mr. Angus: Mr. Chairman, I should like to move the following subamendment to the proposed Clause 13:

That the words "employers association" be replaced with the word "company".

I do not have the amendment in writing. I refer Hon. Members to Clause 2 of the Bill wherein the word "company" is defined as meaning the employers association or any member of the employers association, including any corporation listed in Schedule I.

The intent of my subamendment is to ensure that if employees of one of the companies make a decision to continue a lock-out, either because they are members of the employers association or because it is a decision of the company, they will be liable for the same punishment as members of the executive of the union whether they be in full-time paid positions or volunteer members of the executive. If my subamendment were accepted, it would ensure a total balance in terms of this particular clause.

Mr. St. Germain: Mr. Chairman, my understanding of Clause 13 is that the livelihood of union members would not be lost in that their seniority within ILWU would remain. By virtue of that fact, they could still earn a livelihood by becoming longshoremen.

In the case of a company member who is a director of the British Columbia Maritime Employers Association, he could return to his livelihood. A member of the ILWU could revert back to his original role as a longshoreman. It would not deny him the opportunity of obtaining a livelihood for his family or himself as an individual.

It is important to understand that each of them would be deprived of serving in their respective organizations as a result of a violation or breach of any law. However, it would not deprive them of returning to their original sources of livelihood. Union stewards or representatives come from the rank and file. Members of the British Columbia Maritime Employers Association come from the executives of various companies. Basically we have an equitable situation. I think the intent of the Minister when he brought forward this piece of legislation was not to deny the right of people to enjoy a reasonable livelihood.

The Chairman: The Chair finds the subamendment of the Hon. Member to be in order.

Ms. Copps: Mr. Chairman, if the Hon. Member for Mission—Port Moody is really sincere about fighting for equality, I think he has no choice but to support the amendment which puts companies and unions on the same footing and does not make a differentiation. That is a smoke-screen behind which they are hiding.

Mr. St. Germain: Mr. Chairman, I do not think the Hon. Member for Hamilton East is trying to mislead the committee. It is not a smoke-screen. It is equity that we are seeking. We are making certain that each individual can source a livelihood from where he or she originated. It is important to understand that they are not being deprived of the ability to work in their original function.

Mr. Benjamin: Mr. Chairman, I should like to indicate, for the benefit of the Hon. Member for Mission—Port Moody, that the same applies to the employer, the representative of the employer or the company. Such a person would be prohibited from being a representative or officer of the company but could return to his original employment in the company. The same principle applies. He can return from wherever he came in the company but can no longer occupy a position as he did for five years. That should apply to companies as it does to the union.

Mr. Foster: Mr. Chairman, this is an extremely Draconian measure. In fact, it has never been contained in a federal piece of legislation before. We are to deprive union members of holding office after they have paid a penalty or fine, which in this case can be as much as $100,000.

If we look at the 1978 legislation dealing with Great Lakes shipping, there was no such penalty. The individual could be convicted of contempt of court. It was the same situation in the West Coast strike in 1982 and in the postal strike in 1979. There has never been a provision like this one before. I want to move an amendment which would completely remove Clause 13. I believe that the entire clause should be struck.

With the permission of the House, I would move that lines 9 to 16 on page 7 be struck. That would be my subamendment when we get to it.

The Chairman: I regret to interrupt the Hon. Member for Algoma on two grounds. First, I must rule out of order the subamendment which the Hon. Member is proposing to the subamendment now before the committee. Second, it being 4.45 o'clock, pursuant to the order made on Monday, November 17, it is my duty to interrupt the proceedings and put forwith every question necessary to dispose of Committee of the Whole stage of Bill C-24. Accordingly, the question is on the subamendment.

Subamendment (Mr. Angus) negatived: Yeas, 14; Nays, 31.

The Chairman: Shall the amendment of the Minister carry?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Amendment (Mr. Cadieux) agreed to.

The Chairman: Shall Clause 13, as amended, carry?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Clause, as amended, agreed to.

Clause 14 agreed to.

Schedules I and II agreed to.

Clause 1 agreed to.

Title agreed to.

The Chairman: Shall I rise and report the Bill, as amended?

Some Hon. Members: Agreed.

Mr. Benjamin: On division.

Bill reported.

Mr. Deputy Speaker: When shall the Bill be read the third time? Pursuant to the order made on Monday, November 17, now?

Some Hon. Members: Agreed.

Mr. Cadieux moved that Bill C-24, an Act to provide for the maintenance of port operations, be read the third time and passed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

• (1650)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Davenport (Mr. Caccia)—Environmental affairs—(a) United States funding of measures to combat acid rain (b) Sulphur dioxide emissions; the Hon. member for Beaches (Mr. Young)—Patent Act—Effect of amendments on drug prices; the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens)—Consumer affairs—Possible gasoline price increase—(a) Delayed implementation on behalf of consumers (b) Government measures to give equality of treatment to Canadian consumers.

[*English*]

Shall we call it five o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

SITTING SUSPENDED

Mr. Lewis: Mr. Speaker, I rise on a point of order. We would be prepared to call it five o'clock if the private Member whose Private Members' Bill it is were here and ready to proceed. I believe he is a member of the Liberal Party. But in the event that Member is not here, it would be my suggestion that we suspend the sitting until five o'clock in order to give the Hon. Member for Davenport (Mr. Caccia) an opportunity to come and properly present his Bill. I think that all Members of the House would be in agreement with that.

Mr. Deputy Speaker: The House has heard the term of the proposal by the Parliamentary Secretary. Does the House agree?

Some Hon. Members: Agreed.

Mr. Gauthier: I take the suggestion positively. I will try and contact the Hon. Member for Davenport now and bring him into the House as soon as possible.

Mr. Deputy Speaker: We will suspend the sitting until five o'clock this day.

At 4.52 the sitting of the House was suspended until 5 p.m.

SITTING RESUMED

The House resumed at 5.04 p.m.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

PESTICIDES

EFFECTS OF CHEMICAL PESTICIDES

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government should consider the advisability of establishing a task force to examine, on a national basis and with full public participation, and to report to this House, the threats to human health and damage to the environment arising from the application of chemical pesticides on forest, agricultural and other lands, and to recommend alternative methods or practices of pest control.

He said: Mr. Speaker, in the 10 minutes available I will try to put to you my case on the merits of this motion. I am grateful to the system for having it drawn for debate today.

I will start by saying that the question of pesticides and their use in society is becoming a national issue. Why do I say that? Because of the evidence produced almost daily by way of the printed media. I will give you a quick run-down. From Toronto there is an article entitled "Time for farming to break its chemical dependency". From Winnipeg, "Concern about safety of farm chemicals fuels debate over pesticide registration". From Calgary, "Study claims pesticides upset the immune system". From Halifax, "No 2,4-D spraying until review ends". From Montreal, "Pesticides are not sufficiently controlled". From B.C., "Chemicals poisoning wells", and,

"B.C. is to await federal word on chemicals". From Regina, "Pesticides in groundwater". From Vancouver, "Lawyer wants 2,4-D spraying voices heard". Again from Montreal, "There has to be a better way of keeping pests down". From Toronto, "Study launched into effects of herbicides on New Brunswick workers". Again from Montreal, "Popular weed-killers days may be numbered". From Washington, "Emergency order bans much-used pesticide". Again from Toronto, "Insecticide cited as health danger should be banned, officials say". That referred to Temik. Again referring to Temik, "Study cites insecticide detected in P.E.I. wells". From Ottawa, "Pesticide polluting Ontario waters, govt. report says". Again, "Ontario corn-belt rivers have pesticide, report says". Another more recent headline reads, "Poisoned well was a nightmare, farm woman tells Lasso inquiry". Again, "Pesticides may boost illness." Another one reads, "Neighbourhoods alarmed by poison sprays used in lawn care". Another one reads, "Minto stops using 2,4-D on properties". "Ministry spraying cited in three planters' ailments". "Conservation council concerned over chemical usage". "Chemical disposal rapped in Alberta". "Chemical warfare: bugs, weeds are winning it". "Farmers trying in vain to curb hoppers".

If time permitted, I could go on to give you a full run-down as to how frequently the media are reporting on the question of pesticides and how they are seen to endanger human health. Therefore, the question is: Are we not ready, as I submit we are, to investigate this matter fully on a national basis in order to hear the views of those who are using the chemicals, those who are concerned about them, and the public in general?

As we all know, pesticides are biologically active substances. They pose a potential risk to human beings. We know that the effects of chronic exposure to certain types of pesticides can lead to some forms of cancer or tumours, reproductive disorders, birth defects and other long-term illnesses. Numerous areas of Canada have had groundwater contaminated, as has been frequently reported, by chemical pesticides. These substances are now believed to pose a substantial threat to human health. You will also recall the effect on nature as described some years ago by Rachel Carson in her book *Silent Spring*. That book has become part of what has become almost a collection of memorabilia on this subject.

We are now in a new phase where the media are reporting to us incidents which confirm the preoccupation of the 1960s. This motion proposes the launching of an independent task force which would cross this nation to investigate this matter. It could be tailored along the lines of the Pearse water investigation which took place in 1985 and would attempt to achieve the following. First, it would establish the need to collect information on the existence and use of herbicides and pesticides and pass it on to the public. Second, it would endeavour to hear from concerned citizens, non-Government organizations, municipal, provincial and federal officials, labour and industry their views on the use of pesticides and alternatives. Third, it would search for new directions for research and development and alternative methods.

• (1710)

A very important role for this task force would be to search for alternative products and practices in agriculture and forestry. The task force would provide a forum for a good discussion of the fact that we will have to share the world with a few pests in the decades ahead, particularly with regard to lawns, highway green areas and parks. We have become almost obsessive about weeds. The use of certain herbicides, particularly 2,4-D are unacceptable to human health, both to those who have to utilize it and, in the long term, to the public which comes in contact with the substances in areas which have been sprayed.

Those are the five or six major points which this national task force would endeavour to identify. I emphasize in particular the part of the investigation which would deal with alternatives. There is great potential to finding better answers through biological controls such as a product called Bt. There are also answers through manual methods such as the clearing of forests and through a better understanding of the role of predators in nature.

Time does not permit me to elaborate further on this matter. I thank you for this opportunity to put this proposal to Members of the House. I look forward to the comments of Members.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, last October 9 the Hon. Member for Davenport (Mr. Caccia) suggested that the Government should consider establishing a task force to examine, on a national basis and with full public participation, the extent to which the use of chemical pesticides over forest, agricultural and other lands threatens human health and destroys the environment. He also said that the task force might recommend alternative methods or practices of pest control.

The Minister of National and Welfare (Mr. Epp) shares the concerns expressed by the Hon. Member and did seriously consider the most appropriate solutions, in co-operation with his colleagues who are responsible for pest product control regulations. In this case, Mr. Speaker we must bear in mind a number of major factors. Indeed, I would suggest that responsibility for protecting the environment and health of Canadians against any possible negative impact of pesticides belongs to both federal and provincial administrations.

In addition we must remember that at each level of Government this task might fall within the jurisdiction of several departments, so much so that a change such as proposed by the Hon. Member, no matter how innovative it might be, could only come after consulting the various Government agencies involved.

Furthermore, while many traditional scientific and technological methods to ensure the safety of pesticides both prior and subsequent to the authorization of their use in Canada have been introduced or reviewed since the last time several

years ago, tremendous progress has been made since then in identifying and measuring many contaminants that are present at very low levels in the environment.

Today, chemical analysts can easily measure chemicals in drinking water in quantities as minute as a few parts per trillion. Expressed in terms of time, this would correspond to one second per 32,000 years.

Since we are now able to detect such minute levels of chemicals, people tend to think the whole environment is polluted by dangerous levels of pesticides or other man-made chemicals. However, Mr. Speaker, that is not the case.

In this respect, it is important to realize that public health experts, toxicologists, biomathematicians and other experts responsible for assessing the impact of minute concentrations of contaminants on human health have not been able to keep pace in their research with what has been achieved by chemical analysts in detecting increasingly low levels of chemicals. We may therefore have to spend a lot more time and effort on this aspect of safety evaluation, before consultations by task forces with the general public can be productive.

Furthermore, new initiatives and directives will be necessary to guarantee the safest possible application of the latest contributions being made by biotechnology and genetic engineering to the already vast range of pest control products that may be used in Canada.

For instance, thanks to genetic engineering, it is now possible to develop agricultural plants that are capable of producing their own biological insecticide. This ability to kill insects is found in nature among certain types of bacteria. It follows that any new plan to improve the safety of pesticides will have to cover not only the conventional chemical pesticides but also these so-called biological pesticides.

I can assure the Hon. Member that this Government has already taken steps to incorporate the new technology in existing programs, to ensure that these products are safe and that further progress will be made in this respect.

The Hon. Member also said that it would be desirable to involve the public in the process. Public awareness of the presence of contaminants in the environment and of their potential negative impact has heightened considerably in recent years. In a democracy like ours, it is common practice for the Government to act on the public's informed concerns, and the most productive way to air such concerns has been within the context of public hearings conducted by special commissions.

In fact, both federal and provincial Governments have benefitted from the recommendations made by these commissions, whose terms of reference have included holding public hearings on matters related to pesticides safety and environmental solution.

The Minister of Agriculture (Mr. Wise), whose department is responsible for the registration of pesticides under the Pest Control Products Act, is assisted by the Advisory Council on Pest Control which has just been created. This council can deal with a wide variety of problems related to the use of pesticides, and it can also hold public hearings.

The Minister of Agriculture is empowered as well to establish review boards to look into problems having to do with particular issues or specific pesticides. It should be noted that, under their mandate, such boards may also hold public hearings. As an example, Mr. Speaker, I might mention the Alachlor Review Board which is now holding public hearings on the harmful effects of this herbicide.

Mr. Speaker, it is quite relevant to point out that in recent years the provincial Governments have set up a number of royal inquiry commissions or other bodies with similar powers. These commissions held public hearings on the hazards of chemical pesticides and on the safer alternative now available, namely biotechnological products.

Finally I might recall that a meeting is scheduled for early 1987 when provincial Ministers concerned over pesticides and environmental contamination will express their views and make recommendations on this subject to their federal counterparts.

Considering that the Government wants all provinces to be in on this, it is too early to make final recommendations such as creating a national task force empowered to hold public hearings on the threat of pesticides and on alternative solutions, even before the provincial Governments have had an opportunity to express their views on this matter.

Once they have been consulted, we will seriously consider every option available to reduce the threat of pesticides and the contamination of the environment. This study will include measures designed to ascertain whether new biotechnological products developed through genetic research might be hazardous to human health and the environment.

Hopefully, Mr. Speaker, my brief remarks will be of some help to the Hon. Member.

• (1720)

[*English*]

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I want to begin by expressing my support for the concept behind the motion introduced by the Hon. Member for Davenport (Mr. Caccia). I want to concentrate on a few specific issues with respect to the whole question of herbicides.

The case of the herbicide 2,4-D is but one example of the pressing need for real improvements in the control of pesticides in Canada. As far as I am concerned, this is a substance that evidence has shown should be banned.

Recent, well respected epidemiological studies in the United States show that 2,4-D is a likely carcinogen. A study by the National Cancer Institute has shown that Kansas farmers who had worked with products containing the chemical were six times more likely to develop non-Hodgkins lymphoma than farmers who did not use such products.

In another study by Hazelton Laboratories, sponsored by the chemical industry itself, 10 per cent of rats exposed to quantities of 2,4-D developed brain tumours. What makes the problem of 2,4-D so urgent is that the chemical is extremely widely used both domestically and in agriculture. More than 1,500 weed killing products sold in the United States alone contain 2,4-D. In Canada, approximately 7 million hectares of land are treated with products containing 2,4-D.

Also worrisome is the widespread domestic use of the chemical in lawn and garden products. Surely it is totally unacceptable that domestic gardeners and what I affectionately call lawn fanatics should put their health and the health of others, particularly children in their neighbourhoods, at risk for the sake of flowerbeds and a greener than average lawn.

We see this happen right under our noses at the House of Commons. For the last few years we are treated every summer to little yellow signs on the front lawn that warn us that the grass has been treated with some kind of herbicide and that we ought not to go on the grass because it would endanger our health. This also takes place on railway roadbeds and the sides of highways. I think it is scandalous that we should be taking such risks with these known carcinogens simply in order to have weed-free railway roadbeds or weed-free lawns. It is clearly an example of putting short-term convenience ahead of long-term health and concern for others and the environment.

The Environmental Protection Agency in the United States is accellerating its review of 2,4-D. It is encouraging that even Chemlawn, the largest U.S. lawn care company, has withdrawn 2,4-D products. Yet what has the federal Government done in Canada? It has written to the provinces, drawing their attention to the results of the American studies. Is that decisive action? The provinces have acted in a variety of ways. New Brunswick has banned the use of the chemical until December. Ontario is refusing to schedule new products containing the chemical but has done nothing to stop the use of products currently on the market. Manitoba is putting warning notices on the labels of products containing 2,4-D but unfortunately is in no way restricting their use. Other provinces have done nothing.

Our current haphazard federal-provincial arrangements for pesticide and herbicide control, combined with a lack of federal willingness to take the initiative in a case like 2,4-D, has meant that the response to the problem has been inadequate and inconsistent. Obviously we need to restructure our federal-provincial mechanisms to avoid situations such as this, where some Canadians are protected from known or suspected environmental health hazards while others are not. What is a carcinogenic in New Brunswick is carcinogenic in Manitoba, British Columbia and anywhere. The laws of toxicity do not change from province to province. We need regulations which obey the basic laws of science, as well as those of the constitution.

Another example of this confused situation is the case of Pentachlorophenol which, like 2,4-D, has also been linked to cancer and other health disorders.

As a result of mounting scientific evidence against PCP, Sweden has already banned the chemical, and the United States EPA appears to be on the verge of doing likewise. In addition, several plants around the world that produce PCP have been forced to close for a variety of environmental and health reasons. Despite this world-wide trend toward banning PCP, what do we see in this country? We are currently witnessing the bizarre spectacle of Bradbury Industries' efforts to build a PCP plant in western Canada. First, it proposed to locate in Lone Butte, British Columbia, but was forced to abandon its efforts due to intense local opposition. Now Bradbury plans to build in Alberta where it hopes the provincial Government will be more sympathetic. However, I noticed that the residents of Fort Saskatchewan were out in numbers to protest the fact that their community might be the location for such a plant.

This situation is ridiculous. Not only is Bradbury proposing to produce a dangerous product that fewer and fewer people want, but the federal Government appears content to drag its feet and allow the project to go ahead when it has it in its power to ban PCP altogether.

Finally, I draw the attention of the House to the case of Alachlor. Despite mounting evidence that Alachlor is also a carcinogen, the Government appears to be talking out of both sides of its mouth on the issue. On the one hand, last year the Government deregistered Alachlor. On the other, due to intense pressure from Alachlor's manufacturer, Monsanto, the Government has appointed an Alachlor review board that has already recommended a temporary reregistration of Alachlor and may recommend a permanent reregistration of the chemical when it submits its final report.

This ad hoc approach to these substances must stop. The Minister of Environment (Mr. McMillan) has promised what he says will be tough new environmental protection legislation to deal with toxic chemicals in this country. Government Members may have something to say about this during the course of this debate. Obviously, the control of these substances is part of a larger problem, and in so far as the environmental protection legislation lives up to the Minister's rhetoric about what to expect, I will welcome his initiative in that regard.

However, it is my understanding that the new Bill will deal primarily with new chemicals and it will do little to address the pressing concern raised by 2,4-D, PCP, Alachlor and a host of other potentially dangerous substances currently in use in this country. In addition, even if the new environmental protection legislation is to provide the so-called cradle-to-grave protection that the Minister says it will, I remind the House that pesticide registration falls under the jurisdiction of Agriculture Canada. This situation has long been of concern to both myself and many others because Agriculture Canada rarely places sufficient emphasis on the environmental consequences of the substances used in agriculture.

• (1730)

We have suggested, and I suggest it now, that if the Government is truly serious about the threat of toxic chemicals such as herbicides and pesticides, it should transfer responsibility for the testing of these substances and the registration of them to Environment Canada and beef up Environment Canada accordingly.

What is important to keep in mind, I think, is that very often we concentrate on the costs of what not using a particular substance would involve either to agriculture or to whatever is the involved industry. What we need to do is to change our way of thinking, do our bookkeeping differently, keep a different set of books, and ask the question, what does it cost to use these substances? This is a much more difficult thing to do.

It is very easy to calculate what the loss would be in terms of yield agriculturally if we do not use these substances. It is much more difficult to calculate what the cost will be in terms of increased cases of cancer, allergies and other health effects with the use of these chemicals. It is much more difficult but it is every bit as important. We need to arrive at the point where that is the kind of calculation we make when we decide whether or not to use a particular substance for a particular purpose. I hope the debate today will be helpful in bringing the handful of Hon. Members who are here for the debate, those who may be watching on television and those who may read *Hansard*, to the point where they will encourage the Government to think in that way when it is thinking about the question of herbicide and pesticide use in Canada.

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, I would like to say a few words with reference to the motion before the House today as someone who has a particular interest in agriculture and as someone who represents a western Canadian constituency. I would like to begin by complimenting the Hon. Member for Davenport (Mr. Caccia) for addressing what is obviously a very important issue, one which is recognized throughout the country. That has been true for a long time and, quite frankly, some of the mechanisms in place today, I readily concede, were commenced by the previous Government, and we are pleased to be a part of that process.

The pesticides program in Canada has been reviewed on a number of occasions. The whole question of seeking input of information is a continuing process as it properly should be.

As you know, Mr. Speaker, the Canadian Council of Resource and Environment Ministers prepared a position on registration and use of pesticides in 1982 which referred to the subject before the House today. In addition, the previous Government appointed the Salter Commission. Its report was tabled in 1984 and its recommendations, according to my understanding, have been implemented by the present Government. Therefore, I think there has been a considerable amount of continuity on this particular issue, as indeed there should be, because it is one of the issues for which I do not think there is any particular partisan position. If I may say so, I think sometimes we in this House do ourselves a disservice by allowing the division which exists in the House to receive a great deal more publicity than those issues on which there is general agreement. I think this is an area where there has been general agreement and perhaps that is worth noting. The ministerial task force which commenced in late 1984 looked at the question of program review as well. However, I do not believe that in itself has been as significant as the studies to which I have already referred.

The thrust of the reviews to date and the concerns of Governments, both past and present, is in terms of providing more information to the public with respect to pesticide programs and the need for pesticide control, and in terms of seeking and providing for public input. In that regard, there has been a considerable amount of progress, and the question before the House today is not so much whether the issue itself is worthy of our attention because, of course, it is, but of how best to proceed and whether or not we need to depart from that which is currently being done.

Beginning in October of 1984, there have been several attempts to provide the opportunity for more public involvement. That has included, for example, the creation of a Pest Management Advisory Board which as part of its responsibilities makes recommendations on broad policy questions and on issues of special concern. The PMAB consults with members of the public and with groups concerned about the assessment and registration of pesticides. As all of us know, the question in some parts of Canada today with respect to the chemical commonly known as Lasso lies very much within the jurisdiction of this particular board.

In addition, an information secretariat has been established within the pesticides directorate. It has as its responsibilty and function improvement in communications in general. There is evidence that a considerable amount of progress has been achieved in that direction. For example, as I am sure many Hon. Members know, there is a toll free telephone number or pesticides "hot line" where public inquiries can be dealt with in an expedient manner. According to my information, in the first year in which this hot line was in operation, the year 1986, approximately 500 calls per month were received on average from the public at large, Government officials, the media, the scientific community and many other interested parties. So that would seem to indicate, first, that there is a great deal of concern, as I think is evident to most Hon. Members of the House, and second, there is a method by which the concerned can be registered and by which information can be provided to those who seek it.

It seems to me that the media played a fairly important role up to this point. There has been a great deal of attention directed by the public. There is a great deal of awareness. I think there is every reason to believe that this type of input is both being sought and will continue to be provided.

I suppose the question now before the House is, therefore, not whether the issue is an important one, because all of us would recognize that it is. Certainly, it is an issue to which the

Hon. Member who presented the motion has given a great deal of his own particular time, and he should be complimented for that.

I think the issue is whether or not a national task force is the way to deal with the question of providing public information and seeking public input.

I would like to speak as someone who is relatively new to this place and in doing so reflect some of the feedback I receive from my constituents, and that is with respect to task force and/or studies. As an academic, I would never hesitate to defend the need for intensive examination of issues of importance. I think that is a very worthy undertaking and in many cases is well worth the expense of both time and dollars. However, I also think there is a considerable amount of cynicism within the public community with respect to task forces. There is a suggestion that here is another task force or another inquiry with no particular objective in mind. I say that in no way reflecting upon the Hon. Member whose motion is before us. I am simply trying to reflect the type of concern I often hear from the public. In that regard, I must question the expenditure of time and money on what I am afraid many citizens would perceive to be just another task force. There are some people who would suggest we in Parliament study things to death. In view of the reviews which have already taken place and the fact that many of the recommendations which came out of those reviews have been implemented, I would hestitate to go in that particular direction believing that the expenditure of time and money would not be warranted.

I think the mechanism which is in place, the Pest Management Advisory Board, the information system, the constant soliciting of public input, which is very much in place, all combined will ensure, at least into the foreseeable future, that there is adequate opportunity for public input to take place and a guarantee that its input is being recognized and responded to.

In closing, I would like to compliment the Hon. Member for Davenport on his motion. I agree with him that the issue he addresses is a very significant one which is worthy of the attention of this House and the public, but I question whether or not at this point in time we need a national task force to accomplish the objective he has in mind.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am pleased to have an opportunity to address this very important issue set forth for us by the Hon. Member for Davenport (Mr. Caccia). Pesticide control and pest management in Canada is a partnership, a partnership in the co-operative efforts between federal Departments and, of course, between the federal Government and the provinces. At the federal level, Agriculture Canada takes the lead as that Department is responsible for the Pest Control Products Act.

• (1740)

Agriculture Canada is supported by three other federal Departments. Health and Welfare is concerned with health issues such as residues of pesticides in foods and exposure to pesticides by the user, those involved in the manufacture and handling of pesticides and bystanders. Fisheries and Oceans looks at the effect of pesticides on fisheries and fish habitats. Furthermore, all Canadians are concerned about effective pesticide use on the environment and wildlife.

On the provincial side, the provinces are responsible for the sale and procedures for the use of pesticides within their borders. Agriculture Canada has undertaken many initiatives along with the other federal agencies to improve the federal regulatory system for pesticides and to restore public confidence and credibility in the management of these important chemical products.

Within Environment Canada, improvements have been made to ensure that the environmental perspective in the regulatory decision-making process is sound and strong. In addition, the Minister of the Environment (Mr. McMillan) has made the resolution of the problem of toxic chemicals in Canada one of his chief priorities and we are now beginning to see the results of that effort.

On October 20, 1986, at the Air Pollution Control Association's environmental Government affairs seminar, the Minister of the Environment released two landmark documents. The first such document entitled "From Cradle to Grave: A Management Approach to Chemicals" is the result of the efforts of a group composed of representatives from the chemical industry, labour, environmentalists, consumer groups and federal and provincial Governments. The group came together to devise a management strategy for chemical compounds that would minimize risks to human health and the natural environment without jeopardizing the competitiveness of the Canadian chemical industry. The second document released by the Minister is the report of the consultative committee on the Environmental Contaminants Act amendments which recommends reforms to that law.

The work of both groups assumed added importance and indeed urgency when the Minister announced in 1985 the federal Government's intention to introduce a comprehensive environmental protection Act that would concentrate on toxic chemicals. The legislation was also heralded in the Speech from the Throne.

The document entitled "From Cradle to Grave: A Management Approach to Chemicals" provides the conceptual underpinnings of the proposed environmental protection Act with its stress on prevention. In December, the legislation will be tabled in draft form for public consultation. It will then be introduced in Parliament, hopefully in the spring of 1987.

Environment Canada also has responsibilities that go beyond the strictly legislative base of the Department in the area of chemical management. These include providing an

environmental perspective on the process of pesticides registration and regulation.

The Environment Minister went to the Treasury Board and gained an additional 13 person-years and $1.5 million for 1986-87 as the first phase of a three-year concerted effort to ensure that the Department has the capacity to assess the potential impact of pesticides and to ensure that use of these products does not have undue adverse consequences for the environment.

The first phase of that program is now in place. Pesticide products now submitted for review for registration under Agriculture Canada's Pest Control Products Act are subjected to complete and comprehensive environmental reviews. Implementation of the full three-year program will make Environment Canada an effective and efficient partner in the pesticide registration process.

Environment Canada has begun the development of regulatory guidelines for pesticides. In co-operation with Agriculture Canada, the Environment Department is preparing guidelines on environmental chemistry and the fate of pesticides in the environment. In consultation with federal and provincial colleagues, Environment Canada officials are preparing guidelines for the disposal of these chemicals and their containers.

Agriculture Canada, with the co-operation and support of Environment Canada, is preparing guidelines for the registration of non-chemical pesticides that are biologically based. These guidelines, by defining the requirements for registration and by clearly defining the scientific questions that must be answered before registration of a pesticide can be considered, will allow the regulatory process to become more efficient and effective. Further, the regulatory guidelines, when published in an integrated form, can define for the public the criteria used in the evaluation of pesticides. Development of the guidelines will continue over the years until a complete and comprehensive set of instructions defining the full spectrum of environmental requirements is completed.

While the initial registration process for pesticides is a very important component of the management of these chemical products in Canada, it is equally important that the regulatory process have the capacity and flexibility to re-evaluate older products and to reconsider precautions and restrictions put in place in the past. Older regulatory decisions must be reviewed in the light of new information and new advances in science and technology in order to ensure that the use of pesticides continues to meet modern standards of environmental safety. This re-evaluation process, led by Agriculture Canada under its Pest Control Products Act, is in place. To serve the re-evaluation process, the Minister of the Environment has implemented a co-ordinated national research and monitoring program which will provide the necessary environmental data to undertake regulatory re-evaluation. This is, in effect, an early warning system which will allow preventive action to be taken before significant environmental contamination can occur.

The research and monitoring program conducted in close co-operation with provincial agencies will determine the actual presence, levels and trends of pesticides in the environment and will also define their fate and effects. The first phase of this research and monitoring program is under way. This year, Environment Canada has, in co-operation with its federal and provincial colleagues, established a municipal water testing and survey program in Atlantic Canada. In Prince Edward Island, the Department of the Environment, in co-operation with the provincial Government, is assessing the fate and impact of pesticide use in both ground water and surface waters.

We have signed agreements with Newfoundland, Quebec and British Columbia to implement a federal-provincial index station network to provide data on water quality and the future measurement of trends in water quality in major river basins within these provinces. Environment Canada hopes to expand this network to encompass major river basins in all regions of Canada.

In the area of wildlife, Environment Canada is developing methods to measure the persistence of low-level pesticide residues in birds of prey such as peregrine falcons. The Department is also conducting assessments of the impact of forest pesticide use on song birds and other wildlife.

In concert with the Canadian Council of Resource and Environment Ministers, Environment Canada is preparing water quality guidelines which will include acceptable maximum levels of pesticides in water intended for various uses.

• (1750)

In the regional offices of Environment Canada inventories of pesticide use will be employed to identify specific products of regional concern and to identify environmental locales and wildlife populations which are particularly sensitive to environmental contamination so that appropriate precautions can be taken to protect them. Agreements and protocols for sharing this information have been reached between Environment Canada and many of its provincial counterparts.

At Environment Canada's National Water Research Institute in Burlington, Ontario, methodologies are being developed which will allow detection of minute residues of specific pesticides in the environment and allow an even earlier analysis of effects of these pesticides on aquatic organisms.

The Department's Atmospheric Environment Service has undertaken a program to determine the precautions necessary to minimize the drift of pesticides during their use. The service has also initiated an analysis to determine the importance of atmospheric transport of pesticides in contributing to environment pollution.

This list of accomplishments, by no means complete, represents the beginning of Environment Canada's renewed efforts in assessing the state of the environment and in defining

the precautions necessary to protect the environment from the adverse effects of chemicals, including pesticides.

The Department intends to extend and expand its environmental research and monitoring program for pesticides until it forms, in co-operation with other federal Departments and provincial authorities, a truly national, co-ordinated program.

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I am delighted to participate in the debate. Certainly the Hon. Member's motion captures my interest. I have great respect for his past experiences and knowledge in the environmental area. I am in favour of supporting his endeavours, although I have some question about his particular motion today.

I am sure the Hon. Member for Davenport (Mr. Caccia) knows that the main value of the motion before us today is that it will stir up interest in this area. I am sure he is succeeding in that particular regard. The problem which he addresses is a massive one. Every Hon. Member is concerned about human health and the status of the environment. We are very eager to see something positive happen.

Perhaps it would take a task force study to establish what should be studied in this regard. The Hon. Member wants us to study the use of pesticides. It would be very important to study herbicides and other chemicals used in the agricultural field as well. What about the vast array of other chemicals, such as the ones used to ripen fruit and the ones used to prevent fruit from ripening? Chemicals are used in many different areas. Why should they not be included in such a study? The task would be a monumental one.

Can we afford to put all our efforts, time and money into a task force which would require years to produce a report? In that period of time each agency involved in pesticides and herbicides would probably say: "We will wait for the report of the task force to come down and then take action". It is possible that a task force could end up delaying the procedure.

Of course we cannot think of agriculture without thinking of the use of chemicals. At least that is my impression based upon what I have seen in my riding of Perth. Their use is essential for the prosperity of the area. In fact, they are essential for people in the area of the Hon. Member for Scarborough Centre (Mrs. Browes) who spoke so eloquently just a few minutes ago. She represents consumers, as do I, who wish to eat inexpensive Canadian food. Thus farmers will have to use some chemicals.

If we set up a task force, would it concern itself with only the effects of chemicals upon the environment and human health? Certainly it would have to look at other issues. What about alternative methods which do not involve pesticides or herbicides? What can be done to help the situation in that regard?

My area of the country is a high corn growing region where the product Atrazine is used to dedicate the land for use in corn year after year. In fact, it allows the land to be used in that way. However, what is the spin-off effect of that chemical? I do not believe that this chemical presents a health hazard. Perhaps this raises another topic. How many chemicals are being used about which we do not know? As I said, the land in my area is dedicated to corn use year after year. The land gets packed. Farmers are required to use larger tractors to break the land and to plant their corn. The situation becomes less efficient as time goes on. At present the tendency in farming areas is to recognize that we cannot continue with this farming method and that we must look for a rotation method which allows the texture of the soil to improve. If we want to keep our topsoil—it is shrinking—we must look at different farming methods.

Would the task force study such alternative methods so that it would not be necessary to use chemicals? I would suggest that the task force would study that topic as well as a number of other ones.

In the centre of this debate is the tendency to sensationalize. We recognize that risks have to be taken in life and that many of the hazards are blown out of proportion by people who choose to do so for their own reasons. Perhaps they wish to sell newspapers. Other people might do it for political reasons, just to be on the other side of the debate or perhaps to garner votes from the people who are concerned about the issue. Some people feed upon the concern of others in terms of the use of chemicals in forestry or agriculture.

Returning to the farmers in my area, they were really sad when they lost the chemical Alachlor last year. It was an important chemical to them. However, they had alternatives; and they did not have to use Alachlor. Perhaps the greatest problem was that it took competition out of the field. It took a major chemical, which was shown to work and was working, out of the fields. Farmers in my area are also responsible people. They do not want to be part of a process where well water or other drinking water in Ontario might be contaminated. As a result, they took the responsible action and agreed that it should not be used. They still suffer from the loss. They would like to see more study of the situation to see whether the product can be used. If it is found to be safe and that it does not contaminate water—and I know that the evidence available at the present time is limited—Canadian farmers would use the chemical in a very responsible manner.

I have experienced chemical use on farms and the pressures faced by farmers. The only control they have over avoiding poisoning themselves is to mix their products standing with their backs to the wind, so that any fumes from the product are wafted away and they are not exposed to them. Perhaps these chemicals are more dangerous to users. Of course we worry about the end result, the contamination of the environment, the contamination of food product, and the contamination of water. However, very often there is more danger to the person applying the chemical product than there is to any end user.

• (1800)

I believe a task force at this time might perhaps be counter-productive. There are many other initiatives going on in any case that will come toward the end point in our problem. We can talk about initiatives such as the integrated pest management control.

Mr. Speaker, I have come to the end.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 42(1), this item shall be dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—UNITED STATES FUNDING OF MEASURES TO COMBAT ACID RAIN. (B) SULPHUR DIOXIDE EMISSIONS

Hon. Chas. L. Caccia (Davenport): As you may recall, Mr. Speaker, on October 28 I asked the Minister of the Environment (Mr. McMillan) a question that was very simple and straightforward, namely: Since March of this year how much money has the United States put into the abatement—I repeat, the abatement—of acid rain as a result of the envoys' report. The Minister of the Environment replied by saying that $400 million was put into that direction on nine major projects. The Environment Minister was wrong at that time. He was also wrong on March 19 of this year when he informed this House, and I quote from *Hansard* at page 11657, that the U.S. President had:

—committed himself to hundreds of millions of dollars of cash to abate acid rain in the United States.

On both accounts the Minister gave this House the wrong information. The fact is that he referred to $400 million in his answer on October 28. That amount should read $360 million. It has nothing to do with an abatement of acid rain flowing from the report of the envoys and the adoption of that report by the Prime Minister (Mr. Mulroney) of Canada and the President of the United States. What the Minister was referring to was an amount of $360 million which has to do with the demonstration and commercialization technology which is part of a clean coal technology program adopted by the U.S. Congress in December, 1985. That amount has nothing to do with an abatement program in the U.S. from which Canada could benefit.

I hope that today the Parliamentary Secretary will come clean with this House and answer the question that the Minister avoided answering on October 28. This House is entitled to an honest answer to this very simple question. How many kilograms of SO2 have been reduced by way of the agreement that was announced in March of this year between the leaders of the two nations? This is what we want to know. We do not want to know what was done under the clean coal technology program. This is a U.S. Congress program. What has been achieved since March of this year? Why I am asking this question is that on more than one occasion the Minister of the Environment has raised hope during Question Period in this House, and has given answers that have turned out to be incorrect or outright wrong.

In the meantime, while these exchanges take place in this question and answer period that is so unsatisfactory, the cost of acid rain is accumulating in a variety of ways. As the Parliamentary Secretary knows from a committee meeting this afternoon, there is an increasing and substantial cost to the maple syrup producers in this country. It amounted to something like $87 million in 1986 alone according to *L'Union des Producteurs Agricoles*.

• (1805)

There is a cost involved in inhibited forest growth. There is a cost to motel owners and the tourism industry. There is a cost to the public purse through incidence of respiratory diseases and hospital admissions when air pollution reaches certain levels. There is a cost to buildings and structures eroded by acid rain. There is a cost to salmon breeding grounds in eastern Canada. There is, of course, this phenomenal cost imposed on the sports and fishing industry, as well as resort areas such as Muskoka affected by acidification. The Government took great pride in the envoy report which was going to resolve the question of acid rain and the emissions which pour over our border daily, totalling some 26 million tonnes or more of SO2 a year. Therefore my question was intended to get an indication from the Government as to what the agreement has achieved so far. The question was simply this. How much money has the U.S. put into the abatement of acid rain since March and how much of a reduction was there in sulphur oxide emissions which cause acid rain and which spew across the border, damaging the Canadian economy and environment? That question is still valid today and I hope the Parliamentary Secretary will come clean with us.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is a pleasure to respond to this important question. The Hon. Member can be sure that the Parliamentary Secretary will come clean on all questions, not only with him but with all Hon. Members.

The endorsement of the report of the special envoys on acid rain by the Prime Minister (Mr. Mulroney) and President Reagan in March, 1986 was not the final word on a joint solution to our common acid rain problem. It established a foundation and a process which the two countries can use to move toward our ultimate objective of solving our transboundary air pollution problem once and for all.

One of the key recommendations of the special envoys was the need for the United States to establish a five-year, $5 billion control technology commercial demonstration program. This recommendation was designed to expand the menu of control options and make it easier to formulate a U.S. acid rain control plan. It was also designed to provide some near-term relief from acid rain.

From the Canadian perspective, two of the special envoys' criteria are of particular importance. It is primarily against these that Canada will judge existing and new initiatives in the United States. These criteria are, and I quote from the envoys' report: "More consideration should be given to projects that demonstrate retrofit technologies applicable to the largest number of existing sources that, because of their size and location, contribute to transboundary air pollution"; and, "It should also result in some near-term reductions in U.S. air emissions that affect Canadian ecosystems".

We have established clear objectives on the acid rain issue. Acid deposition must be reduced to less than 20 kilograms per hectare per year. To do this, sulphur dioxide emissions in eastern Canada must be reduced by 50 per cent and the transboundary flow of pollution from the United States into Canada must be reduced by 50 per cent, from four million tonnes down to two million tonnes.

Canada assesses any U.S. clean coal technology demonstration initiative primarily by the extent to which the technologies can be applied to the principal sources of emissions affecting Canada and by the extent to which the demonstration projects provide immediate relief in the transboundary pollution flows. It is these criteria we are using to assess the nine projects under the U.S. Department of Energy's clean coal technology program.

• (1810)

PATENT ACT—EFFECT OF AMENDMENTS ON DRUG PRICES

Mr. Neil Young (Beaches): Mr. Speaker, I have asked the Minister of Consumer and Corporate Affairs (Mr. Andre) about the anticipated increase in drug costs to Canadians because of the changes he has introduced to the Patent Act with respect to pharmaceutical drugs. The Minister has responded that prices for drugs already on the market will not go up and that one has to make assumptions about drugs not yet on the market. The drugs we are talking about are, of course, those drugs which will come on to the market under the new arrangement if the Bill is indeed passed.

The Minister tried to dismiss the question by underlining the difficulty of predicting future price increases. In fact, the Government knows that drug prices for Canadians will indeed go up and has done cost studies to predict the results of its new legislation. The Minister is afraid to make those studies public because they will show how adversely Canadians will be affected.

During the summer I made a request for those cost impact studies through an application under the Access to Information Act. I was denied access to those cost impact studies as it was alleged that those pertinent documents are Cabinet confidences and, therefore, shielded from public view. All along the Government has wanted to handle this Bill as quietly as possible. It meant to introduce the legislation on the last day the House sat in June in order to lessen the public attention that would be paid to the Bill. The Government knows that, according to a Gallup poll released in September, 57 per cent of Canadians are opposed to those proposed changes.

Due to changes in the Patent Act in 1969, Canada went from having drug prices that were among the highest in the world to having drug prices which are now among the lowest in the world. By allowing increased competition among drug manufacturers, Canadians have benefited from lower drug prices compared to other countries. This legislation will change that situation by gravely increasing the length of time that the multinationals have exclusive rights to manufactured drugs.

Due to pressure from the multinational drug companies, and now the American Government, this Government has introduced this legislation which is certain to increase the cost of prescription drugs to all Canadians. The multinational drug companies feel the situation in Canada must be changed, not only because of the higher profits they see possible in Canada but because Canada sets an example these large companies do not want to have followed elsewhere in the world.

Neither the Government nor the Pharmaceutical Manufacturers Association of Canada, which is the group representing the large multinationals, have come forward with any estimates of how the proposal will affect drug prices. However, according to the Canadian Drug Manufacturers Association, which is the body which represents the generic manufacturers in Canada, the additional cost to Canadians in 1995 will be $650 million, and $745 million in 1996.

The cumulative cost is far higher than the increase in investment promised by the multinational manufacturers. These multinational companies have promised some $1.4 billion in investment over the next 10 years. Although the Government will not say it, these companies would only offer this additional investment if they could be assured of additional revenues which will come from higher prices. The multinationals have offered this publicly but the Bill the Government has introduced requires no guarantees about investment, research and development or job creation.

While the Minister argues that we cannot know the effect of price increases on new drugs, the Bill includes provisions to pay the provinces $25 million a year for four years to compensate them for a short-term impact on provincial pharmacare plans and give them additional security against any adjustments which have to be made. The Minister knows that by giving the large multinational drug companies this kind of freedom from competition in the market-place, the prices of drugs can only go up. The provinces, which through their pharmacare programs pay a large bill for prescription drugs,

realize that prices will go up and that they will be stuck with higher bills.

• (1815)

The Minister of Health for Nova Scotia, for example, says that the increased expenses to his province's pharmacare program will not be offset by the money offered so far by the federal Government.

I call upon the Government again to release all the cost impact studies it has done regarding the changes proposed to the Patent Act because Canadians have a right to know exactly how much it will cost them as a result of the Government's action. We know even before we start that it will cost them $100 million in the first four years. If the Minister or the Government does not understand that this will be paid by Canadians, it will be the first Bill that Canadians will have to foot as a result of the amendment the Government is proposing to this Act.

• (1820)

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to give the Hon. Member the assurance that none of the proposed amendments to the Patent Act will increase the prices of the 3,000 drugs available on the Canadian market.

The competitive pricing brought about by the generic sector will continue under the new policy, since generic products now on the market will not be affected by the proposed changes. Furthermore, the new compulsory licences will continue to be granted to generic producers as soon as the compliance period for patented products expires.

Furthermore, the proposed amendments to the Patent Act provide for establishing a Patented Medicine Prices Review Board, which will be authorized to review prices of all patented medicines. If a price is declared excessive according to the standards set by the Board, the latter will be empowered to impose sanctions on the producer. The Board can then prescribe a reasonable price level. It can also revoke the compliance period for the medicines concerned or for any other medicines sold by the manufacturer.

To set standards for evaluating the prices of medicines currently on the market, the Board will be authorized to consider the prices of other medicines in the same therapeutic class, the prices at which the same or similar products were sold in the past, prices charged in other countries, the costs of making and marketing the medicine, the rate of increase of the price of the medicine compared with the Consumer Price Index, and any other factor the Board deems relevant.

In the case of medicines being brought on the market for the first time, the Board will be authorized to set an entry price on the basis of factors similar to those mentioned earlier.

The Patent Act requires every manufacturer to provide the Board with the information it needs to carry out comparative analyses. Failure to do so will be dealt with in exactly the same manner as the setting of excessive price levels. In this way, the Board can be certain it will obtain the information it needs to determine whether medicine prices are reasonable.

Finally, the Bill contains provisions that allow for a review of the legislation, four years and ten years after its implementation, at which time the price trends for medicines and the level of industrial benefits will be analyzed and, if necessary, adjustments made to the original legislation.

CONSUMER AFFAIRS—POSSIBLE GASOLINE PRICE INCREASE— (A) DELAYED IMPLEMENTATION ON BEHALF OF CONSUMERS (B) GOVERNMENT MEASURES TO GIVE EQUALITY OF TREATMENT TO CANADIAN CONSUMERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Last October 30, Mr. Speaker, I asked the Minister of Consumer and Corporate Affairs (Mr. Andre) a question concerning gasoline prices at the pump.

• (1825)

It is quite normal that gasoline prices should go up or down according to supply and demand, on both domestic and international markets. What is not normal is that when oil prices go down the impact is not as quickly felt at the pump. Yet when the price of crude oil increases the consumer can feel the impact very rapidly at the pump. Consumers are fully aware of this phenomenon, and recently this prompted Consumers' Association of Canada President Sally Hall to state:

> The oil industry claims that it takes between 75 and 100 days before lower oil prices are reflected by a decrease at the pump. (. . .) Therefore the same time lag should exist whenever prices go up.

As he said in his reply last October 6, the Minister can tell us that the federal Government has no constitutional authority to set gasoline prices. Fair enough. He might also tell me that he can only do his best to make sure that market prices remain as competitive as possible. I agree. But, Mr. Speaker, if we go back a few months when oil prices were going down for every customer, much more rapidly elsewhere in the world than in Canada, the federal Government—it has no constitutional authority, the Minister said—did send a telex to the oil companies to ask them to reduce gasoline prices at the pump. It had become obvious that the oil companies were dragging their feet and seemed in no hurry to lower prices at the pump.

Under pressure from the Opposition, the Minister of Energy, Mines and Resources at the time sent a telegram to the oil companies. Its purpose was to ensure there would be a speedy cut in the price of gas. Did she have any constitutional authority? No, but she did have, still has and always will have, a moral authority and obligation to do so. Mr. Speaker, I think the same moral authority and obligation is binding on the Minister of Consumer and Corporate Affairs.

The Minister may answer, as he has done on several occasions in this House, that the Director of Investigations and Research in the Competition Branch is monitoring petroleum markets directly. Mr. Speaker, the Director does this under the provisions of an Act of Parliament. In fact, it seems Petro-

Canada is being monitored by our Director of Investigations and Research because the Corporation will not let the U.S. buyers of its refinery at Come-by-Chance in Newfoundland sell petroleum products to the majority of Canadian consumers.

The Minister could also answer that there are price wars in various communities in Canada. He is comparing apples and oranges. Price wars are fought by gas retailers, not by the oil companies. If an oil company were found to be supporting a price war for the purpose of eliminating a competitor, or if the oil company were setting the prices to be charged by the retailer, it would be a direct infringement of the Combines Investigation Act. Consequently, when the Minister is talking about price wars, he must realize, if he knows anything about the subject, that retailers pay the price of these wars. The retailers are stuck between the consumers and the big oil companies that lease garages and sell their gas at high prices. The Minister ought to know that generally speaking, gas retailers do not make money selling gas. They make money on other activities such as car repairs and towing services.

The Canadians who elected us, Mr. Speaker, have a right to expect their Members and Ministers to uphold our laws. But they also expect leadership from their Ministers. And when a Minister hides behind legalistic arguments like the Hon. Member for Calgary Centre (Mr. Andre) has been doing, he may be legally right, but he is not showing any moral or political leadership.

And in the final instance, he is leaving consumers to fend for themselves.

I have here a letter to the editor that appeared in the Montreal *Gazette* on November 12, signed by Mr. David Senenbaum of Saint-Laurent.

[*English*]

I, like most Quebecers, am sick and tired of being conned by the oil companies and government.

It's not enough that we are being ripped off by outrageous gasoline prices; the oil companies take a sadistic pleasure in rubbing salt in the wounds.

Ultramar was the first to raise gasoline prices 2 cents a litre and the other goody-goody rip-off artists played coy.

Carole Pressault, of Petro Canada, said "We haven't done anything yet (re increases)." Pierre Després, of Imperial Oil, said "At this moment we have not increased our pump prices".

Yet they, and the rest of the gang, raised their prices within 24 hours.

Why are we taking this kind of abuse? Where are our politicians, spokespeople, human rights groups, lobbying groups and protestors?

Can anyone out there explain to me why there is no competition in gasoline prices in Quebec?

I was always under the impression that a cartel in this country was illegal. Then why is the price of a litre of gasoline exactly the same at so many service stations, not only to the cent, but tenth of a cent?

Unless something drastic is done by the general public, this wanton gouging will continue.

[*Translation*]

Mr. Speaker, I hope the Minister will take note of my comments and those of Canadian consumers.

Royal Assent

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): In response to my colleague, Mr. Speaker, I might repeat, as the Minister stated last October 30, that the federal Government has no constitutional authority to set gasoline prices, and I know she agrees with that. Last September 8, however, when the Minister of Energy, Mines and Resources (Mr. Masse) was in Calgary to announce the abolition of the petroleum and gas revenue tax, he indicated that he had already been assured by the major oil companies that any crude oil price increase will take as much time to be reflected at the pump as when prices went down earlier this year. The Department of Energy, Mines and Resources closely monitors the price of crude and refined oil products.

Crude oil prices now account for less than 30 per cent of gasoline prices and are only one of the many elements which bear on prices at the pump. All things considered, market competitiveness is the determining factor of gasoline prices.

The Government has taken several initiatives to ensure maximum market-place competitiveness. Last year it used the Western Accord to deregulate the oil industry production sector, and since then Canadian crude oil prices have dropped as a result of world-wide demand. Lower crude oil prices did translate into decreasing gasoline prices, to the benefit of Canadian consumers.

In June 1986 the Government pushed for the adoption of the competition legislation, thus completing the long-awaited reform of Canadian legislation concerning competition. This competition legislation, being of a general nature, will apply to the oil companies and will eventually protect the interests of consumers, not only with respect to the petroleum sector but also in all spheres of economic activities.

The Director of Investigation and Research appointed under the competition legislation constantly monitors changes in the oil sector, and I can assure you that should he find evidence of conspiracy, price fixing or any other unlawful activity, he will take the necessary action as he did in the past.

[*English*]

SITTING SUSPENDED

Mr. Deputy Speaker: Pursuant to the order made Monday, November 17, 1986, the motion to adjourn the House is now deemed to have been withdrawn.

[*Translation*]

Accordingly, the sitting is suspended to the call of the Chair.

At 6.28 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 7.35 p.m.

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-24, An Act to provide for the maintenance of ports operations, without amendment.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa,

November 18, 1986

Sir,

I have the honour to inform you that the Hon. Antonio Lamer, Puine Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 18th day of November, 1986, at 7.30 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1940)

[*Translation*]

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-5, An Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act—Chapter No. 45, 1986.

Bill C-24, An Act to provide for the maintenance of ports operations—Chapter No. 46, 1986.

[*English*]

BUSINESS OF THE HOUSE

Mr. Gauthier: Mr. Speaker, I should like to ask the Government House Leader what the business will be tomorrow so that we will be organized and can probably debate some interesting Bills.

Mr. Mazankowski: Mr. Speaker, I would be glad to respond to that request. Tomorrow we will be dealing with Bill C-25, followed by Bill C-20 and Bill C-22, but not necessarily in that order. Bill C-25 will be called first.

Mr. Speaker: It being 7.45 p.m., pursuant to an Order made on Monday, November 17, this House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 3(1).

At 7.46 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, November 19, 1986

The House met at 2 p.m.

[*English*]

THE LATE HON. DONALD CAMPBELL JAMIESON

Mr. Speaker: Order, please. It is my unhappy duty to draw to the attention of all Hon. Members the death of a colleague and friend, Don Jamieson. Certain Hon. Members will be rising and paying tribute. We will commence with the Right Hon. Leader of the Opposition (Mr. Turner).

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we learned with shock this morning that Donald Jamieson died while he was jogging in Swift Current.

At the outset it is hard to say something sad about a man who really expressed and reflected such joy. Don Jamieson approached the challenge of life with energy, vigour, and enthusiasm. As most Hon. Members of the House know, his first political involvement related to the pre-Confederation debates in Newfoundland where he opposed the entry of Newfoundland into Confederation. The battle was far closer than anyone imagined, but Newfoundland chose to join Canada. From that moment Don Jamieson accepted the result with grace and became a total Canadian.

Don often remarked that he became a Canadian not by birth, not by conviction, but by conversion. In his subsequent career he was able to prove time and time again how useful it was for both Newfoundland and Canada to have our newest province as part of the terms of union with our country. Of course he ended his career in the House of Commons speaking for us Canadians as a nation and speaking for us eloquently on the world forum after his retirement as a Minister and a Member, representing our country so elegantly in the United Kingdom.

[*Translation*]

Even if over time, Don Jamieson became one of Canada's most ardent defenders, he never missed an opportunity to promote the interests of the province of his birth, and he did so with his legendary humour.

• (1405)

[*English*]

I think we all knew that Don Jamieson was gifted in his sense of humour. In fact, I was always convinced that Don had invented the so-called Newfie jokes himself. I remember he always told me that they said in Newfoundland:

> If you have a reputation for getting up early in the morning, you can sleep in until noon.

We all recall with warmth the day he intervened in the House of Commons during a discussion of payments for farm-stored wheat. He exclaimed:

> Mr. Speaker, I am very sympathetic to financial support for farm-stored wheat, but I have to ask the House to give a favourable ear, as well, to the question of sea-stored cod!

He embodied the highest standards of public office—commitment, compassion, and integrity. He came from a humble background. He rose by way of his own abilities to a senior position in the Canadian broadcasting industry, but he never forgot where he came from, nor did he ever lose touch with the people who elected him and whom he represented.

• (1410)

I am very proud in personal terms, Mr. Speaker, to have known Don Jamieson as a colleague and to have treasured him as a friend. I extend on behalf of the Liberal Party of Canada and our caucus colleagues, our deepest sympathy to Barbara Jamieson, his widow, and to their four children.

I think it would be appropriate to close by quoting from Don's very first, his maiden speech in the House of Commons, made on May 9, 1967, because I think most of us who knew him and had the honour of sharing this place with him will recognize that there never has been a finer speaker in this Chamber than Don Jamieson:

> This country has survived and flourished because its people have been prepared to fly in the face of conformity. The very existence of Canada, I suggest, proves the claim that most worthwhile things in this world are done by people who, when they are told that their dreams are vain, go on to realize them anyway.

I am happy to bear witness to the fact that Don Jamieson's dreams were realized, were fulfilled and that he made an immense contribution to Newfoundland and to Canada.

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I would like to join in this tribute to our former late colleague, Don Jamieson, on behalf of the Government of Canada and our Party. I think he would have to be recognized by everyone in Newfoundland as being one of the greatest political figures of Newfoundland in the 20th century and I think of Canada as well.

Don turned 65 last April. He was working, I believe, on a book on events that occurred preceding and during Newfoundland's entry into confederation. I am sure it would have been a great book had he finished it.

The Late Donald Jamieson

On a personal note, I had known Don Jamieson ever since I was a boy. He was associated with my late father, Ches Crosbie, when he started in business many years ago with Gaden's where he started as well in the radio business broadcasting sports for Gaden's Ltd. He was associated with my father also with a group of people who urged that we pursue economic union with the United States rather than confederation with Canada and that we keep our options open. There were the famous referenda of 1948 and 1949 in that regard.

Even then Don was a golden-tongued orator and was one of the greatest political speakers of the 20th century. He was certainly in a class with Joseph Smallwood himself, which was no mean feat. He was a broadcaster, a communicater and an author. He wrote a book "*The Troubled Air*" before going into politics, so the trouble did not refer, of course, to the political sphere. He was a patriot. He was a great representative of Canada as Secretary of State for External Affairs. He was warm-spirited, convivial, thoughtful, not narrowly partisan and certainly articulate.

I well remember the period that he was a Minister. He was elected to this House first in 1966 in a by-election and sworn into the Privy Council on July 6, 1968 as Minister of Defence Production. He became Minister of Transport, Minister of DRIE, Minister of Industry Trade and Commerce and then on September 14, 1976 he was appointed Secretary of State for External Affairs, a post he filled for three years. We were very proud of him in Newfoundland that he had been chosen to represent all of Canada and that a Newfoundlander had achieved that position. He did a remarkable job. He was on top of his files wherever he went and he always looked convincing. I think I can remember seeing him on television giving Brezhnev a bear-hug. I have to say this, that Brezhnev shook first when that great bear-hug took place.

Some Hon. Members: Oh, oh!

• (1415)

Mr. Crosbie: It is interesting that the Right Hon. Leader of the Opposition (Mr. Turner) mentioned that Don never forgot his roots. He lived in Swift Current where the Beck family came from. His great grandfather had come from Scotland and had lived on Sound Island which is in Placentia Bay and later resettled. Don built a residence on Sound Island some years ago and lived there for part of the year himself.

During the time he was a Minister and Newfoundland's representative in Ottawa, as we call it, the Progressive Conservative administration under Mr. Moores had taken over the Government of Newfoundland, and during the period from 1972 to 1979 our relationship with Don Jamieson was very, very warm. He always worked together with the Newfoundland Government to see what he could do for Newfoundland, not forgetting of course that his own district was one-seventh of the Province of Newfoundland and Labrador. The relationship was a good one despite the difference in parties.

I noticed when I came here that Don was warmly regarded on all sides of the House. He had friends in all parties. That is as it should be. I think Don well illustrated what Thomas Haliburton once said, that to handle a ship you must know all the ropes. He knew all the ropes of the ship of state as he exemplified in his career.

He left this House in 1979 to go back to Newfoundland and became Leader of the Opposition. He left politics in 1981 to become our High Commissioner at the end of 1982 in England, a most capable High Commissioner for Canada in the U.K. He had a very significant career both in Newfoundland and Canada and I want to pass on our condolences today to his wife Barbara, his four children, Donna, Heather, Roger and Debbie, and his three grandchildren.

I would close by saying that Don exemplified something that John Bunyan said in *Pilgrim's Progress* when he was defining democracy. He said that democracy was primarily an attitude of mind, a spiritual testament, in which politics was still the greatest and most honourable adventure. Don came from a very successful career in the public sector, particularly in broadcasting where he was the best known broadcaster in Newfoundland. He was four years president of The Canadian Association of Broadcasters, by the way. He entered into politics because I think he thought that politics was still the greatest and most honourable adventure. That is a thought and spirit not much in evidence today, more's the pity, but I hope one that we will get back to before too much longer because politics is still in my view as well the greatest and most honourable adventure. Don himself was one of the greatest and most honourable adventurers in that profession.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, today Canada has lost a distinguished citizen and Newfoundland has lost a noble son. I would like to pick up from where the Minister just left off in quoting Bunyan about the life of politics and referring it entirely appropriately to Don Jamieson.

Don Jamieson brought to Canada many significant attributes as a human being. Before I say something briefly about them, I think it is in one sense supremely ironic that in order to win his subsequent battles he had to lose a decisively important one first. That has already been referred to concerning the battles of 1948 and 1949. As he said subsequently, he was on the wrong side. As a good Newfoundlander he campaigned against Newfoundland joining Canada. He of course changed his mind and we can all be glad that he lost his first battle in order to go on and make a great contribution, not only to his native province, which he loved so well, but to the great land of Canada, which we all love so well.

• (1420)

He did a rare thing in politics. He was a Liberal who was, in his time, with perhaps one or two exceptions, the best orator in the House of Commons. In crucial moments he was able to

revive the spirits or lead the charge of members of his own party. He did it in such a way as to devastate, perhaps only momentarily, the arguments of the competing Parties while not leaving an iota of bad feeling in the House of Commons. It is a remarkable accomplishment to be passionately and intelligently committed to your cause, to emerge victorious in a debate, and still somehow manage to leave your opponents feeling pretty good about the situation. That is a considerable politician, Mr. Speaker. He was that kind of man.

It has already been said that he was humorous. He could laugh at himself and make fun of his personal circumstances. He spoke with conviction. He served as Minister in a number of Departments. He was a distinguished ambassador for the people of Canada in the United Kingdom. He served ably in the private sector. All in all, he was a very fine Canadian.

[*Translation*]

He was a good citizen of Newfoundland and a good Canadian. He was passionate and had a great sense of humour.

[*English*]

We will all remember him with affection. We send to his wife and his children our deepest sympathies.

Some Hon. Members: Hear, hear!

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I wish to join with the Leader of the Opposition (Mr. Turner), the Member for St. John's West (Mr. Crosbie) and the Leader of the NDP (Mr. Broadbent) to say a few words in tribute to a former colleague, a great Canadian, a son of Newfoundland and a friend.

All of us here knew of Don Jamieson, the public man. Some here have valued his friendship for many more years than I. We each remember him in different ways. He inspired us, he challenged us, sometimes he left us in awe and he could always make us laugh, even in the most difficult of circumstances. He was a complete human being and whatever our differing recollections of Don Jamieson, on this I think we can all agree. He was an orator who knew no equal, neither in this House nor on the political stump in the charged atmosphere of a political meeting. His was a spellbinding oratory, born not of rhetoric but out of commitment and burning passion for those things he believed in. The quality of those great sterling pipes that represented Don Jamieson at his best in full flight was exceeded only by the sterling quality of that great mind that gave birth to his words.

As the Leader of the Opposition said, he spoke for the first time in this House on May 9, 1967, when he delivered the address in reply to the Speech from the Throne. He said:

> We in this House ought to remind ourselves more often than we do that it is in fact the people's house and that everything we do here affects the lives of people.
>
> The great grey, anonymous bureaucracy may have no alternative but to deal with statistics and references to units of population, samples, cells, and all the other jargon of the trade, but as Members of Parliament we are involved and must be concerned with human beings. The machinations of our political parties, the conflicts that occur between parties and between individuals naturally attract a great deal of attention, but they are really the froth of public life. The substance lies in what we do here—

As Don Jamieson's executive assistant from Newfoundland, I was moved by his great commitment to public service and public duty. But I can tell you that his public commitment, as profound as it was, was no greater than his commitment to his family. In the last analysis, it must be said that his wife, Barbara, his children Donna, Heather, Roger and Debbie, were at the centre of his universe always. Family is the way Don Jamieson saw this country; each of us unique, seeking different goals, but with responsibility and commitment to each other.

• (1425)

He was born a Newfoundlander. Against his will he became a Canadian, and out of conviction his love for Canada grew. Nearly 20 years ago he said these words in the House of Commons, and I know that he would want to leave them with us today:

> I believe that we can restore to our children of the streets their rightful heritage of broad open spaces and good, clean air. But this will not be done by cold-blooded theorists or by slide rule administrators. This is not something that will appeal to those who believe that man is content with clothes on his back, three square meals a day and a roof over his head. The challenge is to those who would free the human spirit and relieve the monotony of our every day lives. It is to those who would create new horizons of beauty to delight the eye, new cultural experiences to stimulate the mind, and peaceful havens where we can relieve the tensions of our hurried pace. That dream has stirred the hearts of men and women since the beginning of time, and I believe that if we have the will we have the ability to make it a reality.

In closing, I know that that dream was alive in Don Jamieson this morning. I believe he has passed the torch to all of us and it should be said that when last we saw him he was in the place that he loved best, at home in Swift Current, Newfoundland. He was with the people he loved best, his family and neighbours. He was doing the thing that he loved best and talked about in the dream, being out in the wide open space taking in the good, clean air. May God speed him on his way.

Some Hon. Members: Hear, hear!

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I rise on behalf of every broadcaster in Canada who ever had the experience of knowing Don Jamieson, and what a rich experience it was. Don Jamieson knew the thrust and the throb of the broadcasting industry, and as President of the Canadian Association of Broadcasters for four consecutive years from 1961 to 1965 he was considered one of the most important influences in what was emerging as a new era in mass communications. Mr. Jamieson spoke loudly and often in favour of private initiative. Largely because of him, the "we" versus "them" attitude between private broadcasters and the Canadian Broadcasting Corporation was broken down. Don Jamieson proved that the two sectors could indeed co-exist.

As a private broadcaster myself, it was through Don Jamieson that I fell in love with his cherished Province of

Newfoundland back in the 1960s. Throughout the 1970s, Mr. Jamieson was instrumental in helping me sign on as a Parliamentry Press Gallery correspondent for CJON-TV in St. John's.

It was during these years that I learned of his phenomenal photographic memory, his ability to glance at a wire story and sit down in front of a camera and go for a half hour without a script, commercials and all. The fact is, according to his wife, Barbara Jamieson, with that particular art, he would forever forget to pick up the laundry on the way home.

If anything endeared Don Jamieson to his host of friends from all political Parties, it was his wonderful sense of humour, as the Right Hon. Leader of the Opposition (Mr. Turner) pointed out. My favourite story—at least one that can be repeated here— was told to me by Senator Finlay MacDonald, a long-time broadcaster and friend of Don Jamieson. Hon. Members will recall that the referendum which brought Newfoundland into confederation was extraordinarily close. Shortly after that historic day, Senator MacDonald asked Don Jamieson how those who opposed confederation felt afterward and whether they were bitter. "Well, Finlay, it's like this", said Mr. Jamieson. "I have a half interest in a racehorse in Corner Brook. You could never get him out of the starting-gate unless you put a bottle of screech in his feedbag". "So what happened?" asked Fin MacDonald. "Well, he never won a race but he was the happiest loser you ever saw".

• (1430)

Don Jamieson was very much a winner to broadcasters. He was inducted into the Canadian Association of Broadcasters Hall of Fame in Vancouver early this month. Don Jamieson once said: "I think I'm the first Newfoundlander in public life who is a total Canadian". He will be sorely missed, Mr. Speaker, by Canada's broadcasters and by Canadians.

Some Hon. Members: Hear, hear!

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, it may surprise some Hon. Members that I want to add a few words to what has already been said. I am not going to repeat what has been said but there is a part which has been missed. The Hon. Member who just spoke came close when he talked about Mr. Jamieson's photographic memory. I was in the House and heard the maiden speech mentioned by the Hon. Leader of the Opposition (Mr. Turner). He is right. The House of Commons is the people's court. I do not speak in any representative capacity as Leader of the House, nor do I have a former association with broadcasting, but I was a brand new Member sitting almost behind the seat of the former Hon. Member for Humber—Port au Port—St. Barbe who with his own rhetoric emulated his boss. I sat there by the curtain and heard his maiden speech. It was not what he said, although that was tremendous, but it was how he said it.

As the Minister of Transport (Mr. Crosbie) said today, Don Jamieson personified the essence and spirit of this place. On May 9, 1967 he rose in his place to make his maiden speech and without a note, without a piece of paper, his eloquence was heard. I will never forget that speech. My friend, the Hon. Member for South Shore (Mr. Crouse) was here but he was sitting a little closer to Mr. Diefenbaker. He was always a little closer to him than I sometimes was. My leader of the day, the Right Hon. John George Diefenbaker wrote a note, again in the spirit of Parliament, and that note may be in the book which is being written. I hope it is. It has been said they differed strenuously on the floor of the House, but it was never with malice. John George Diefenbaker wrote a note saying it was the greatest Address in Reply to the Speech from the Throne that the late Hon. Member for Prince Albert had ever heard.

Those of us who were privileged to know Don Jamieson are the poorer for his loss. Newfoundland is the better because of him. Let us hope that, in his memory, we will make this place a little more the way he would have liked it.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like to say a few words because I had the privilege of serving as Parliamentary Secretary to the Hon. Don Jamieson. Speaking on my own behalf and on behalf of all Quebecers, I would like to join in expressing to his wife Barbara and his children our great sense of loss. Thanks to Don Jamieson, many of us learned to know and love Newfoundland and the people who live there. Those who, like myself, had an opportunity to travel with him to various parts of the world when he was Secretary of State for External Affairs, learned to know and love people and to understand the basic principle of how to communicate with people, even with those whose opinions we often do not share. I therefore wish to join my colleagues in extending to his family our heartfelt sympathy, and especially to his wife Barbara, who I had the honour of meeting, and his children.

[*English*]

Mr. Speaker: Before proceeding, I would ask all Hon. Members to stand with me for one minute of silence.

[*Whereupon the House stood in silence for one minute.*]

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDUSTRY

MITEL CORPORATION—CONSEQUENCES OF SALE TO BRITISH TELECOMMUNICATIONS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Government took great pride in the fact that it arranged the sale of the Mitel Corporation to British Telecommunications less than nine months ago and gave great assurances with regard to the benefits of such a sale to all

Canadians. Within the last few days British Telecommunications has in turn decided to cut several hundred jobs at the four-year old Renfrew plant and has plans to close down that plant operation entirely after only four years of operation.

To add insult to injury the Government is allowing British Telecommunications to lift the research and development of the Mitel empire out of Canada in spite of the fact that Canadian taxpayers have a major investment in that research and development.

With regard to the sale of Mitel to British Telecommunications, the Minister of Regional Industrial Expansion stated on February 26, 1986: "Jobs will be preserved as a result of this transaction as Mitel's manufacturing as well as research and development activities will continue to be carried out in Canada". This sounds like all the other profound promises of this disastrous Government.

Today I have learned that the President of the National Research Council of Canada, the Vice-President and the section head from the Hertzberg Institute—

Some Hon. Members: Order.

Mr. Speaker: Order. The Hon. Member's time has expired.

* * *

[*Translation*]

PEACE

MESSAGES FROM HOLY ANGELS PRIMARY SCHOOL PUPILS

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, the other day in my riding, I took part in a march for world peace through the streets of Saint-Lambert, with the pupils of Saints-Anges primary school. More than 350 pupils gave me their peace symbols and messages, and I promised I would let the House know about them. Although I cannot read them all, here are a few passages which make one stop and think.

Vincent Dostie (9 years old) said: "To me, peace means no violence and people who have settled their differences. Where there is peace, there is harmony and gentleness. The reason I want peace is because I don't want a third world war."

Geneviève Gosset (9 years old) said: "Peace means love and no more war on this earth. No more poverty but healing the sick and feeding the hungry. What I want most is peace, love and happiness."

Marie-Flo Ménard (9 years old) said: "All we want is tranquility, kindness, goodness, gentleness, calm and harmony. When people start loving each other and there is no more poverty, we will all be happy. If we sent food and clothing to those who need it—"

Mr. Speaker, I think that if we show love and respect for others, we will find the peace so earnestly desired by the people of this earth.

S.O. 21

[*English*]

UNITED NATIONS

OPENING FOR APPOINTMENT OF WOMAN UNDER-SECRETARY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Canadians were startled to hear that there is not a qualified woman in Canada for an important position at the under-secretary level at the United Nations who would be charge of the public information office. This is especially embarrassing since Canada itself has publicly criticized the UN for being such an all-male club. Canada has urged the UN to seek out and appoint women to senior positions. Preaching equality but not acting on it is not appreciated anywhere in Canada except perhaps the Petroleum Club.

Apparently a few Canadian women were approached about the job and but were not available or interested, but surely the Government could look further. Doubtless the Department of External Affairs itself needs to fill more senior positions with women so it will have the necessary contacts with well qualified women. Now that the Secretary General has asked for a nomination, we expect the Department of External Affairs to keep looking until it can make a good nomination.

* * *

AIR CANADA

CUT IN DIRECT SERVICE BETWEEN EDMONTON AND OTTAWA

Mr. William G. Lesick (Edmonton East): Mr. Speaker, on October 26 Air Canada unilaterally, without consultation, deprived 1.5 million citizens of Edmonton and Alberta of daily direct flights to Ottawa. This route was economically sound. It is inconceivable that Edmonton, the capital of Alberta, would be forced to face a cut in its link to the nation's capital.

Yesterday morning I met with the President of Air Canada who claimed the airline must save money so it must cut the line. Due to the newly extended length of the flight, Edmontonians will be obliged to add an extra day to their travel time between Ottawa and Edmonton. This added expense of overnight accommodation and time lost at work will cost western Canadians extra tens of thousands of dollars in travelling expenses.

• (1440)

I would like to state here and now that the Crown corporation Air Canada is doing a disservice to the city of Edmonton and its people. I urge Air Canada to reconsider its decision, restore the direct route, and treat Edmonton in a fair and just manner.

S.O. 21

REFUGEES

PLIGHT OF IRANIAN REFUGEE

Mr. Sergio Marchi (York West): Mr. Speaker, Canadian Press has just reported that the Minister of State for Immigration (Mr. Weiner) has refused refugee status to an individual who will face torture and probable execution when the U.S. deports him to Iran next week.

When the U.S. tried to return this individual to Iran earlier this year, the man attempted suicide by slashing his wrists during a stopover in Paris. Consequently, France refused to send him on to Iran and, instead, returned him to Washington.

His plea to Canada for a humanitarian reconsideration was shunted aside by the Minister with the cold comment: "We have no grounds to intervene".

It is ironic that the Minister can issue a ministerial permit to an individual with a record of over 20 criminal convictions, and give special entry to a Hungarian spy, but refuse to deal compassionately with a human being who faces almost certain death. The Minister's decisions are inconsistent, illogical, and confusing.

I suggest that the Minister review his policy position so that immigration decisions can once again be returned to a firm, compassionate, and sensible ground. Anything less is simply not good enough.

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BILINGUALISM

FRANCOPHONE RIGHTS IN ONTARIO

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, by unanimous action the Legislature of the Province of Ontario took an historic step toward official bilingualism yesterday.

[*Translation*]

Meanwhile, the Quebec Government has confirmed the rights of Anglophones in that province, while maintaining the predominant position of French in Quebec.

[*English*]

But the Government of Canada has neglected its responsibilities to advance the principles of the Official Languages Act.

The Mulroney Government—

Some Hon. Members: Order! Order!

Mr. Epp (Thunder Bay—Nipigon): —refused to let the Joint Standing Committee on Official Languages launch a reconnaissance of the country last year that could have—

Mr. Speaker: Order, please. The Hon. Member must watch the language and structure of his sentences in his statement. He may continue his statement, and complete it.

[*Translation*]

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, Canadians are still waiting for the Canadian Government to show some more leadership in this matter.

Federal Government services must be available in the minority's language.

Francophones in the public service have the right to work in French every day.

[*English*]

National reconciliation requires action, not just fine words in the Speech from the Throne.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

PUBLICATION OF GUIDE FOR VICTIMS OF SEXUAL ABUSE

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, the Minister of Justice and Attorney General of Canada (Mr. Hnatyshyn) recently announced the publication of a guide for victims of sexual assault.

Today I would like to draw the attention of the House to this guide because it is a tool that provides victims—most of them women—with information on the services that are available to them and on how the judicial system works.

In addition to explaining the legal provisions that apply to sexual assault, it also describes the whole mechanism of investigation and criminal proceedings that is set off by a charge of sexual assault.

Furthermore, this kind of initiative answers a need that has existed for a long time, and it reflects this Government's concern for these victims who are often misunderstood and left to fend for themselves. The guide will not only help give victims a sense of direction, it will also make the various intervenors in the judicial system better aware of their needs.

Finally, I would remind all those who at some time will be involved in such proceedings that to keep silent when one can speak is to promote deliberately what is morally wrong.

* * *

[*English*]

ENERGY

DEREGULATION OF NATURAL GAS INDUSTRY—ACTION TAKEN BY TRANSCANADA PIPELINES

Mr. Paul Gagnon (Calgary North): Mr. Speaker, on October 29 I rose in the House to call for TransCanada Pipelines to sever its production and marketing segments from

its natural gas transmission. With natural gas deregulation I was concerned that third parties would not be allowed access to TransCanada's pipeline on the same basis as TransCanada's marketing affiliate.

One of the major impediments was TransCanada's proposal to charge each third party $12,600 per month per contract for those wishing to ship natural gas through TransCanada's pipeline. This proposed charge was rescinded on November 10. Rescinding this charge benefits consumers and producers alike, consumers by giving them access to lower-priced gas and producers by allowing them market access.

TransCanada must be complimented on the removal of this impediment to a freer gas market.

* * *

CANADA POST CORPORATION

INCREASED COST OF MAILING *PRESBYTERIAN RECORD*

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Conservative Government talks about supporting the family, volunteers, and the church. I had a visit to my office last week from someone from the *Presbyterian Record* who pointed to a situation in which, because of changes in Canada Post, the publication faces a financial crisis of major proportions. At one time the publication had second-class mailing privileges. Up until October of this year the cost of mailing the *Presbyterian Record* to every Presbyterian in Canada who subscribed to it was $3,600 per month. As of last month the cost increased to over $17,000 per month.

This is the effect the change in designation has had on one church, one voluntary organization. But there are hundreds of other voluntary organizations facing the same problem. They will have to cut back on communicating with their members because of the negative policies of Canada Post and the negative policies of the Government.

I urge the Minister to intervene to force Canada Post to permit second-class mailing privileges for voluntary and church organizations.

* * *

[*Translation*]

WOMEN

THREE WOMEN APPOINTED TO SENATE

Mr. Gabriel Fontaine (Lévis): Today, Mr. Speaker, I wish to extend congratulations to Mrs. Spivack, Mrs. Rossiter and Mrs. Cochrane for their recent Senate appointment. By selecting three women to fill these Senate vacancies, the Prime Minister of Canada has highlighted the work and dedication of women within community organizations, the teaching profession, and social planning agencies.

Mr. Speaker, our Government did nothing more than acknowledge the wide-ranging experience of these women, something the private sector has already done since all three sit on boards of directors or are associated with various companies.

Mr. Speaker, it so happens that, since September 1984, 40 per cent of this Government's Senate appointees have been women. And the Progressive Conservative Government did honour its commitment by increasing to 25.1 the percentage of women on federal commissions, agencies and councils.

This is an unparalleled achievement, Mr. Speaker, and our Government will continue to appoint women to positions for which they are ideally suited.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

SENTENCING OF LAWYER FOR CONTEMPT OF COURT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on November 6 Toronto lawyer Harry Kopyto was sentenced for the criminal offence of contempt by scandalizing the court. The scandal was not Mr. Kopyto's remarks about the apparent tendency of the courts to favour police in civil and criminal matters, but, rather, his conviction under this archaic and dangerous law.

Some Hon. Members: Order! Order!

Mr. Speaker: I think the Hon. Member knows that it is inappropriate—

Mr. Forrestall: No, he doesn't know.

Mr. Speaker: —to attack in this Chamber a conviction by the court. If the Hon. Member wishes to attack the law, that is, of course, open to him. I would ask him to complete his statement keeping in mind the admonition of the Chair.

Mr. Robinson: Mr. Speaker, the law in question denies the defence of truth. It is a clear violation of Harry Kopyto's right to freedom of speech as guaranteed by the Charter of Rights. Harry Kopyto should have been the last person charged under this repressive law.

Some Hon. Members: Order! Order!

Mr. Robinson: To this end, I plan to introduce a Private Members' Bill to repeal this offence in the Criminal Code. As well, I call upon the federal Attorney General (Mr. Hnatyshyn) to grant immediately a full pardon and vacate the conviction of Harry Kopyto who has so courageously fought this battle against this unjust law on behalf of all Canadians.

The scandal was in Harry Kopyto's conviction under this law.

* * *

[*Translation*]

MINES AND MINING

REQUEST THAT FLOW THROUGH SHARES SCHEME BE MAINTAINED

Mr. Guy St. Julien (Abitibi): Mr. Speaker, spokesmen for Canada's mining industry and prospectors from Abitibi-Témiscamingue, Chapais and Chibougamau strongly urge the Governments of Quebec and Canada to retain the existing flow-through share provisions for the mining exploration sector.

For several months now I have been an active proponent of these provisions because they are important to northern Quebec.

As a result of discoveries made in 1985, nine projects will lead to productive operations within two to five years. Mr. Speaker, I can state that as a direct and indirect result of these flow-through shares, 5,000 permanent jobs will be created in the North within five years.

Mr. Speaker, before making any changes to tax shelters in the mining sector, the Governments of Quebec and Canada ought to bear in mind that such shelters can indeed prove to be an effective mechanism to tap the American market. Our tax system needs to be simplified, fair enough, but this should not signal the end of all tax shelters.

* * *

• (1450)

[*English*]

ENVIRONMENTAL AFFAIRS

POLL RESULTS FAVOURING PROTECTION OF ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Decima Research reports that to most Canadians protecting the environment is more important than saving jobs. Sixty-nine per cent of Canadians who were polled last June were willing to back moves to protect the environment, even if those measures affected employment. That survey revealed that most Canadians believe the risks of pollution are not worth the benefits to society or the economy.

All but 5 per cent of those surveyed said that Governments must get tougher with chemical companies. Seventy-five per cent said that chemical companies get away with too much. Sixty-five per cent favour jail for executives of companies which pollute the environment.

The strong desire of Canadians to protect the environment is good news. It is important news for municipal, provincial, and federal Governments. The Conservative Government has made many environmental promises. It is time now to deliver, in recognition of the values Canadians have articulated through Decima's poll.

* * *

[*Translation*]

TEXTILES AND CLOTHING

NEED TO ENCOURAGE CONSUMER PREFERENCE FOR CANADIAN PRODUCTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I should like to speak in favour of the current "Think Canadian" campaign. It is imperative that Canadians acquire the habit of buying Canadian-made products.

Every year we spend thousands of dollars to buy clothes which Canadian manufacturers market at competitive prices. Indeed our products are second to none when it comes to quality.

Each dollar spent on products made in this country spurs the economy and all Canadians stand to benefit.

This will make it possible to create and maintain employment for thousands of textile and clothing workers who will be able to keep the jobs they like, at which they are proficient, and which is their source of income.

So next time we go out shopping let us remember to "Think Canadian". All we need do is to check the labels to find out where the products come from and ask the store owners to point out those which have been made in Canada.

[*English*]

Mr. Speaker: In view of the earlier proceedings, I wish to bring to the attention of all Hon. Members that Question Period will now start and will carry on for 45 minutes.

ORAL QUESTION PERIOD

[*English*]

PHARMACEUTICAL INDUSTRY

AMERICAN LOBBYISTS' ALLEGED KNOWLEDGE OF LEGISLATION CONTENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I listened to him very closely last night on television when he attempted to explain why it was that the lobby group known as the American Pharmaceutical Manufacturers Association knew what was in the legislation before Canadians knew. It seemed to me that last night he felt that his options were either to punch somebody in the nose, or to

call in the RCMP. Why is it that American lobbyists knew what was in the Minister's mind and what was in the legislation before the Consumer's Association of Canada knew?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, nobody knew what was in that Bill before it was presented to the House except for spokesmen for his Party and the New Democratic Party.

As I have indicated publicly, and discussed on many occasions, we have been consulting on the legislation since its draft was tabled last June. For example, I had consultations on September 5 with the National Pensioners & Senior Citizens Federation, the National Anti-Poverty Association, the Medical Reform Group. I had consultations on September 12 with the Consumer's Association of Canada. On October 14 I had consultations with the Canadian Drug Manufacturers' Association, and the Pharmaceutical Association of Canada. On October 31 I had consultations with Dr. Harry Eastman. My office has discussed it with many people. We have been trying to improve the Bill. We came up with some improvements. Somebody may have guessed that they—

Some Hon. Members: Oh, oh!

Mr. Andre: But nobody knew what was in the Bill. If, in fact, some officials leaked it, then we will deal with them.

[*Translation*]

STATEMENT MADE BY DR. HARRY EASTMAN—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Americans had a good estimate of the contents of the Bill. Last night, even the Minister said: "I'm not surprised people were informed." Those were the Minister's words. The trouble is that Americans, not Canadians, were aware of the Minister's intentions.

Mr. Speaker, I would like to ask the Minister whether he agrees with Dr. Harry Eastman, whom he appointed Chairman of the Patented and Medicine Prices Review Board, when he claims that the purpose of the legislation is to increase costs for the consumer.

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, my office has been in contact with Dr. Eastman this morning. He is in agreement with me that both of us were misinterpreted and taken out of context by the CBC.

Some Hon. Members: Oh, oh!

Mr. Andre: Dr. Eastman agrees with me—obviously the Liberals do not want to hear the truth.

Dr. Eastman agrees with me that there is nothing in this legislation that will cause the rise in the price of a drug by one cent: not old drugs, not new drugs, not pipeline drugs, not by one cent. Dr. Eastman agrees that he was misinterpreted and taken out of context by the CBC.

Some Hon. Members: Hear, hear!

STATEMENT ATTRIBUTED TO DR. EASTMAN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is a little hard to take it out of context when Dr. Eastman says this on CBC: "The answer is undoubtedly so. Indeed that's the purpose of changing the legislation". Now, how he can be taken out of context with his own words, I do not know.

Some Hon. Members: Where is the question?

Mr. Turner (Vancouver Quadra): I will read the question. Mr. Speaker, they want the question. "But the very man Harvie Andre has appointed to head the Drug Price Review Board said there is no doubt in his mind that prices for new drugs will be higher."

Some Hon. Members: Where is the question?

Mr. Turner (Vancouver Quadra): The answer is yes, that "is undoubtedly so. Indeed that's the purpose of changing the legislation".

Some Hon. Members: Where's the question?

Mr. Turner (Vancouver Quadra): My question for the Minister is this. Does Dr. Eastman still have that job? Why does the Minister insist on denying that the purpose of the legislation was to please the Americans in the current free trade negotiations, and that the legislation will inevitably raise drug prices in this country, as Dr. Eastman said clearly last night?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): I hope by now it will have come to the Leader of the Opposition's notice that what he stated there was editorial opinion by the reporter.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): They are the words.

Mr. Andre: Yes, Dr. Eastman is going to head up the Drug Price Review Board. The fact of the matter is that since 1969 every one of our partners in the western industrial world has been asking us to restore patent protection. The prices of drugs will not go up one cent as a result of this legislation. Help us get the legislation into committee, so I can show this to you and to everybody else who is interested.

Some Hon. Members: Hear, hear!

STATEMENT MADE BY UNITED STATES INDUSTRY'S SPOKESMAN

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In last night's TV report, Mr. Stettler of the American multinationals said, and I quote: "The success of the Canadian system was and is a threat."

Why does the Minister favour a lobby group which has illegally tried to lessen competition, said that no-name drugs are inferior drugs, and has held a former Minister personally accountable for the deaths of thousands of people? Why does the Minister not favour the sick, the weak, and the elderly?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I favour the restoration of patent protection for drugs for the same reason that the past Liberal Government did when they announced their decision in that regard in June of 1983.

If there is going to be research in this important area of biotechnology and drugs, and it is foolhardy for Canada to exclude itself from this important area, there has to be patent protection provided. The rest of the world recognizes that. I wonder why the Hon. Member and her Party do not at this point in time, although they apparently did three years ago.

PROPOSED REVIEW BOARD'S PRACTICES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): In answer to a question from our Leader, the Minister said that he improved the Bill. According to Mr. Stettler yesterday, they were not happy with the sanctions. They wanted to lighten the sanctions. He got what he wanted from this Government, the sanctions were lightened. Does the Minister know that the review board can now investigate only one drug, plus another one, instead of the whole company, as it was in the Côté Bill?

• (1500)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I happen to believe as a matter of principle that punishments should match the offences more or less. I thought the punishments were excessive. As I have said publicly to Dr. Eastman and to anyone else who was interested, I am willing to discuss that. If in fact evidence can be presented that the sanctions need to be toughened up some, I am willing to consider those. I am not of a closed mind on that. However, I would hope the fundamental principle that the punishment should match the offence is a principle which Hon. Members could respect and understand.

FOREKNOWLEDGE OF LEGISLATION'S CONTENT CLAIMED BY AMERICAN LOBBYIST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and it is on the same subject. Mr. C. Joe Stettler, the former head of the American drug company lobby which got the Government to change its drug legislation, said on television last night that a week before the Minister introduced the Bill he knew of two precise changes which would be in it. When the Bill was introduced, lo and behold those precise changes emerged. Could the Minister explain to the House of Commons how this man, a resident outside Canada, knew before elected Members of Parliament what would be in the legislation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I answered that question which was put by the Leader of the Opposition. I pointed out that the draft Bill was released at the end of June. I had discussions with a wide variety of groups, as did my office and a lot of my officials, to discuss ways in which it might be improved, amended, and adjusted. Those are consultations. During the course of consultations, one discusses things like that. People may make assumptions, but the only ones who had access to that Bill before it was brought into the House were the spokesman for the New Democratic Party, the Hon. Member for Winnipeg North, and the spokesman for the Liberal Party, whom I briefed in advance as a matter of courtesy.

Mr. Broadbent: The Minister knows that the Members on this side of the House had a briefing about two hours before. This other gentleman, who is a United States citizen living outside Canada, was informed a week before. That is the big difference.

[*Translation*]

INQUIRY WHETHER LIE UTTERED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have another question for the Minister. Yesterday the Minister said on television that anyone in Canada who suggested that the price of drugs would increase would be lying. Dr. Eastman, an expert in the field, said that this would happen. Is he a liar?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I just answered that question to the Leader of the Opposition. My office was in consultation with Dr. Eastman this morning. He informs us that the CBC took his remarks out of context and that in fact he agrees with me and understands, as anyone with an open mind would understand, that there is no increase in price of any drug possible as a result of the changes which we are proposing. If the Hon. Member would co-operate and allow us to take this matter to committee, I will be happy to demonstrate it to him and to anyone else who is interested.

CBC INTERVIEW

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like the Minister to co-operate. I will ask him a very precise question. Perhaps he will explain to the House how Dr. Eastman could have been taken out of context. In part the transcript reads:

Will prices go up?

Eastman: The answer is undoubtedly so. Indeed that's the purpose of—the legislation.

How could that be taken out of context? Surely Dr. Eastman is saying what every person in the country knows—pensioners, retirees, consumer groups—that this legislation will raise prices. Why do you not withdraw the Bill like you should?

Mr. Speaker: Order, please. I am sure the Hon. Leader of the New Democratic Party knows that the use of the word "you", while it sometimes happens in the Chamber, is frowned upon.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was on that program for about 20 seconds after 45 minutes of taping. It was spliced to produce a program which had about as much veracity as an episode of *Dallas*. The fact of the matter is that the only people who believe that the price of drugs is going to go up are those unfortunate persons who read the letter from the Leader of the New Democratic Party, in English only I might add, making that claim, which is false.

TRANSCRIPT OF INTERVIEW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have another quote for the Minister of Consumer and Corporate Affairs which could not possibly be edited:

Reporter: So there is no doubt in your mind as the chairman of this price review board that prices will rise.

Eastman: Yes, there is no doubt at all.

How could that be taken out of context?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that was the question my office raised with Dr. Eastman this morning.

Some Hon. Members: Oh, oh!

Mr. Andre: As Dr. Eastman pointed out, he tried to explain to the reporter, while he was talking about cash flows to the industry, possible reductions in prices and the delay in those reductions. He knows, as I know and as everyone who honestly looks at the situation knows, that prices will not go up by a single penny as a result of Bill C-22.

MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, is the Hon. Minister suggesting that the exchange between the reporter and Dr. Eastman was edited and spliced? Does he not admit the integrity of that particular quote?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I just indicated, that particular program was by and large a fabrication designed to support—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Go back to *Dallas*.

Mr. Andre: There is one way in which this can be resolved. Let us pass the legislation, take it to committee, look at all these questions, and then let the people make the judgment after they have seen the facts and analyses we will be able to present in that forum.

STATEMENT ATTRIBUTED TO UNITED STATES TRADE NEGOTIATOR

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the same Minister. He has told the House that Dr. Eastman was misquoted. Let me quote from the same program what Clayton Yeutter said, the American negotiator on free trade. When referring to the Bill, he said:

It may raise prices at the retail level of some of these products but better this than low retail prices based on piracy.

Was Clayton Yeutter misquoted? Does the Minister agree with Clayton Yeutter that what we have been doing is piracy?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know what Clayton Yeutter thinks or says. However, I know the Bill will not raise the price of drugs by a cent. I know that we have a Direct Prices Review Board in place to ensure that this fundamental economic fact remains a reality. I know that we have a four-year policy review by Government. I know we are proposing a 10-year policy review by Parliament to check on these things. I know that 3,000 young scientists are anxious to have a research opportunity in Canada, which apparently the New Democratic Party does not want to see come to pass.

CONSUMER ASSOCIATION'S POSITION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, why does the Minister continue to say that all the opposition is based upon a partisan approach when organizations such as the Consumers Association of Canada have come up with the strongest opposition to the Bill since it was tabled, having looked at it and having consulted or discussed it with the Minister? They reject all the arguments put forward by the Minister. Would the Minister explain that.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I have indicated to the Hon. Member on I do not know how many occasions the facts of the Bill are clear to those who want to keep an open mind when they look at it. Some people are ideologically upset about the fact that there are private sector companies involved in health care. That is fine, if they have the conviction and want to argue it. However, let us get the Bill to committee. Let us look at it and its details. Let me present the analysis which I can present—

Some Hon. Members: No way.

Mr. Andre: They are shouting "No way". They do not want the facts out. They know the facts will defeat their arguments.

Oral Questions

INQUIRY CONCERNING UNITED STATES GOVERNMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the same Minister, as he might expect. In the same program which he says was a fabrication, there was another statement by the chief spokesman for the drug industry in the United States. He said: "I think we have made more of an effort recently to talk to the U.S. trade representative, our Department of Commerce, our Department of State, and to say this is a bad law for us." To what extent did the United States Government, through the interaction at the trade negotiations between the Department of External Affairs and the office of the Secretary of State, make representations after June that the Canadian Government change the patent law as the Minister has now introduced it?

• (1510)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member was a Cabinet Minister in the Liberal Government which decided to change the patent law and restore patent protection in 1983.

Mr. Gray (Windsor West): We did not.

Mr. Andre: The Member knows, if he is paying attention, that we have been under pressure from all of our trading partners since 1969.

Mrs. Killens: Only four years.

Mr. Andre: Let me read just a bit from a letter dated September 24, 1986, from the British Pharmaceutical Association, London. It is concerned that the Canadian Government—

Some Hon. Members: Order.

Mr. Speaker: Order. The Hon. Member for Winnipeg—Fort Garry.

INQUIRY CONCERNING POSSIBLE REPRESENTATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, as a supplementary, if there is any example of fabrication in this House, it has just been given by the Minister. There was no decision in 1983 by our Government to change the Patent Act. We established a commission of study to look at the entire state of the art.

Some Hon. Members: Oh, oh!

Mr. Beatty: Axworthy for leader.

Mr. Speaker: Order, please. The Hon. Member will put his question.

Mr. Axworthy: I will put this question to the Minister because he did not answer it the first time. To what extent did the United States Government make direct representation during the trade negotiations or by other diplomatic means to have the June draft of the Patent Bill altered to suit the kind of interest of the American drug industry?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): No one made representations to me either from the United States, through the trade office or through the External Affairs office or in any other way, Mr. Speaker. I consulted with groups in Canada on their reaction to the draft legislation. I recommended to my cabinet colleagues ways in which I thought the legislation could be improved. If, in fact, in committee Hon. Members are able to convince me that I am wrong in some of my suggestions, I am ready to listen to them. The recommended changes came out of consultations in which I and my office engaged, and from no one else.

FIRM'S ESTIMATE OF COST TO CONSUMERS

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. He keeps telling the House that there will no additional cost to Canadians. Is the Minister aware or familiar with a study conducted by a respected accountancy firm, Coopers & Lybrand, which estimates the cost to Canadian consumers, as a result of those amendments, will be in the area of $650 million?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know who did that study but he, she, or they should be embarrassed. One of the other reasons I am anxious to get this Bill to committee is to look at those kinds of assumptions. The person who did that study would flunk Economics 101 if he or she presented it.

Let me repeat again that there is nothing in the legislation that will raise the price of drugs by one penny.

REQUEST THAT MINISTER TABLE COST IMPACT STUDIES

Mr. Neil Young (Beaches): My supplementary question, Mr. Speaker, is for the same Minister. Both the Minister's Department and the Minister of National Health and Welfare have conducted cost impact studies into this legislation. I applied for that information under Access to Information and it was denied under ministerial privilege or whatever. I ask the Minister again if he wants to come clean with Canadians, why does he not table these cost impact studies in the House so that all Canadians can take a look at how much it is going to cost?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that is precisely the reason we have our parliamentary system of second reading debate and committee study. At committee we will look at all those cost estimates and we will look at all the price estimates. We will do that. If the Hon. Member is interested in having Canadians know the truth, he will co-operate in having that Bill moved to committee.

An Hon. Member: What are you hiding?

Mr. Broadbent: Give us the information.

TRADE

SHIPMENT OF HELICOPTER PARTS TO IRAN—RELEASE OF AMERICAN HOSTAGES

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Hon. Member for Hamilton East just reminded me that one should never send a boy to do a man's job.

Some Hon. Members: Oh, oh!

Mr. Beatty: Sit down then.

Some Hon. Members: Oh, oh!

Mr. Johnston: My question is on another subject, Mr. Speaker. In the absence of the Secretary of State and the Prime Minister I will return to the Deputy Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Where is the babysitter, Don?

Mr. Speaker: Order. The Hon. Member.

Mr. Johnston: In September, 1985, Mr. Speaker, four days after Pratt & Whitney received an order from Iran for helicopter parts, an American hostage was released. On November 2 of this year an American hostage was released approximately two weeks after Pratt & Whitney shipped helicopter parts to Iran. Does the Deputy Prime Minister agree with that chronology? Does the Government believe or suspect that there is a relationship between the shipments from Pratt & Whitney to Iran and the release of American hostages?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is suggesting some very serious motivations here, motivations which I do not share and which the Government does not share.

UNITED STATES-CANADA CONSULTATIONS INQUIRY

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Deputy Prime Minister has repeatedly over the last several days refused to answer a very straight question, namely, were there representations or consultations made by or with the American Government and the Canadian Government with respect to these export commissions for shipments from Pratt & Whitney to Iran? Did they take place?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I answered that question in the House on Monday, and the answer is no.

REVENUE CANADA

CONFIDENTIALITY OF TAX RETURNS—STATEMENT MADE BY MEMBER FOR SAINT-LÉONARD—ANJOU

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday in the House the Member for St. Leonard—Anjou stated, as found on page 1275 of *Hansard*:

> At my request this morning a woman telephoned the Revenue Canada office in Montreal. She gave my name, my social insurance number, my address, my date of birth. She was able to get into my 1985 income tax return.

Has the Minister checked into the circumstances and can he indicate to the House if that is really what happened?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, as the House would expect, I took the representation from my colleague very seriously. I did cause a very thorough inquiry to be made. As my colleague indicated, calls were made at 10.43 a.m. and at 10.59 a.m. Our Department has ways to authenticate and to find out which employee accessed every taxpayer's file. However, what my colleague from Saint-Léonard—Anjou failed to say is that there were three additional key elements of information supplied by the callers to authenticate the validity of the request. They were volunteered or requested and correctly provided by the caller. The information was on the Member's income tax return, and because of the secrecy provisions of the Income Tax Act, I would not, and I know he would not want me to say what they were.

However, I believe that the record should be cleared, not to minimize the seriousness of what has occurred, but to point out to my colleague from Saint-Léonard—Anjou that under the circumstances he did not give the full story and in so doing has needlessly alarmed, I suggest to him with respect, millions of Canadians.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think it is quite apparent to Hon. Members that as a consequence of that question and answer the Hon. Member concerned is rising. I would think he probably has a question of privilege to raise. I want to advise Hon. Members that since the rules were changed questions of privilege are not taken at this time. I do want to assure the Hon. Member, however, that I will hear him later.

Is the Hon. Member rising on a supplemental question?

MINISTER'S REPLY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my supplemental question is for the Minister of National Revenue. Yesterday I said that a woman made a phone call, gave my social insurance number, my address and my date of birth, and had access to my income tax return for 1985. That is what I said exactly. The difference between what the Minister is saying and what I said—

• (1520)

Mr. Speaker: Has the Hon. Member a question?

Mr. Gagliano: Would the Minister not agree that the report he has is a matter of opinion and not exactly what was discussed between my source and his officials?

Hon. Elmer M. MacKay (Minister of National Revenue): No, Mr. Speaker, with respect, I would not agree. I am not attributing motives to my hon. friend any more than to suggest that on a matter this serious the full story ought to have been given. The information as given was incomplete in so far as any meaningful access to my friend's income tax form was concerned.

* * *

PHARMACEUTICAL INDUSTRY

REQUEST THAT MINISTER TABLE COST IMPACT STUDIES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. As he knows, the Hon. Member for Beaches has applied for the cost impact studies concerning the drug legislation under the Access to Information legislation. That was denied by ministerial discretion. In order to clear up this whole matter will the Minister assure the House today that he will table those cost impact studies in the House?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, they were denied because they are confidences of the Privy Council and I am unable to give out those studies as requested. However, I am able and more than willing to discuss all of those projections and cost estimates in committee as is intended with this kind of legislation. Why is the Hon. Member's Party not willing to go to committee to look at and analyse these questions if it is so confident in its position?

Mr. Fulton: Mr. Speaker, if the Minister is so sure that there is not going to be an increase in the price of drugs by one cent, I assume he would want those studies tabled in the House so the people of Canada can see them. They are being hidden for political reasons. The Minister called the other studies a fabrication without ever seeing them. We in this House and the people of Canada want to see those studies tabled.

Mr. Speaker: The Hon. Member for Hamilton East.

CANADA EMPLOYMENT CENTRES

REPORTED REMOVAL OF FILES FROM KITCHENER OFFICE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Employment and Immigration I will direct my question to the Deputy Prime Minister. The Government has made claims about increased security. Therefore, can the Minister explain why there is a story today in the *Kitchener-Waterloo Record* which shows that this week an employee of the Canada Employment Centre in Kitchener lifted from that office microfiche files which covered virtually every Ontario worker who filed an unemployment insurance claim in recent years?

Mr. Crosbie: A microfiching expedition.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the only point this individual made is that he is not worthy of the trust placed in him by the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Weiner: He has also betrayed his thousands of co-workers across Canada who handle Government records each day securely and confidentially.

Ms. Copps: First we had tuna fish, now we have microfiche.

Some Hon. Members: Oh!

SECURITY OF FILES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, how can the Deputy Prime Minister slough this off when, over a year ago, the union located at this Centre held a meeting with the Hon. Member for Kitchener in which the specific issue of security of files was raised? That was a meeting held on September 5, 1985. Until this week those concerns about security have been ignored by the Government.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, an investigation is ongoing. We have to rely on the integrity of our employees to safeguard sensitive information. I want to assure the House that every effort will be made to find the individual and do what is appropriate.

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PHARMACEUTICAL INDUSTRY

REQUEST THAT COST IMPACT STUDIES BE RELEASED

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister of Consumer and Corporate Affairs said that these cost studies are being kept from the House for Privy Council reasons. Surely the Minister would be prepared to recognize that it is precisely because of the importance of these

studies that he should be prepared to release them to Canadians so they can make a judgment on whether his charges of fabrication are correct or not?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the reason the Hon. Member and I and others were elected is to act in the best interests of our constituents. We have a procedure for doing that. We have second reading and then committee study. In committee we look at all of the questions raised by the Hon. Member and others. We analyse them. It is an opportunity for us, as the people's representatives, to make a proper judgment and then divide in the House. I would like to proceed with that centuries old tradition. It is an honourable way to go. Why will the Hon. Member and his Party not co-operate?

REQUEST THAT MINISTER PROMISE TO RELEASE STUDIES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I thank the Minister for his lesson in parliamentary procedure.

Mr. Beatty: You needed it.

Mr. Langdon: However, is he prepared to prove the points he has made today by promising the committee and the House that these studies will be released? He knows, as I know—

Mr. Speaker: Order, please. The Hon. Member knows that the question he is posing has been asked several times. The Hon. Minister.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): You took the words right out of my mouth, Mr. Speaker. I do not know how many times I have to repeat the answer before Hon. Members will accept it. The answer to his question is the same answer that I have given to the same question the three, four or five times it has been asked by members of his Party.

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NARCOTICS

GOVERNMENT'S ANTI-DRUG ABUSE STRATEGY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, drug abuse in both schools and the workplace is a serious concern. In my constituency a group known as the Lambton Families in Action has been fighting this problem through a program of information and education since February, 1982. To this group, our Government's commitment in the Throne Speech to bring forward a national drug strategy was reason to celebrate.

Given the Government's commitment to the strategy of education and interception, can the Minister of Health inform the House and interested groups across Canada when further details and information on this program will be forthcoming?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member. I am sure most Members of the House would agree with him that the strategy announced in the Speech from the Throne has been welcomed by parents and others. The strategy has a number of components. The major one, which has to be stressed and which is not yet complete because of the consultations which have to take place, is that of education. Quite frankly, that is my emphasis. There are other components dealing with the justice system and others. They have their part to play. I hope we will be ready to make announcements concerning further developments, after those consultations, at the end of January or February of next year.

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REGIONAL DEVELOPMENT

NORTHERN ONTARIO—GOVERNMENT'S ECONOMIC RECOVERY PACKAGE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to my hon. friend, the Deputy Prime Minister. On several occasions in the recent past he has boasted in this House about the good things the Government has in store to help the faltering economy of northern Ontario. We welcome good things from any source. Is the Minister willing and able today to tell the House exactly what is in the recovery package for northern Ontario which was alluded to following a Progressive Conservative caucus meeting in Sudbury just a few weeks ago?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would be glad to do that. First, this Government has recognized the difficulties in northern Ontario, the uniqueness of the region, and there are at least seven possible initiatives at which we are looking. They are to establish a federal economic development committee for northern Ontario, to transfer some federal agencies and services related to northern Ontario, to dedicate program moneys to northern Ontario, to establish a stabilization program for forestry and mining, to invest in northern Ontario schemes, to give special tax treatment to equity investors, to strengthen marketing assistance companies in the region and to encourage development of a strategic partnership.

• (1530)

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Penner: We will have to absorb that, Mr. Speaker. I had the impression that those were directions rather than details.

UNITED STATES DUTY ON SOFTWOOD LUMBER—EFFECT ON NORTHERN ONTARIO COMMUNITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, is the Deputy Prime Minister aware that since the imposition of the countervail tariff on softwood lumber some sawmills in northern Ontario have had their sales reduced by as much as 90 per cent? Has the Minister anything at all in mind for those communities which have lost hundreds of jobs because of the reduction in sales of softwood lumber? These communities include Terrace Bay, Hearst, White River and Longlac.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have a tremendous amount of respect for the Hon. Member. I can assure him that I in no way want to belittle the seriousness of this issue of the difficulties in northern Ontario, nor the problem to which he alludes. I think the Hon. Member is aware, however, that discussions have been going on between the provincial Ministers and the federal Minister with respect to the strategy which will be employed to fight this countervail tariff. A First Ministers' conference will take place in Vancouver during the next couple of days. This will be a topic for serious discussion there.

Consistent with the Government's approach to governing the country, a joint federal-provincial approach will be taken. I am sure the strategies will be discussed in detail in Vancouver during the next two days.

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[*Translation*]

CROWN CORPORATIONS

JUSTIFICATION FOR SALE OF TELEGLOBE CANADA

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of State for Privatization. How can she justify the sale of a Crown corporation that is in good shape and making a profit, in a sector where in other countries, such services are provided by the public sector? If she wants to bring prices down, why not urge Teleglobe to cut its prices, which can be done just as well by a public enterprise?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I have stated a number of times before that the principle of privatization is that when there is no longer public policy to be served, we seek greater economic benefits by having companies owned in the private sector. This is a good and profitable company. I think it has a very dynamic future in the private sector. It is the policy of the Government to ensure that the economic benefits for the employees of this company, as well as for all of Canada, are best realized in this way.

EMPLOYEES' PENSION PLAN BENEFITS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister admit that Teleglobe employees, who presently have a good pension plan, will be disadvantaged through a sale? Will she undertake to ensure that employees will not be worse off than they presently are with regard to their pension plan under a new employer?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, we have discussed the pension issue with the employees. There are avenues open for the employees to continue to carry on conversations with company management and ourselves about the future of the company. Contrary to the employees being worse off, they will be much better off in a dynamic, growing company. The people to ask are the employees of de Havilland, Canadair and Canadian Arsenals, all of whom have been buoyant and optimistic about their future.

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PHARMACEUTICAL INDUSTRY

EASTMAN COMMISSION FINDINGS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Does the Minister not agree that, after studying the problems of the pharmaceutical industry for two years, the Eastman Commission found that compulsory licensing has had no visible effect on the profitability of the pharmaceutical industry? After two years of study Mr. Eastman found that the pharmaceutical industries' profit exceeded that for all the manufacturing sector. He found that the former Patent Act saved the consumers of this country $211 million a year.

If the Government agrees with the findings of the Eastman Commission, what is it doing introducing a Bill which will give a period of exclusivity twice as long as that recommended by Eastman?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member acknowledged that Eastman recommended change from the existing system. I would like to quote the words of the Hon. Member, the Liberal health critic. He said: "Higher prices might be justified if it led to more drug research in Canada. The proposed price increase should have a minor effect on consumers". I will assure the Hon. Member that we will have a lot more research in Canada and that there will be no price increase.

COMPENSATION OFFERED TO PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, how can the Minister of Consumer and Corporate Affairs stand in this House and say that the cost of drugs will not rise by one penny

when the Minister has offered $100 million a year in compensation to the provinces for anticipated increases in the cost of drugs?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, it will take too much of Question Period to explain all of that.

Some Hon. Members: Oh, oh!

Mr. Andre: I hope the Hon. Member was careful in his use of language when he talked about cost to the provinces. I hope he was careful to listen to what I have been saying all along, that the price of drugs will not go up by a penny.

Mr. Frith: You don't know what you are talking about.

Mr. Andre: If he thinks about it for a little while, maybe he will understand.

Mr. Frith: You don't understand the Bill.

Mr. Rossi: You never understood it.

* * *

[*Translation*]

ENERGY

DEREGULATION—INQUIRY WHETHER QUEBEC NATURAL GAS CONSUMERS WILL BENEFIT FROM LOWER PRICES AT SAME TIME AS OTHER PROVINCES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Energy, Mines and Resources. The Minister announced on November 1 of this year that natural gas prices will be deregulated, arguing that this would be beneficial to Canadian consumers.

Could the Parliamentary Secretary give the House the assurance that manufacturing industries and consumers in Quebec will benefit from a reduction in the price of natural gas at the same time as the other provinces?

[*English*]

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, deregulation went into effect on November 1 which allowed buyer and seller to negotiate the price of natural gas freely without Government intervention. This added competition and supply should result in lower prices to all consumers in Canada and a better deal for the producers.

AGRICULTURE

EFFECTIVENESS OF AGRICULTURAL CHEMICALS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Agriculture who is aware that many farmers from Eston, Saskatchewan, have been trying for five years to get $1 million in damages from Dow Chemical over the use of the chemical Tordon 202C which proved ineffective and damaging to their crops. In 1980 Dow Chemical said that the problem appears "to be that our present formulation, even at the high rate of application, does not give adequate control of volunteer rape seed, stink weed or wild mustard".

What plans does the Minister have for more effective policing of agricultural chemicals which are not performing as claimed on their labels?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I take the Hon. Member's question seriously. I take it more in the form of a representation. I must confess that I am not fully aware of all the details in this case. This is a representation which is not made all that often. I know that there were a series of problems prior to the Government's decision to change the labelling of chemicals. That has eliminated and alleviated a good number of problems.

REQUEST THAT DEPARTMENT MONITOR FARMERS' COMPLAINTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, can the Minister tell the House whether he is ready to make some changes so that complaints from farmers about farm chemicals can be monitored and evaluated by his Department rather than requiring farmers to go through very expensive court procedures against huge multinationals?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the short answer to that question is yes. We are always anxious to change policies and programs for the better. This case may well require a change or amendment to the appropriate legislation. We will study that. The answer to the Hon. Member's question is definitely yes.

Mr. Speaker: I would like to advise Hon. Members that I have received notice of several questions of privilege which I will proceed to now.

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PRIVILEGE

PRIVATE MEMBERS' BUSINESS—COMMITTEE DECISION ON VOTABLE ITEMS

Mr. Bill Domm (Peterborough): Mr. Speaker, my question of privilege affects every Member in the House and the very nature of Parliament. The reasons given to the House of Commons and the press for rejection of various private

Members items as being votable seriously erodes my opportunity to represent my constituents while taking away from Parliament a right that it has always had. It is in direct violation of Standing Order 96(1).

• (1540)

Mr. Speaker: Hon. Members will know that when a Member rises on a question of privilege, it may not always be a question of privilege. That is a matter on which the Chair must rule. However, it is usually a grievance, and I would suggest to Hon. Members that when a Member is speaking to a question of privilege, Hon. Members should that Member the courtesy of attention.

Mr. Domm: During my seven years as a Member of Parliament I have had the opportunity during four of those years to be Deputy House Leader responsible for Private Members' Business. I have never seen such a flagrant disregard for Standing Orders, and the taking away of the rights of Members of Parliament, as has been evidenced by recent decisions of a committee of the House, set up by Members of Parliament, to review votable items as they come before that committee.

The committee said that my motion was rejected because it did not have the power to: "empower the Justice Committee to study the motion". I want to remind the House that empowering a Standing Committee to review and report to Parliament is an inalienable right that all Members of Parliament have enjoyed over the years. This committee that was set up by private Members to represent their concerns has essentially told members from the New Democratic Party, members from the Progressive Conservative Party and members from the Liberal Party that we no longer have the right as Parliamentarians to vote and send what we believe is an urgent and pressing matter to a Standing Committee for study and report back to Parliament.

Let me explain how important this issue is to me, and I am sure to all Members of the House, regardless of which Party they represent. I am not in a debate with the Government I am not in a debate with my colleagues who are all back-benchers. I am not looking to the front-benches of Government to stand up and tell me why this is happening. They have never had control over Private Members' Business and they are not intended to have any control over Private Members' Business in the House. It is a private Members' committee that went to the media with a private members' issue to give the reasons why it has not accepted a motion before the decision was even tabled in the House. That back-bencher had been assured under the Standing Orders that the committee would enter into full consultation with that back-bencher in determining the priority for a votable item, having regard to that Member's motion.

A member of that Standing Committee is quoted in *The Ottawa Citizen* on Friday, November 7, as saying:

> The controversial bill was also thrown out because "it simply empowered the justice committee to do what it already has the power to do—"

That was before the decision was tabled in the House and before the Member was advised of any of the reasons why that item was turned down by that committee. That is a flagrant disregard for the authority and power of a Member of the House to represent not only his constituents but all Canadians.

Let us consider other motions on the Order Paper. Motion No. 12 in the name of the New Democratic Member for Burnaby (Mr. Robinson), states:

> That the Standing Committee on Justice and Solicitor General be empowered to study the question—

That motion is on the Order Paper. The purpose of this committee is to serve the back-benchers of the House. It says that Parliament no longer has the authority to direct the Standing Committee to study and report on an issue.

Not only should New Democrats reconsider whether some of their motions are eligible for a vote, Progressive Conservatives also have motions, such as Motion No. 25 standing in the name of the Hon. Member for Kent (Mr. Hardey). That motion states:

> That the Standing Committee on Finance and Economic Affairs be empowered to study and consider—

I believe we have lost a right and I want to move a motion in the House that the matter be referred to the Standing Committee on Privileges and Elections to determine whether Parliament, not Government, has the right to refer an item to a Standing Committee for study and report. I say to Hon. Members that if we lose this fight on this very important issue, as back-benchers in the House of Commons we lose that for which the McGrath committee fought. The Hon. Member for Peace River (Mr. Cooper), who is sitting here as a back-bencher, knows as well as every Member in the House, that it was the intent of the McGrath report to give more authority to Parliament and back-benchers, and less authority to Government. We have a role to play in the decision-making process of this nation. If we allow our peers to tell us that we do not have this authority, then we are violating Standing Order 96(1).

In my motion , I also want the House to consider the terms of reference for the Standing Committee on Private Members' Business itself, found in Standing Order 36(1)(a), which provides no evidence to support the reasons given for rejecting my motion. Standing Order 36(1)(a) states:

> In making its selection, the Committee shall not take into account the number of Members jointly seconding an item, but shall allow the merits of the items alone to determine the selection—

I and other Members of the House appeared before that Standing Committee. We gave all of the reasons why we thought our Bills or motions met the terms and conditions of the Standing Order. Not once was I challenged that my Bill did not meet the terms and conditions as outlined in that Standing Order.

That committee which represents us and which is the only committee we have to take our case to Parliament, met *in camera*. Only members of the committee can attend to discuss the reasons why an item should or should not be voted on in

the House of Commons. That committee then went to the media before it consulted on its decision, and before it tabled it in the House.

Not only was this reported in *The Ottawa Citizen*, the *Toronto Star* phoned and asked me to respond to the committee chairman who said: "Domm's Bill was rejected because the committee did not have the power to empower the justice committee to study the Bill." This means that New Democratic Members, Liberal Members and Conservative Members should check their motions and Bills on the Order Paper, because by virtue of an *in camera* decision made in committee and discussed with the press without consulting Members of Parliament they have been ruled out of order. No longer do we have the power to refer these matters to Standing Committees.

This is without a doubt a breach of Parliamentary privilege. Parliament has always had the right to refer items to committee and empower it to study and report back.

I repeat that the committee has exceeded its own terms of reference by doing this. It has detrimentally affected the role of all back-benchers in the House. A basic and elementary right of all Members of Parliament is their right to refer pressing and urgent matters to an appropriate committee for extensive review and analysis. This inalienable right exceeds all Party lines and goes to the root of what an individual Hon. Member can do for his or her constituents.

• (1550)

It follows that the Standing Committees of this House remain a fundamental method of allowing not just Members of Parliament but all Canadians a degree of access to the decision-making process. I have personally been denied even the possiblity of having a subject of extreme importance to my constituents referred to a committee, drawn out of a drum and brought to a votable item. The objective of having the subject voted on has been denied.

Beauchesne's Fifth Edition is quite clear with respect to the rules governing Standing Committees. I refer to Citation 621(2):

> A committee is bound by, and is not at liberty to depart from, the Order of Reference.

Nowhere in the order of reference for the Committee on Private Members' Business does it state that this particular committee cannot refer a subject such as that contained in my motion to an appropriate Standing Committee for investigation.

The inspirational reforms of the House of Commons arrived at by the McGrath report are adamant in their concerns over the eroding role of back-bench Members of Parliament.

It was the committee's belief, and one which I am sure is shared by all Hon. Members of the House, that the committee sytem could provide a means of enhancing the position of Members of Parliament and also represented a viable method of democratizing the decision-making process.

Pages 21 and 22 of the report state in part:

> More use could also be made of existing Standing Order 72(1) which allows, as an alternative procedure for introducing Bills, a motion to appont a committee to prepare and bring in a Bill. Such an Order of Reference could be given by the House upon adoption of a motion presented by a private Member, during Private Members' Business, to have a committee bring in a Bill on a particular subject.

The report concluded by adopting Recommendation 4.12 which states:

> We recommend wider use of parliamentary committees to review draft legislation, to conduct general inquiries when policy choices have not yet been made, and to bring in draft Bills.

The objective of the McGrath committee and its attempts at reform were based on the need to enhance the role of Members of Parliament. It is obvious from its conclusions that one of the most appropriate ways to accomplish this task is through a renewed and more effective parliamentary committee system. The decision as reported by the Chairman of the Committee on Private Members' Business undermines the spirit of these reforms and consequently impairs my ability as a Member of Parliament.

Therefore, with all due respect, I urge that this matter be referred to the Standing Committee on Elections, Privileges and Procedure for a full parliamentary investgation into the right of Parliament to empower Standing Committees to study and report to Parliament on items arising under Private Members' Business.

Mr. Bill Kempling (Burlington): Mr. Speaker, I will not take too much time on this matter. The committee, when it was formed, received a mandate, we might call it, from the McGrath committee, with its acceptance by the Government, to deal with private Members' bills and motions. There were no instructions, not even a guideline given as to how we select these bills or motions. Consequently, the committee on its own developed a rule or guideline of nine items by which we would help private Members draft their bills and motions. Each Hon. Member was sent a copy, and I might say the motion presented by the Hon. Member for Peterborough (Mr. Domm) met the nine conditions set forth.

The difficulty we had at committee at the time is that we unanimously agreed we were not empowered to instruct another committee to take a certain course of action, particularly when that committee could take that course of action on its own. That was the position we held to. Further, the advice we received from our procedural people reinforced that position. I understand there is a division of opinion with the procedural experts as to whether we do or do not have the power to empower another committee to look into matters such as this, but that was the unanimous decision of our committee. We believe the matter really should go back to the Committee on Elections, Privileges and Procedure for review.

It is difficult to deal with this matter because we meet in camera. I cannot really reveal in the House of Commons what we discussed in camera, otherwise, why have an in-camera meetings? That is a difficulty we have.

An Hon. Member: What deals are cooked up there?

Mr. Kempling: My colleague asked what deals are cooked up. I think that is a very unfair comment.

Mr. Speaker: Order, please. As I indicated to Hon. Members, there seems to be a grievance here, and feelings are fairly tense. However, I would ask all Hon. Members not to impute motives to other Hon. Members, and that applies to all of us.

Mr. Kempling: I might also say we are not asked by the regulations laid down in the establishment of the new Private Members' Rules and Regulations that we disclose why we accept a motion or a Bill, or why we do not. We are not required to do that, so we have not done so.

We believe, Sir, that the Committee on Justice and Solicitor General has the power in itself to undertake the study on its own. Why did we come to this decision? We draw 20 Bills and we can only select up to six Bills.

Mr. Vankoughnet: Only five are selected.

Mr. Kempling: If the Hon. Member wishes to speak on this matter, I wish he would do so later.

Mr. Speaker: Order, please. The Hon. Member for Burlington.

Mr. Kempling: We pick up to six bills or motions—

Mr. Vankoughnet: Five.

Mr. Kempling: —which are drawn from the hopper. I should say the last time we went through this procedure we picked three because there will be a further draw after we dispose of 10 items. What would be the point of pulling another 10 items if the Hon. Members felt there was no possibilty of that item coming before the House of Commons for a vote? Therefore, we chose them on that basis. We selected three the first time. We selected five when we disposed of 10 of the motions or bills we have before us. We will select another 10, and one of those may possibly go on for a vote.

I want you to understand as well, Mr. Speaker, that we are breaking new ground. The first batch of bills we had before us in the first session were basically bills and motions some of which had been in the hopper for years. Some of them were flawed procedurally, some were flawed legally and some were flawed constitutionally. But those bills were put into the hopper for the first draw. Most of the bills have been redeposited. Some of them have just been changed from bills to motions. It is a learning process for Hon. Members. I believe that as we go down the road we will eventually begin to produce better motions and better bills. At the disposal of the committee is the advice of legal and drafting experts. We urge Hon. Members to seek out the advice of these experts to ensure that when their Bills come before us they are in the best possible form.

• (1600)

As far as the committee is concerned, and my colleague the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) may wish to comment on this point, if the matter is referred to the Standing Committee on Elections, Privileges and Procedure, we would be pleased to hear it. We would also be pleased to hear the Hon. Member for Peterborough (Mr. Domm) when the committee next meets, if he wishes to appear before us.

I cannot comment on the leak to the press. That is a separate issue. I was as shocked as all Hon. Members when I picked up *The Ottawa Citizen* on the morning the committee reported to the House to find comments regarding the report. At the final meeting of the committee the members of the committee authorized me to speak on their behalf to the media after the report was tabled. I did this. I spoke to a number of journalists outside the Chamber with respect to this issue. I might add that it is the only issue about which they were really concerned.

I leave the matter in your hands, Mr. Speaker. Numerous rulings have been made in the past about the business of committee members and whether or not Speakers should intervene. I will not read those rulings into the record, since I am sure Your Honour has them at your fingertips. I think this is a serious matter. It is a grievance. It should be referred to another committee which could perhaps give us more direction with respect to how we should proceed in the future.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to speak to the question of privilege raised by the Hon. Member for Peterborough (Mr. Domm). My remarks are not with respect to the merits of his motion, since obviously that is not my role at this time.

There are two issues before us to consider. The first is with respect to the media leak. I was fortunate enough to have had my item chosen. Like many others I learned of it on the radio of my automobile while driving home on Friday afternoon instead of learning about it through the regular means by which Members normally find out about such matters. I found that procedure to be somewhat unusual even though it was good news for me personally.

The second item I wish to bring to the attention of the Chair is the matter of a committee sitting *in camera*. Citation 628 of Beauchesne's defines *in camera* sittings of committees. As I understand it, and as has been explained to me privately by the Hon. Member for Peterborough, the *in camera* sittings with respect to this committee were somewhat different from those associated with other committees of the House. What I mean to say is that under the definition of *in camera* sittings in Beauchesne's a committee has the right to exclude strangers at any time. I do not know of an *in camera* sitting of a committee which excluded Members of the House from attending. The incidents described to me by the Hon. Member for Peterborough, although briefly, lead me to believe that Members were not permitted to attend this particular *in camera* sitting. I have a problem with the procedures of a committee which create a

precedent by which Members would be prevented from attending an *in camera* sitting of that committee, notwithstanding the good intentions that were obviously there in this case. It is a dangerous precedent, one which should be discontinued.

Just as any Member of the House of Commons has the right to enter the Chamber, every Member has the right to attend the meeting of a committee of the House. If we are not extended that right then I strongly suggest to you, Mr. Speaker, that an individual Member would be denied the powers given to him or her upon his or her election to the House. It is really that part of the deliberations of a committee which I find the most objectionable, notwithstanding the fact that there were good intentions involved in this case, at least I believe they were, knowing the calibre of the Hon. Members who sit on this committee. Notwithstanding that good intention there should be a review of this procedure by the Standing Committee on Elections, Privileges and Procedure to ensure that there will never be a repeat of the process whereby a committee of the House denies a Member of the House either directly or indirectly the right to be present at any sitting of a committee.

Those are the brief comments that I wish to make. I believe they are important since they concern the rights of every Member of this House, regardless of political stripe. My comments have not been made either for or against the proposition which was considered by the committee in terms of the Hon. Member for Peterborough. There will be another time to discuss that. My comments are made to express the view that all Members of the House should have the power and privilege to participate in any process of this House, which includes attending the deliberations of a parliamentary committee.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to make a few remarks both as a member of the Standing Committee on Private Members' Business and as a member of the Special Committee on Reform of the House of Commons which made the recommendation for this particular process. If I understand the main point of contention put forward by the Hon. Member for Peterborough (Mr. Domm), it is that in some way the committee endangered the power of the House of Commons to refer matters to committee. That is the substance of Standing Order 96(1) about which he spoke. I would like to speak to that matter first.

The judgment of the committee with respect to which of the 20 items that came before it were to be selected as votable in my judgment does not, either in theory or in practice, impair the ability of the House to refer matters to committee. We did not not choose the Hon. Member's motion because we did not think the House had that power. We had to consider that motion, among others. It was our view that, because of the very reforms which the Hon. Member cites, brought about as a result of the McGrath Committee, committees now have the power to do things which before they only had the power to do when the House empowered them to do so. For this reason, I suggest to the Hon. Member that when he invokes the McGrath reforms he is not being completely accurate. It is precisely because of those reforms that the Standing Committee on Justice and Solicitor General has the power to do what it would have been asked to do had the Member's motion been made a votable item and passed in the House.

One of the matters that the committee has to consider, and which we have made no secret we were considering, is that there is a limited number of items which can come to a vote in the House. This is part of the criterion, a public criterion known to all Members of Parliament, which is to say, that we must ask, is there any other way that this matter can come before the House? Is there any other way that either a committee of the House or the House itself can consider this matter?

It is certainly true of what would have been the result of the Hon. Member's motion being passed by this House that that could happen in a number of other ways and that the Justice Committee itself could decide to proceed with that type of investigation.

• (1610)

I say to the Hon. Member, who makes the point about Standing Order 96(1), that I do not think, Mr. Speaker, you can consider that to be a valid point. The power of the House to do that remains. The power of the Standing Committee on Private Members' Business remains to choose a similar motion in some other context, if it felt it should do that. So nothing in principle has been endangered whatsoever.

A number of other things have been mentioned, and with the Chair's indulgence I would like to touch on them briefly. The point was made that Members whose items were not selected as votable items, or in the case of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) whose item was chosen, did not find this out before it was tabled in the House. I do not remember that there were any complaints about this type of thing the last time, when people found out which items had been selected when the report was tabled in the House. As I understand it, there is no obligation on the part of the committee to give advance notice to Members as to the fate of their Bills. That is what reporting in the House is all about. That is when people find out.

With respect to the question of *in camera* meetings, I acknowledge that it is an exceptional procedure. As far as I know, no Members sought to be present at those *in camera* meetings. There are many decisions made around here, perhaps not committee decisions, but in the final stages of drafting a report the committee meets *in camera*, and that is common procedure. That is basically what we are doing when, after having heard all the Members, we get down to the business of deciding what our final report will be.

I suggest to you that as one of the people who was involved in the reform this system will not work without *in camera* meetings. Others may argue that it is not working, and that is

fair enough. But it will not work, Mr. Speaker, if there is no opportunity for an *in camera* meeting. I think it is unfortunate that Members have not respected the judgment of the committee. The Member for Peterborough feels very strongly about this issue, but I think he has done the process of reform and private Members' business a great disservice by bringing it up in this way.

Mr. Speaker: I am sure that the Hon. Member does not wish to cast any aspersions on the Hon. Member for Peterborough.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I also want to indicate that I am a member of the selection committee for Private Members' Bills.

I will commence by saying that inherited by Canada from the British parliamentary system is the division of law. We have the politicians who write law, the police who enforce law, and the courts who interpret law. It is incumbent upon those who write law to write it precisely. It cannot be left to the police, or to the courts, to try to guess what the writer of law meant. There must be precision on how a motion or a piece of legislation is set forward.

In the setting forth of the case by the Hon. Member for Peterborough (Mr. Domm), he asserted that Members of Parliament as private Members no longer have the right to refer to or ask a committee to make a study. I submit that this is inaccurate. The fact is that the Hon. Member for Peterborough did not ask that the committee undertake a particular study. What he did do precisely, and I read it, is to ask that the Standing Committee on Justice and Solicitor General be empowered to study and report.

Sir, the fact of the matter is that the committee is empowered to do so today. In the changes that came about as a result of the McGrath Report we no longer require that there be a reference from a cabinet Minister to a committee for it to undertake a study. Within the concept of law, what the Hon. Member for Peterborough has asked the committee to do is something that it already has the power to do. In effect, his motion was redundant.

The other observation I would make is that the Hon. Member, in putting forward his case that his privilege had been denie,d indicated that his Bill met the criteria. While I submit that it did not for the reason I have previously stated, namely that it was redundant, that observation in and of itself is not a criterion for its acceptance.

The committee receives 20 motions, pieces of legislation, or combinations thereof from which it will accept up to 6. Given the hypothetical situation where the committee receives 20 which are eligible in terms of criteria, by the requirements placed upon the committee, it cannot accept all 20, because it is restricted by regulations to accept only up to 6. Therefore, the other condition that the Hon. Member for Peterborough sets before us again does not bear on the argument. The committee has to ascertain whether the motion or legislation is acceptable on other grounds and for reasons of other merit.

Having said that, I am sure that committee members are all offended by the fact that there was a breach and that this information ended up in public sources before it was tabled in the House. Mr. Speaker, that concerns us all and ought to concern us all.

Whether or not this matter should be studied, and whether or not this should or should not be done *in camera*, I submit that we are new in this practice of trying to extend our parliamentary practices to enhance the power of private Members. To that extent, openness is always encouraged, even though there are reasons in this decision-making process for there not to be a continuing and ongoing battle with those who petitioned for their legislation and motions during the decision process to have to continue that process.

Nevertheless, if in your judgment there is a benefit in this issue being studied further, I would certainly be agreeable to doing that. But I cannot accept, on the basis that I have already given, that privilege has in fact been breached.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to support with all the power and force at my disposal the representation made by the Hon. Member for Peterborough (Mr. Domm), which in pith and substance is that his privileges as a Member of the House of Commons have been adversely affected by the process followed by the Standing Committee on Private Members' Business.

I wish to focus attention not on the membership of that standing committee or its method of operation, but on the rights of the Member for Peterborough which represent the rights of all Members of the House. At the same time, I wish to express my gratitude to you, Mr. Speaker, for hearing what I think is a vital matter to all Members of the House here present and for the future.

In this process of reform what has happened is that the system has been changed. Under the British parliamentary system, it is the ancient right of a Member of Parliament to introduce in the House of Commons specific matters of interest to the Member, his constituents, and hopefully to all Canadians. What the Member can do is to present a motion or, a Private Members' Bill, and there may be other processes which he can commence in the House of Commons. In the case of a Bill, and in the case of a motion, the Standing Orders prescribe the process and procedure that is to be followed. The House of Commons in its wisdom has added an addendum to that time honoured centuries' old system which involves a reference to a standing committee of the House of Commons. That addendum changes the nature of the whole process.

• (1620)

One can no longer proceed in the normal course with a motion or with a Private Member's Bill. In order to be successful in the new system, one must gain the support and the judgmental decision of the Standing Committee on Private

Members' Business. Otherwise, one might as well forget about one's Private Member's Bill or motion. It will be lost in priority to Members who have been given the status of votable items. That is why a Member's privileges are affected by the actions of the committee.

Who cares who is on the committee or what decisions they make? What matters is that a Member can no longer process these matters of Private Members' Business in the way a Member could prior to the changes. Mr. Speaker, that is what you must focus your attention on—what has happened to the private Member in this process.

I do not need to add anything to the words of the Hon. Member for Peterborough. He has explained fully his situation. He had what could be considered an appropriate item for action by the House of Commons. Many others have had similar items. However, the committee has intervened in a process which has been in force for centuries in the British Parliament and side-tracked his motion. It put it on the dump heap. It will no longer be of any real interest because an adjudication has been made. That is why his privileges are affected. That is what happens to any Member who is subjected to the scrutiny of the committee and does not receive a favourable judgment. That is why someone should look at the process and ensure that the rights of Members are protected in all situations.

I said that I do not think the membership or processes of the committee are at issue in this matter of privilege raised by the Hon. Member for Peterborough. However, from personal experience I want to make two points which have been raised in the debate by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) and by others. There is absolutely no justification for *in camera* sessions. I cannot agree more with my colleague who said that unless the light of day shines on any parliamentary process, it is worth nothing. One cannot meet behind closed doors in any public forum, especially not in the Parliament of Canada. It may present difficulties. It may work to the disadvantage of Members who have their proposals criticized, but the whole purpose of the Parliament of Canada is to make all aspects of its operations open.

I also want to point out that Standing Order 36 is very clear on some of these matters. First, a Member who has a proposal selected by the committee must be consulted under the rules. They cannot brush it aside and say, "We are going to meet and decide; we do not like this proposal". They have to consult with the Member. It is not a matter of privilege. It is not a matter of saying, "Be here at ten o'clock or lose your chance", if one is down in New York and cannot come before the committee. That is the requirement of the rules; consultation is required. A second point which is very clear under the rules is that it is the merits of the items alone which determine whether they should be selected at the committee.

What does that mean? I do not know if it can be cited in the context of a question of privilege, but it is very clear to me. One looks at the item and, if it is a good item and it is worth the attention of the House, it should be brought to the attention of the House. I cannot imagine how one can work procedures, other availabilities, and other forums into that decision-making process on the merits of the matter. One can do other things with a motion or a Bill. One can advertise it or put it in the newspaper. However, this is the Parliament of Canada. The purpose of the exercise is to get it before the House, get the attention of Members on it, and get the matter decided upon by the House of Commons. Anything that stands in the way of that ultimate end affects the privileges of a Member of Parliament. If it affects a Member in an adverse or unfair way, it is a proper matter for study and adjudication by the House of Commons.

Mr. Albert Cooper (Peace River): Mr. Speaker, I want to enter into this discussion for a couple of reasons, one being that I was a member of the McGrath task force and was involved in the drafting of this process. When the Hon. Member for Peterborough (Mr. Domm) first addressed the Chair, there were two elements in his case. However, since that time it is like the pebble having been dropped into the pond, and there have been ever-widening ripples. I want to deal with a couple of the ripples as well as the substance of the Hon. Member's intervention.

I find the whole discussion of the matter of *in camera* meetings a little unusual. It has been a long accepted practice of the House of Commons and it is very important to the House. I would argue that to take it away would put the various committees in a very difficult spot when it comes to drafting of reports, such as the Board of Internal Economy, the Standing Committee on Management and Members' Services, and various other committees studying matters *in camera* around here. I would argue that this particular committee certainly has a justification for holding its final decision meeting *in camera*, in that any other Member who attends and has a Bill or motion before the committee would obviously be in a conflict of interest position. That must be taken into account.

The second ripple with which I wanted to deal is the argument made by my hon. friend who spoke prior to my intervention. He indicated that somehow Hon. Members' rights had changed in a negative way in terms of their Bills and motions since there were reforms to Private Members' Business. That escapes me completely.

As I understand it, those Bills and motions can proceed much as they did before. In addition, an Hon. Member has the right, opportunity, and chance to have the motion go one step further, that is, to a vote or decision of the House of Commons. As all of us know from practice, it was a very rare circumstance.

I should like to deal with the substance of the intervention of the Hon. Member for Peterborough. I do not believe he has a point of privilege. However, I think there is a serious point of order here and perhaps a role which the Speaker will want to play in terms of advising the House or making a reference to a committee, if that is the route the Speaker chooses.

I do not think the Hon. Member has a question of privilege. Although comments released to the press on an *in camera* meeting have time and time again been a grievance or a point of anger for many members of committees and Members of the House of Commons, I do not believe a precedent has ever been established to determine that it is a case of privilege.

That brings me to the second point raised by the Member, namely, whether or not the particular committee has the right to instruct another committee to take a certain action. It is at this point that I think we have a couple of difficulties. It is my understanding that some Members, in the drafting of their Bills and motions, have been given the advice that they should use the word "empower". I also understand that it is the word "empower" that is causing the procedural difficulties.

I can understand the difficulty. In a sense the Hon. Member's motion which is of concern to the House today, in using the word "empower", is asking the committee to do something which it already has the power to do. However, it is very important for the House to establish and the membership to understand that a private Member has every right, through the private Members' process that has been established, begin the process of instructing a committee to take a certain action. Obviously the individual Member cannot make that instruction. The committee on selection of Private Members' Bills cannot make that instruction. The only way there can be that instruction is when there is a decision for the vote. The House then divides and gives the instruction. It is not the private Member and it is not the committee dealing with Private Members' Bills that gives the instruction. It is only the House of Commons that gives that final instruction to a committee.

I believe there are two problems with that section. One concerns the word "empower". If it is causing procedural difficulties, I think the word has to be addressed. It is something I should like to see the Chair address. Second, it is very important to establish clearly that the House of Commons retains the right to instruct any committee to take any action it sees fit. That process can be begun by a private Member's intervention in the form of a Bill or motion which goes into the draw, is drawn, goes through the proper committee process, and then goes to the House of Commons.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I am a member of the particular standing committee, and I read in the newspaper on the West Coast the results of the meeting. I can assure you, Mr. Speaker, that I was disappointed that a breach of security, what I felt was security, had taken place with regard to the findings of the particular committee on which I sit. I read about it in one of the national newspapers.

• (1630)

If the privilege of the Hon. Member for Peterborough (Mr. Domm) has been breached, it would be because the announcement was made in the fashion that it was, either by some Member or by somebody in that committee leaking it. If we meet in a steering committee or *in camera*, we meet for the purpose of meeting privately. If there is no privacy, it is a redundant act to meet *in camera*. If the privilege of the Hon. Member for Peterborough has been breached, it is because the information was made public beforehand.

As to the content of the motion, I do not think that is a matter for discussion here. I think it comes down to a question. There is a process in place. There is a draw. Twenty names are drawn. For those whose names are not drawn, has their privilege been breached because their Bills have not come from the draw? That is the question, Mr. Speaker. If the regulations stipulate that six Bills have to be chosen, what happens to the 14 Bills remaining? Those Members affected could say that their privileges have been breached because their Bills were not chosen. If there has been a breach of privilege brought upon the Hon. Member for Peterborough, it would be that an announcement was made or a leak occurred prior to the findings of the standing committee being reported to this House. That took place, and it is something that I abhor. We meet *in camera* and in steering committees. Obviously members of this House, deliberately in certain cases, have gone to the press and made these things public. If there is anything we should deal with, that is what we should be dealing with.

Mr. Bill Kempling (Burlington): Mr. Speaker, I have a very brief comment. There has been quite a bit of comment this afternoon on why we meet *in camera*. I might clarify that. The very first meeting we had of this committee was held downstairs in Room 112-North. Two members of the Official Opposition appeared with a number of cameramen and reporters and stated that their purpose was to filibuster the possibility of the selection of a Bill on capital punishment put forth by the Hon. Member for Peterborough (Mr. Domm). That was their purpose. I refused as chairman to recognize the Members, and they left. We all agreed that if we had not done that, we would have gone nowhere with the selection of any Bill, let alone the Bill of the Hon. Member for Peterborough. That is why we met *in camera*. It was to discuss the various items before us and to come up with the proper selection.

Mr. Domm: Mr. Speaker, I appreciate the opportunity to respond to a couple of points made. The first one that I wish to make, and I wish to make it emphatically, is that I did not rise in my place today on a question of privilege because my Bill was not chosen. I rose on a question of privilege because of the process being used in selection. I am prepared to take part in the draw. We have to remember though that now there are different classes of Private Members' Bills. You could be a Member of Parliament, Mr. Speaker, like I have been for six or seven years and you might never have an opportunity to debate or discuss a piece of your own private Members' legislation. The process in place makes it necessary that 20 Bills be drawn. Your Bill could be among the other 140 Bills and that is where it could stay for your total life in Parliament. It is not a case of whether my Bill is chosen or not chosen; it is a case of what process is used to choose it as a votable item. I maintain that when a process is put in place that exceeds the

mandate given to the committee to make that selection, there is a question of privilege.

I am not arguing about the rights of the committee to select and bring to a votable item four Bills, six Bills or whatever it chooses. This time five Bills were chosen, although six could have been chosen. I am arguing that the committee has to be clear in its mandate. I suggest, with all due respect, that the mandate given to the committee under the Standing Order about which I rose on a question of privilege is not clear. Let me tell you why the Standing Order is not clear, Mr. Speaker.

This whole debate started out, as pointed out by the Hon. Member for Peace River (Mr. Cooper), with two main points and about five ripple points. All are very valid points, but they are not my question of privilege. When we refer to a motion empowering a standing committee to study and report, we do not refute the fact that Parliament has always been able to do that. Everybody in this House knows that Parliament has been able to do that. Nor am I refuting the fact made by the Chairman of the standing committee that this power to refer, discuss and report is in effect now under the reform brought about by the McGrath Committee. The McGrath Committee made it possible for standing committees to initiate their own studies. I do not find any fault with that at all. That gives more power to the standing committees.

I am arguing that in the process of disallowing my motion the committee has removed that right from Parliament. It argues and states in the decision that my motion simply empowered the Justice Committee to do what it already has the power to do, namely, the authority given to it under the McGrath Committee. By giving that authority from the McGrath Report to the committee, a report endorsed by all three political Parties, I did not think, and I am sure no one in this House believed, that we were removing that right from Parliament.

All my Bills and my motions, speaking only about my own particular case, went through your office, Mr. Speaker, for acceptance as to their condition and form. I had several sent back before they went into the draw. They met the conditions. That motion asked only for the right to refer it to by Parliament's direction and be put to a vote in the House. I did not ask the standing committee to refer it to the Standing Committee on Justice and Solicitor General. I asked for permission to have the motion voted on in the House so that Parliament, not the Standing Committee on Private Members' Business, would direct that other standing committee to study and report. I was not under the impression, and I am still not under the impression, that Parliament has lost that right as the supreme body. This committee is only a finger wave of the main body, that is, of Parliament.

I hope that in this debate we are not all sitting here prepared to compromise Parliament's position in the issue. Parliament is supreme. Parliament can send anything it wants to any standing committee, notwithstanding the McGrath Committee which has given that authority to the standing committees.

I hope we can get this matter before the standing committee. Just to show you that I am sincere, Mr. Speaker, I have requested of the standing committee the right to appear before it. I have sent a letter to every member of the Standing Committee on Private Members' Business in order that I might appear before it to argue this point. I have not been given that opportunity. I have also sent a letter to every member of the Justice and Solicitor General's Committee asking to appear before it because it does have—and I agree with the standing committee—the authority to initiate a study. I am asking for more than the authority given to the standing committee. I am asking for the authority of Parliament to refer the matter and require a report. Other NDP, Liberal and Conservative back-benchers have put the same motion many times over as allowed under the present Standing Orders. They might just as well be prepared to withdraw them all because the committee unilaterally, without the authority of Parliament, removed that right through its rejection of my motion, giving that as the "reason" for the rejection of my motion.

• (1640)

As my privileges have definitely been violated, I therefore urge you, Mr. Speaker, to refer this matter to the appropriate committee in order that public hearings be held so we can document our case, hear the responses, and come to a resolution of the problem which does not dilute the power of Parliament in dealing with matters of urgent and pressing national concern.

Mr. Blaikie: Mr. Speaker, I have just two points to make. I would agree with the Hon. Member if in any way the committee had said that under no circumstances, as a matter of principle, would any Private Members' Motion to empower a committee to study something be accepted. However, the committee did not say that. If it had, the Hon. Member would be making a very serious point. I myself would not want to eliminate the ability of a private Member to bring a motion to have the House refer something to a committee for study. However, that is not what the committee did. The committee did not make its argument "in principle", and did not say "under all circumstances".

The reason given is not new. We used it in the last round. I recall the motion of the Hon. Member for Scarborough West (Mr. Stackhouse) who wanted the Standing Committee on Finance and Economic Affairs to study the matter of credit card interest rates. We argued that the committee had the power to study that matter if it wanted to, and that, all other things being equal, there were other things that could not come before the House except in the form of a Private Members' Motion. Therefore, we suggested to the Hon. Member that he should try to get the committee to do that. That is all we have done in this case. That is not new. We did not invent it. It was employed once before by the committee. Therefore, I do not think the Hon. Member is being fair to suggest we pulled it out of a hat.

Mr. Speaker: Hon. Members have helped the Chair a great deal in their interventions. The matter is of grave concern to Members and the Chair is going to consider all of the representations very carefully and report to the House as expeditiously as possible.

The Chair is also aware that feelings in this matter are and have been tense. I want to thank Hon. Members for accepting my suggestion that we make a little extra effort this afternoon to be sure that however severely we may feel about any of the issues raised in this particular matter, we recognize the civilities of this place. That has been done and the Chair wants to express its appreciation for that conduct.

The Chair is also aware that the Hon. Member for Burlington (Mr. Kempling) is placed in a difficult and uncomfortable position. I want to thank Hon. Members for hearing him out as courteously as he was heard.

There is another matter of privilege and I recognize the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

ALLEGED ASPERSION CAST ON CREDIBILITY OF MEMBER

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, this afternoon in Question Period the Hon. Minister of National Revenue (Mr. MacKay), in answering a question from his own back-benchers, tried to discredit my credibility in this House.

[*Translation*]

Mr. Speaker, yesterday in the House I said, and I quote from *Hansard* at page 1275:

> At my request this morning a woman—

—I repeat, a woman—

> telephoned the Revenue Canada office in Montreal. She gave my name, my social insurance number, my address, my date of birth. She was able to have access to my 1985 income tax return.

The important thing here is that a woman—and I don't think I could be mistaken for a woman—was able to have access to my income tax return.

So as far as I know, it seems that when someone calls and gives a social insurance number, they get out the first page of the income tax return containing the following information: address, date of birth, social insurance number, married or unmarried, single, divorced, and sex: male or female. It was obvious that here was a woman calling about an income tax return that belonged to a man, and the person at the other end of the line should have wondered about this.

Mr. Speaker, there is something wrong with the whole procedure, and it is dangerous, since traditionally, information on income tax returns is confidential.

Another thing, Mr. Speaker, is that the Minister is questioning my credibility, because it seems there were other versions. Of course he has every right to think so and say so, without challenging the credibility of other Members of this House. Besides, my version is also different from his.

Mr. Speaker, the matter of principle I wanted to stress in my question yesterday, and that is in fact why I am raising a question of privilege today, is that my credibility is being challenged. Instead of trying to challenge my credibility, the Minister ought to make sure that after this microfiche theft, Canadians need not fear that anyone could have access to their income tax returns, because, Mr. Speaker, income tax returns are sacred, they are personal.

Mr. Speaker, I would therefore ask, through you, that the Minister apologize in the House for having challenged the credibility of a Member and give Canadians the assurance that accidents like the one that happened yesterday will not happen again.

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I am very much indebted to my colleague for giving me a further opportunity to set the record straight. First, if he examines my remarks, I suggested that he did not tell the whole story. That is why I am glad to be able to take this opportunity very briefly to say to him, a Member for whom I have the greatest respect, that in a matter as serious as this—and I and the Government have made no attempt to minimize its seriousness—no additional speculations, extrapolations or half data should be put before the public to make them needlessly afraid of what might or might not occur.

What my colleague said, in so far as he said it, was correct, but he did not leave the impression that I think Canadians were entitled to receive under the circumstances. He says he has a different version, and perhaps he does, but it raises a lot of questions when he puts the question to me as he did yesterday about employees' integrity and violation of the system which he implied may have occurred because of the data he supplied.

With the leave of the House I will be very brief and put down, without violating his confidentiality, what actually did occur on the basis of what I was given by my Deputy Minister. I think it is of interest to all Canadians.

• (1650)

At 10.43 yesterday a call relating to my colleague opposite was received by an inquiries officer at the Montreal district office. The caller, an English-speaking female, after giving the SIN number and date of birth of the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), asked about a particular item in his return. Through our computer system the employee satisfied herself that such an item was in fact in the return. No confidential information was given since, when our employee asked the caller for further detail about the deduction, the caller hung up. I think that is relevant and gives some assurance to Canadians.

At 10.59 a French-speaking female person called the Montreal district office. The call was received by another inquiries officer. The caller gave my colleague's name, SIN number and date of birth and again asked about an item. I will

not, of course, say what that item was. The employee asked for further detailed information. The caller provided the information. At 11.01 the employee accessed the computer and confirmed that the information provided by the caller was correct.

The employee then asked the caller to provide even further information about my colleague's return. Again the caller responded with the precise correct information. At that time the employee provided public information to the caller based on questions about the return. The caller terminated the conversation by informing our employee, without her having asked for it, of further tax information pertaining to my colleague.

In the two calls three pieces of information, either volunteered or otherwise, were requested and confirmed by the callers. Let me point out for the benefit of the House that, it is clear that no one in the Department can access confidential information without leaving a record for audit purposes. I think this information ought to be very reassuring to Canadians.

I have always had the greatest respect for my colleague. He is a good accountant. He knows that these safeguards are in place. As grievous and unfortunate as it is that this information may be on the record, it is clear that there are safeguards built into the system. Canadians need not have the impression that simply by calling the income tax office and providing a SIN number access to and information about that return can easily be obtained. That is my point.

Mr. Deputy Speaker: The Chair will, of course, reserve on this matter and make a ruling at a later date.

* * *

CHILD CARE

PRESENTATION OF FIRST REPORT OF SPECIAL COMMITTEE

Mrs. Shirley Martin (Lincoln): Mr. Speaker, I have the honour to present the first report of the Special Committee on Child Care in both official languages. If the House gives its consent, I intend to move concurrence on this report later this day.

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

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise pursuant to the provisions of Standing Order 106. I have a petition which has been certified to be correct as to form by the Clerk of Petitions and signed on October 16, 1986. This petition calls on the federal Government to change its mind with regard to the Patent Act. It points out that the proposed measures will unfairly hurt those Canadians whose health requires the purchase of prescription drugs on a continuing basis. It is from residents of the riding of Thunder Bay—Atikokan and the neighbouring riding of Thunder Bay—Nipigon.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition signed by a number of residents of Canada. Pursuant to the provisions of Standing Order 106, this petition has been found to be in order by the Clerk of Petitions. It was signed accordingly on November 7. The gist of the petition is that the signatories believe that the Government's proposed legislation to change the Patent Act will have the effect of increasing drug prices for Canadian consumers and will severely restrict the ability of the average Canadian to buy the necessary drugs. Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to reject those proposals to raise the drug prices and to reject the law which would have that effect.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in compliance with Section 106 this petition was certified to be correct as to form on November 7 of this year. It is from residents of the Lestock and Leross areas of my riding. They point out that the proposed changes to the Patent Act would increase drug prices and unfairly hurt Canadians whose health requires the purchase of prescription drugs. They indicate that the proposal would result in higher costs to provincial Government drug plans and is another example of Canadian Government concessions to the United States in the free trade negtiations at the expense of average Canadians. They therefore call upon this House to reject these proposals which will increase drug prices for Canadians.

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by a number of persons from Thompson, Manitoba. They state that the federal Government's proposal to change the Patent Act in relation to prescription drugs will increase drug prices. In view of the refusal of the Minister of Consumer and Corporate Affairs (Mr. Andre) to table crucial Government cost studies in this House with respect to these concerns, I move, seconded by the Hon. Member for Kamloops—Shuswap (Mr. Riis):

That this House do now adjourn.

Mr. Deputy Speaker: The Chair finds the motion to be in order. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Young) which was negatived on the following division:

(*Division No. 22*)

YEAS

Members

Althouse	Guilbault (Saint-Jacques)	McDonald (Broadview—Greenwood)
Angus	Heap	Mitchell
Baker	Henderson	Nunziata
Benjamin	Hopkins	Orlikow
Boudria	Jewett	Parry
Broadbent	Kaplan	Penner
Caccia	Keeper	Pépin
Dingwall	Killens	Prud'homme
Finestone	Langdon	Riis
Foster	MacLellan	Robichaud
Fulton	Manly	Rodriguez
Gagliano	Marchi	Young —38
Gauthier		
Gray (Windsor West)		

NAYS

Members

Andre	Gass	Mazankowski
Bertrand	Gérin	McCain
Bissonnette	Gervais	McKenzie
Blais	Girard	Mitges
Bourgault	Gormley	Nowlan
Bradley	Gottselig	Oostrom
Brightwell	Graham	Pennock
Browes	Guilbault (Drummond)	Peterson
Cadieux	Gurbin	Plamondon
Caldwell	Halliday	Redway
Cardiff	Hamilton	Reimer
Champagne (Champlain)	Hawkes	Ricard
Clark (Brandon—Souris)	Holtmann	St. Germain
Clifford	Howie	Scott (Victoria—Haliburton)
Comeau	James	Scott (Hamilton—Wentworth)
Cook	Johnson (Bonavista—Trinity—Conception)	Scowen
Cooper	Joncas	Shields
Corbett	Jourdenais	Sparrow
Crosbie (St. John's West)	Kempling	Stewart
Crosby (Halifax West)	Kilgour	Suluk
Darling	Kindy	Taylor
Daubney	Landry	Towers
Della Noce	La Salle	Tremblay (Lotbinière)
Desrosiers	Leblanc	Tupper
Duplessis	Lesick	Van De Walle
Ellis	Lewis	Vankoughnet
Fennell	MacDonald (Kingston and the Islands)	Weiner
Ferland	MacDougall (Timiskaming)	Witer—90
Fontaine	Malone	
Forrestall	Marin	
Fraleigh		
Gagnon		

• (1740)

Mr. Deputy Speaker: I declare the motion lost.

* * *

PARLIAMENTARY LOBBYISTS

REFERENCE OF DISCUSSION DOCUMENT TO STANDING COMMITTEE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think you will find unanimous agreement for the following motion. I move:

That the document entitled "Lobbying and the Registration of Paid Lobbyists, a Discussion Paper", tabled in the House on Thursday, December 19, 1985 (Sessional Paper No. 331-4/14), be referred to the Standing Committee on Elections, Privileges and Procedure;

That the Committee consider and report upon the issues discussed in the above-mentioned document;

That the evidence adduced by the Standing Committee on Elections, Privileges and Procedure in the First Session of the present Parliament be deemed to have been referred to the Committee; and

That the Committee report its findings and recommendations no later than Friday, February 20, 1987.

Mr. Deputy Speaker: Does the Hon. Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) have unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

CHILD CARE

REQUEST RESPECTING CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, earlier today the Hon. Member for Lincoln (Mrs. Martin) presented under committee reports the first report of the Special Committee on Child Care and indicated that under motions she would be asking for unanimous consent of the House to move concurrence in the report.

I ask whether there would be unanimous consent for myself, on behalf of the Hon. Member for Lincoln, to move concurrence in the first report of the Special Committee on Child Care.

Mr. Gray (Windsor West): Mr. Speaker, I want to inform the House and the Hon. Member that we are not willing to

give concurrence to the proposal that he move the motion on behalf of the Hon. Member. In fact, to save time, I want to tell him that we are not ready to agree to the Hon. Member moving the motion.

I would be happy to discuss the matter further at an early meeting of House Leaders.

Mr. Riis: Mr. Speaker, I simply want to indicate that we are also unprepared at this time to give the necessary unanimous consent. Perhaps we ought to have further discussions and consider it later.

* * *

QUESTIONS ON THE ORDER PAPER

(Question answered orally is indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 14.

[*Text*]

RECRUITMENT OF OFFICERS IN RCMP

Question No. 14—**Mr. Nunziata:**

1. How many officers in the RCMP represent (*a*) native Indian or Inuit (*b*) black African (*c*) Indian/Pakistani (*d*) Oriental (*e*) Arab (*f*) Jewish ethnic or racial groups?

2. Are steps being taken to encourage the recruitment of officers who represent visible minorities and, if so, what are they?

Hon. James Kelleher (Solicitor General of Canada): 1. The RCMP is unable to provide the data requested, as the RCMP application and personnel forms do not contain any questions which could identify an applicant or serving member by race, national origin, color or religion.

The RCMP employs, through a special program, 189 Native Special Constables in regular policing duties associated with Canada's native people, at several locations. For the reasons stated above, however, no further information exists on the numbers of native people, or those from any specific ethnic/racial background who are serving in the RCMP.

2. Yes. RCMP recruiting affords enhanced employment opportunity to four applicant categories, one of which is indigenous persons (Indians, Métis, Inuit).

The RCMP attempts to encourage Canadians of other ethnic backgrounds to consider a career in the Force by advertising for recruits in publications produced by visible minority groups. In addition, the RCMP has participated actively through the Canadian Association of Chiefs of Police in co-operation with the Minister responsible for Multiculturalism to improve the delivery of police services to Canada's ethnic communities into the policing profession.

[*English*]

Mr. Deputy Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

Mr. Lewis: I ask that the remaining questions be allowed to stand.

Mr. Deputy Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Deputy Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council) moved that Bill C-20, an Act to amend the Senate and House of Commons Act, be read the second time and referred to a legislative committee.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am pleased to rise today to begin second reading debate on Bill C-20. Perhaps we could wrap it up today. The Bill was introduced in the House on November 5. In speaking to it, I think it is necessary to give the House the history of what we as the Government have been trying to do.

Through the 1984 Economic Statement and two Budgets, the Minister of Finance (Mr. Wilson) has established a coherent and co-ordinated program to scale down the burden of Government, to improve our competitive position, and to free up our human, physical, and capital resources for use in a productive capacity.

There is under way a determined and planned process of deficit reduction, with 70 per cent of the reduction coming from expenditure cuts and only 30 per cent from increased revenue. For the first time in 40 years discretionary spending has been reduced.

The House will also remember that we instituted a task force on program review in which the private sector and public servants got together to review the efficiency of Government

programs. We have been trying to do more with less. That is the management credo we are using.

Each Department of Government is examining its operating and management practices to eliminate waste, duplication, and inefficiency. The Government has initiated a program of selling surplus assets and privatizing Crown corporations which are no longer serving a public policy role. All Crown corporations are forced to be more efficient in using taxpayers' dollars.

I should also like to point out at this time that when the Government sold de Havilland, there was a great hue and cry on the part of the Official Opposition and the New Democratic Party. Since that time de Havilland sales are booming. It has never had such a big order book. Quite frankly, those people buying aircraft have more confidence in an aircraft company being behind an aircraft company than in the Government of Canada being behind an aircraft company.

We have launched a comprehensive program of regulatory reform to lift the burden of unnecessary economic regulation. Be it in energy, transportation or communications, we are establishing a new environment which will encourage improved services and more competitive prices. This is a strong record of accomplishment, but we realize that more needs to be done.

Mr. Boudria: You don't actually believe that.

Mr. Lewis: Certainly. The Minister of Finance has embarked upon a major process of tax reform to simplify and streamline a tax system which became so complex under the previous Liberal administration as to be incomprehensible to the average Canadian.

The tax system is based upon trust. Such trust will only exist if Canadians believe that our system is fair and equitable. It is our purpose to ensure that the tax system no longer acts as a road-block, but serves to promote investment, job creation and growth on the road to economic renewal.

• (1750)

In all of these initiatives we faced some tough choices, especially with respect to expenditure reduction. We did not shrink from these decisions. As a Government, we were elected to make such decisions. We have made them, and we will continue to make them. We recognized, in order to gain support and understanding for these initiatives, that we must set a good example and practise what we preach. Accordingly, in the November 1984 Economic Statement, the Minister of Finance announced a voluntary decrease in the salaries of cabinet Ministers, including the Prime Minister (Mr. Mulroney). The Prime Minister himself took a cut of over $20,000 for his first two years in office. The rest of the Cabinet sacrificed almost $10,000 per Member in order to assist in the maintenance of fiscal restraint.

In February of this year we had the budget address of the Finance Minister. In this Budget, the Minister of Finance asked all Members of the House and the Senate to accept a reduction of $1,000 in their salaries this year. It means that the Prime Minister and all of our colleagues in Cabinet will have $1,000 less at the end of this year in addition to the other reductions to which I referred previously.

As long as our Government must correct the problems of 16 years of mismanagement of the economy, we will have to take measures such as this from time to time.

Bill C-20 implements the measures introduced by the Minister of Finance. I urge all Members of the House to support our leadership in fiscal restraint and deficit reduction. Although sacrifices have been made, such is done to correct problems of the past and to create more hope for the future. It is for this reason that we, as Members of Parliament, have been asked to make a sacrifice of our own to continue assisting the positive effect the Government has had on the economy.

I want to give credit where credit is due, Mr. Speaker. We have done this because we have a Finance Minister who knows how to manage the economy and a Prime Minister who foresees the importance of planning for the future. For the second year in a row the deficit has gone down. Even recently *The Ottawa Citizen* said that the Minister has:

> A good forecasting record for any Finance Minister managing a $111 billion a year budget.

I remember sitting here in the past listening to Liberal Finance Ministers come up with projections on how much the deficit would be. At no time in my experience in Parliament was any Liberal Finance Minister anywhere near correct in predicting the size of the deficit. Time and time again the deficit was far greater, and I mean billions of dollars greater, than was predicted by the Liberal Government's Finance Minister. Those doubters who now sit, and deservedly sit, in opposition always stated that the country needs a responsible Government to get it rolling. I suggest to you, Sir, that our Government is giving the country responsible Government, and we have proven by our record that we can do that.

I just want to give a few ups and downs for my friends across the way. Unemployment is down since we took office to 9.5 per cent from 11.7 per cent. We have created 600,000 jobs since 1984, 328,000 of which were for women. I point out to my hon. friends opposite that we have appointed more women to positions than the Liberals ever did during their years in office. I remind members of both opposition Parties that time after time they said that if we brought in our deficit reduction measures it would cost us jobs. It has not cost us jobs. It has given 600,000 Canadians an opportunity to work, which is more than the Liberal Government ever did.

I want to talk about another item, that of interest rates. They are down to 9.75 per cent, the lowest level in eight years.

Mr. Gauthier: What about the Bill?

Mr. Lewis: What does the Hon. Member mean, the Bill? The bill that the Liberals left for the Canadian taxpayers will be very difficult to pay.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I would like to ask the Parliamentary Secretary to address the Bill itself and never mind his politics. Let us have some explanation of what is in the Bill.

Mr. Lewis: Mr. Speaker, would it be fair to ask a page to bring a copy of the Bill to my colleague?

Mr. Gauthier: Explain it.

Mr. Lewis: The Bill reduces salaries of Members of Parliament by $1,000 a year.

Mr. Gauthier: Make your comments relevant.

Mr. Lewis: Let us talk about relevant things. We understand why the Liberals do not want to hear about interest rates coming down or about unemployment levels coming down. They were never able to accomplish that when they were in office. I can understand their concern. It is a moment of great embarrassment to the Liberals to have those facts trotted out. They could never explain 19 per cent interest rates or 13 per cent unemployment or the great differences between Lalonde's projections and his actual deficits. There were never any explanations. Now they want explanations. They are entitled to an explanation of the reason that unemployment has decreased.

Mr. Gauthier: We do not need an explanation.

Mr. Lewis: This is a personal thing and I know the Liberals are taking it personally and I want to get personal on this. I understand their concern, Mr. Speaker.

Let us talk about poverty. There are 300,000 fewer lower income Canadians in 1985 than there were in 1984. The reason we are cutting our salaries is to show people that we are serious about deficit reduction. The Hon. Member opposite lives in a house. I want to talk to him about housing starts. The Liberals lost two Ministers over housing start problems. Housing starts are up by 61 per cent since September, 1984. The number of small businesses which have started up are up by 11 per cent since last year. Then we come to tourism which is up by 17 per cent. According to the Conference Board, consumer confidence is at its highest level in 21 years and at its second highest level on record. That is an economic record of which to be proud, Mr. Speaker. When we have a reduction in the salaries paid to cabinet Ministers and when the Prime Minister takes a reduction in salary, we are telling Canadians that this Parliament and this Government are serious about reducing expenditures. For that reason we are asking all Members to participate in this sacrifice of $1,000 a year in income.

I close my remarks by urging my colleagues opposite, who were prolific spenders when in office, to join us in supporting this worthwhile Bill and to vote for it.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let me make a preamble to my remarks by saying that I have never heard so much nonsense in so little time since I have been in the House of Commons to hear a Member of Parliament lead us to believe that there has actually been a decrease in salary for cabinet Ministers. First, that is factually inaccurate and wrong. Second, to tell us that that has cured the malaise of the nation and that in the Member's view that is why the Government is doing well is grossly inaccurate.

I will continue my remarks on this topic at the appropriate time when the Bill is brought back before the House. Let me assure you, Mr. Speaker, that those kinds of inaccurate comments cannot go on unchallenged and Members should speak in this House in such a way as to reflect roughly what is the truth.

[*Translation*]

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until eleven o'clock tomorrow morning, pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, November 20, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling, in both official languages, the Sixth Report of the Striking Committee.

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling, in both official languages, the Seventh Report of the Striking Committee.

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

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

* * *

[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I have the honour to present a petition from a number of Canadian residents who protest the proposals of the federal Government to change the Patent Act relating to prescription drugs.

They petition that these proposals will increase drug prices for Canadian consumers, will severely restrict the ability of average Canadians to buy necessary prescription drugs, will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis, and will result in higher costs to provincial drug plans, despite the protestations of the Minister of Consumer and Corporate Affairs (Mr. Andre) to the contrary.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition, which has been certified correct as to form and content. Like the petitions I had the opportunity to present once before, it has not been vetted by the Deputy Prime Minister (Mr. Mazankowski).

It is a petition from many Canadians in my riding of Winnipeg—Birds Hill who take the opportunity to protest the Government's proposals to change the Patent Act relating to prescription drugs.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition from many residents of Flin Flon, Manitoba and Winnipeg, Manitoba. These petitioners are protesting the changes to the Patent Act relating to prescription drugs. They protest that these changes will severely restrict the ability of average Canadians to buy necessary prescription drugs and that they will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. Furthermore, they will only result in higher costs not only to the provincial Government drug plans but also to individual consumers. These petitioners call upon Parliament to reject these proposals which will only create great hardship for many Canadians.

• (1110)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by residents of towns and cities in Manitoba, including, Teulon, Sandy Hook, Balmoral and Portage La Prairie, in which they say that the proposed measure with regard to changing the prescription patent law will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They therefore humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 106. The petition has been certified as correct as to form and content. The signatories to this petition live in such places as Kanata, Hull, Ottawa and Gloucester, Ontario. The petitioners say that the federal Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of the average Canadian to buy necessary prescription drugs. They also charge that the proposed changes are another example of Canadian Government concessions to the United States, at the expense of average Canadians, in the free trade negotiations. The petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for all Canadians.

Questions on the Order Paper

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in accordance with Standing Order 106 it is my privilege and responsibility to present a duly certified petition from residents of Cowichan—Malahat—The Islands, a riding, incidentally, which has a high percentage of senior citizens. The petitioners are very concerned about changes in the Patent Act relating to prescription drugs which will increase drug prices for Canadian consumers and will restrict the ability of average Canadians to buy necessary prescription drugs. They are concerned that these changes will result in unnecessary hardship both for individual consumers and for provinces. They see this as an another example of Canadians bowing—

Mr. Speaker: Order, please. Hon. Members, I think, have been given a fair amount of latitude by the Chair in making sure that the House and those who are listening know the thrust of the petitions. I would ask that the Hon. Member not go on overly long.

Mr. Manly: In conclusion, Mr. Speaker, the petitioners urge that the House of Commons reject the proposed changes to the patent law.

[*Translation*]

REQUEST THAT BUDGET CUTS TO RESEARCH BE RESCINDED

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, it is my privilege and duty today, pursuant to Standing Order 106, to present a petition to this honourable House.

Mr. Speaker, the petition is signed by residents of Kanata, Ottawa, Navan, Orleans and Gloucester who ask Parliament to abolish the budgetary cutbacks affecting research, especially in the budget of the National Research Council.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a second petition which is signed by residents of the areas of Devlin, Emo, Fort Frances, Stratton and Barwick in my riding. This petition again, as with so many others, calls upon the Government to rescind the proposed changes to the Patent Act which will inevitably increase the drug prices paid by ordinary Canadians.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to get up yet once again and present a petition under Standing Order 106. This petition has been certified by the Clerk of Petitions. As far as I know, it has not been seen yet by the Deputy Prime Minister (Mr. Mazankowski), but I understand that that is not required under the rules of the House of Commons.

Mr. Lewis: Not yet required.

Mr. Murphy: I heard the threat from the Parliamentary Secretary. In the petition these people from numerous communities in Ontario, including Mississauga, Oakville, Scarborough, London, Toronto and Hamilton, express their deep concern that the cost of drugs will go up as a result of the Government's action. They also protest strenuously the fact that this is yet another example of the Canadian Government's concessions to the United States, at the expense of average Canadians, as a result of the free trade negotiations. These petitioners believe that they will be unfairly hurt, especially those whose health needs require the purchase of prescription drugs on an ongoing basis. They call upon the House to protest the Government's actions.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to join with my colleagues in presenting petitions on behalf of a number of western Canadians who are very concerned about the Government's plan to introduce changes to the Patent Act which they believe will increase the price of prescription drugs dramatically. They call upon us as parliamentarians to do whatever we can to encourage the Government to change its mind and reject the concept of changing the Patent Act which will, in their words, increase prescription drug prices for Canadians.

* * *

• (1120)

[*Translation*]

STRIKING COMMITTEE

CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House gives its consent, I move, seconded by Mr. Lewis:

That the Seventh Report of the Striking Committee, presented to the House earlier this day, be concurred in.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SENATE AND HOUSE OF COMMONS ACT

MEASURE TO AMEND

The House resumed, from Wednesday, November 19, consideration of the motion of Mr. Mazankowski that Bill C-20, an Act to amend the Senate and the House of Commons Act, be read the second time and referred to a legislative committee.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, a special "thank you" to my colleagues for their warm applause.

[*English*]

Yesterday afternoon we listened to a speech by the Hon. Member for Simcoe North (Mr. Lewis).

Some Hon. Members: Hear, hear!

Mr. Boudria: It was not a very good speech as you will recall. Let me repeat to you what he said. He said:

> In all of these initiatives we faced some tough choices, especially with respect to expenditure reduction.

The Hon. Member was telling us how the Government had these tough decisions to make on reducing expenditures. Perhaps the Hon. Member could explain, was he referring to expenditures of the Prime Minister's Office? Was he referring to the fact that staffing in the Prime Minister's Office increased by 50 per cent since the Prime Minister (Mr. Mulroney) took over? Or was he referring to the fact that the Prime Minister now requires not one, not two, not three, but five cars in order to travel up and down Parliament Hill and go for lunch at noon? Is that the expenditure reduction the Hon. Member was referring to?

Perhaps he was talking about the newly established legal aid service for cabinet Ministers. You see, if you are an ordinary Canadian in trouble with the law—and you, Mr. Speaker, who are learned in the law, will know this—you go out and find a lawyer. Unless you have a very, very low income, which most cabinet Ministers do not, you have to pay for legal advice. It is a kind of business transaction between the lawyer and his client. The lawyer says he will charge you so much to represent you, and the client says, all right. That is usually the way it works. At least that is the way I thought it worked. Not so if you are a cabinet Minister. A certain former cabinet Minister ran into a situation whereby there was a $350,000 legal bill over an alleged conflict of interest.

Mr. Lewis: Is that Kaplan?

Mr. Boudria: This particular cabinet Minister decided he would avail himself of cabinet legal aid. The Government of Canada will now pay, so we are told, $350,000 of taxpayers' money for his legal bill. Do you know that the savings represented by this Bill at the rate of $1,000 per Member of Parliament and Senator is roughly the same as paying the legal bill of the Hon. Member for York—Peel (Mr. Stevens)?

Mr. Fennell: You caused that.

Mr. Boudria: This $350,000 is allegedly saved to pay for a former cabinet Minister's legal bill. That is what this scheme is all about. It is not a matter of the Government saving money. It has nothing to do with that. It has to do with a certain sense of moral dishonesty on the part of the Government. That is what it is all about.

Albeit unlikely, if you think that I am partisan in making those remarks, which you probably would not, if you think I am not totally objective, let me read to you what some Tories have said in the past about saving money. Once upon a time there was this author. He was not very good. He wrote only one book and the book was called *Where I stand*.

Mr. Gagliano: Where he stood.

Mr. Boudria: Yes, that is very appropriate. That will most likely be the sequel.

At page 44 of the book it says: "How can the Government call on the nation to restrain itself, to be more realistic in its collective demand, when its own record is an unbroken stream of fiscal excesses? Canadians may be many things but stupid we are not. We have a leadership that so blatantly has one code of conduct for itself and quite a different one for the rest of us."

Mr. Rodriguez: Author!

Mr. Boudria: Mr. Speaker, I was not going to reveal the author but I am being provoked by the Hon. Member for Nickel Belt (Mr. Rodriguez). The book was written by one Martin Brian Mulroney.

Mr. Rodriguez: No!

Mr. Boudria: Yes, indeed. He wrote this book which I have right here in my hands. Now we know why the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) said the book should be retitled "Where I stood".

We have a Government which uses two jets, one to carry the Prime Minister and the other to carry his ego, or his cameras, or even his limousine, upon occasion, so that he can have the pleasure of travelling down the streets of New York or wherever with a licence plate on his car that says CAN 001 instead of some other number. That is what it is all about. It is the fiscal excesses of this Government, a Government and a Prime Minister that went on a Far Eastern trip with a butler and a maid. However, they were not an ordinary butler and maid. Yes, the Solicitor General (Mr. Kelleher) told us that this was no ordinary butler. This butler was a combination of James Bond and a butler. He was a security butler so we could ensure that indeed the Prime Minister's clothes and so on were in the proper place at the proper time for security purposes. I ask you, since when is the Prime Minister's underwear a

national security issue? I am wondering. I am waiting to be briefed on that particular topic.

Mr. McDermid: Hah, hah, hah.

Mr. Boudria: Then the Government has the unmitigated gall to tell Canadians they must tighten their belts after that string of excesses.

I was at the Standing Committee on Public Accounts earlier this week. Government officials were asked why a building in Hull, known as the Louis St. Laurent building, stayed vacant for nine months after construction.

Mr. Tupper: Why was it ever built?

Mr. Boudria: I am asked two questions and I will answer both of them. First to the Hon. Member for Nepean—Carleton (Mr. Tupper), and he was not at the committee and that is understandable because he is not a member, but I want him to be aware of the fact that the building was supposed to have been used at the time it was completed and there was a demand for every square foot of space, according to Government officials who appeared in front of the committee. We were told in committee on Tuesday morning that after the building was complete, the Minister was supposed to hire a person to do the interior design. That process normally takes 10 days. I asked how long it took in this case. The Government official said seven months. It took seven months for the Government to appoint a consultant to do the inside of the building.

Do you know how many taxpayers' dollars were wasted in that case? I asked what it was and I ask all Members to review the record of that committee. It cost $1 million a month so that the Minister could decide who he wanted to do the interior design of that building. It is not I who said that. It was said in a committee of this House this week. That is a $7 million waste. We are told by the Government that Canadians must tighten their belts. The Government must be a little more honest with Canadians. I invite the former Minister of Public Works to review the report of that committee. He will see what was said there. If it is inaccurate, I hope he will so state in the House of Commons.

• (1130)

[*Translation*]

Mr. Speaker, today we are being asked to adopt this Bill. It is not a very important one financially speaking, but it is important as a symbol and for two reasons: first, the Government announced in its Budget that as a symbolic gesture, Members of this House and parliamentarians in the other place would be asked to forego $1,000 of their annual increase.

[*English*]

On page 1338 of *Hansard* of yesterday the Parliamentary Secretary said:

> In February of this year we had the budget address of the Minister of Finance. In this Budget, the Minister of Finance asked all Members of the House and the Senate to accept a reduction of $1,000 in their salaries this year.

That is not correct, Mr. Speaker. You and I know that that is incorrect. Members of this House were asked to forgo $1,000 of their increase in salary for this year. The Parliamentary Secretary continued:

> It means that the Prime Minister and all of our colleagues in Cabinet will have $1,000 less at the end of this year in addition to the other reductions to which I referred previously.

That is incorrect as well, Mr. Speaker. We will not have $1,000 less this year than we had last year. We will have about $3,000 more in our salaries. I am not advocating that it be different, but why do we not reveal the facts and tell the Canadian people the truth? That which we are telling them is not correct.

During his speech yesterday the Parliamentary Secretary spoke about the plight of those less fortunate than many of us in this House. He talked about poverty. He said:

> There are 300,000 fewer lower income Canadians in 1985 than there were in 1984.

The Member spent a considerable amount of time talking about that. However, he did not tell us that the budgetary changes will result in massive tax increases for the same people about whom we say we are so concerned.

[*Translation*]

Mr. Speaker, I have a chart here showing that a family with one breadwinner and three dependents and an income of $30,000 for a family of four—I would say this is certainly not a rich family, Mr. Speaker—will have to pay 2.1 per cent more in taxes this year, while a family with an annual income of $50,000 will have a 1.2 per cent increase in income tax, and that from the very same Government which claims to be the defender of the needy. Mr. Speaker, I suggest it is less than honest to make claims of this kind.

I may draw the attention of the House to the fact that a single-parent family with two children and an annual income of $20,000 will have to pay $420 more in income tax in 1986, according to the last two Budgets. Now, the Parliamentary Secretary told the House that Hon. Members would, according to him, have to forego $1,000 of their salaries. Mr. Speaker, that is not correct, that is not true. We are being asked to take a cut in our salary increases. However, Canadians who have to live on very low incomes, the family to which I referred earlier, are faced with a real increase in income tax and thus a net reduction in income for that family. That is what is happening to them. Mr. Speaker, I suggest that the Government's symbolic or quasi-symbolic gestures will not go down well with Canadians.

[*English*]

In the Parliamentary Secretary's fine speech yesterday he pretended that this Bill was important for deficit reduction by the Government. He knows that that is not the case. He knows

better than to make the claims which he made in this House yesterday.

This is but a tiny Bill. It has only four pages. We are taking much time in the House of Commons to debate this Bill. However, in addition to debating the Bill, we are debating the inaccurate comments made in the House yesterday. I think the Government should be held to account for that. It is our duty to hold it accountable. We are trying to do that, but it is pretty hard to keep the Government straight. We are doing our best because we know the kind of Government that this is.

I have read the translation of the Bill before us. The French text and the English text do not appear to be the same. I consider them to be different. I invite you, Mr. Speaker, and the Table Officers to examine the text of the Bill. I believe that in the English text of the Bill we are talking about rounding off the salary at the level of the total indemnity, including the expense allowance. However, that is not explicitly written in the French text. You are learned in the law, Mr. Speaker. I invite you to read page 2 of the Bill. I believe there are discrepancies in the translation of the Bill. I invite Members to look at this because it does not appear, at first glance, to be identical in both official languages.

I will take a moment to talk about more of the fiscal policies of the Government. After all, we are talking about a budget Bill. The Hon. Member for Saint-Léonard—Anjou is paying very close attention to these remarks. I know he would want me to bring to your attention the fact that there has been a tax increase on certain construction goods and other products. I know he is very concerned about this because he has spoken to me about this in the past. The Member for Saint-Léonard—Anjou is a very fine Member of Parliament and is obviously very concerned about these things. As you know, he is the small business critic for our Party, a duty which he discharges very well. He wanted me to bring to your attention that the tax rate on construction goods after the 1985 Budget was 7 per cent, and 8 per cent after the 1986 Budget. Of course, that will increase the price of housing and commercial structures in Canada.

• (1140)

It is time that these facts were brought to the attention of the House, and I congratulate the Member for Saint-Léonard—Anjou for bringing this to my attention so I could raise it with the House. Let me expand on the fiscal policy of the Conservative regime.

[*Translation*]

Mr. Speaker, we could talk, for instance, about the 1 per cent increase in sales tax on alcohol and tobacco. Well, most Canadians may not object that much, because these taxes do not affect so-called essential goods. That may be true, but the fact remains that increasing the cost of these goods means increasing the cost of living. Whether they are essential or not, these products are purchased by the Canadian consumer, and price increases in this area help increase inflation. Mr. Speaker, these are problems we have to consider.

All things considered, we are still talking about a Bill which flows from the Budget. I draw your attention to the increase in the air transportation tax, and I do so for the significant reason that, as I said, a lot of goods are transported by aircraft. It is still a working tool for quite a few Canadians such as northern residents and businessmen. So again this tax will fuel inflation since it will boost the price of products and goods marketed by these companies, and all Canadians will eventually feel the pinch.

Mr. Speaker, a word about the telecommunication programming services tax, another case of an increase to 7 and 8 per cent by the Conservative Government.

[*English*]

The Government has been less than sincere in its statements about these tax increases. I would not want to use other words in the fear that they may not be parliamentary. I certainly would not want to do that, out of my great respect for the House. However, let me point out that the Government made commitments to the people of Canada during the election campaign. I may have already said that the Government made 338 Tory promises during the last election. I have listed them in a book called "338 Tory Promises". A copy of this book is available to any Canadian who wants to write me. There is no postage necessary and I will send them a copy of the book "338 Tory Promises".

Let me quote from this book so we can compare what the Conservatives promised with what they have done. I know that you have had to endure, as I have, listening to those partisan Tory promises during the last election campaign. I know that you look at those promises objectively since the Speaker is always non-partisan.

I believe it is important to remind those partisan Tories opposite about those promises that were made in the last election, and I invite my colleague from Saint-Léonard—Anjou to note some of the contradictions between the Tory promises and the budget Bills, including the Bill before us today.

In the category of Government management, the Tories said that they would adopt a positive approach to productivity management through the development of incentives to meet objectives specified in any programs placed before Cabinet or Parliament. What was the positive approach to productivity in delaying for seven months the appointment of a consultant to finish the building? I suggest to the Hon. Member for Joliette (Mr. La Salle) that it simply does not coincide with that promise.

The Conservatives promised to ensure that Parliament performs a stronger role in creating and monitoring the expenditures of the Government. Was Parliament consulted before the prison was built at Port-Cartier?

Mr. Gagliano: The Member for Drummond (Mr. Guilbault) was not even consulted.

Mr. Boudria: The Member for Drummond was not even consulted, as the Member for Saint-Léonard—Anjou says.

[*Translation*]

Besides, we had good reasons to believe that the majority of Cabinet members had not even been consulted. Some Ministers were contradicting themselves. A Minister, whose name I shall not mention, had stated it was his responsibility to decide that the prison was going to Port-Cartier, despite the fact that it was not his Department's role to decide where prisons should be built. I will not say who it was, but you probably know indeed that the media did report the statement had been made by the Minister involved. Hard to believe I admit, Mr. Speaker, but I am told the statement was made.

The Chief of Staff or an official in the Prime Minister's Office said that the decision had not been made by the Prime Minister, yet the Prime Minister was bragging that he was the one who did make the decision. The Solicitor General kept saying the prison was needed, but the Auditor General maintained that there was no use for it at all.

In answer to a question I directed to him in the House the new Minister of Public Works (Mr. McInnes) indicated there was no conflict of interest in the award of a certain contract in Port-Cartier; 30 seconds later his colleague—I am referring to the President of the Treasury Board (Mr. de Cotret)—replied in answer to my supplementary that an inquiry had already been launched with respect to this alleged conflict of interest.

Mr. Speaker, such flagrant contradictions are just one more example of the broken promises made by the Progressive Conservative Party during the 1984 election campaign.

It stretches one's imagination to think that a Government may have broken so many promises in so little time. This Government was elected with the greatest majority ever given a political party in the history of this country, but in very short order it quite simply whittled down the confidence of the Canadian people. Would you believe it? In very little time indeed, Canadians no longer believed what this Government and this Prime Minister were saying. Some people have gone as far as wondering whether the Prime Minister is always telling the truth. Doubts have been raised. It is hard to believe that a Government would lose this confidence so quickly, but sure enough, that is exactly what is really happening.

The ultimate conclusion is that never again will Canadians have confidence in the Conservative Party.

[*English*]

Canadians can no longer trust these Tories. They made too many promises to Canadians and have deliberately broken most of them and failed to deliver promises they could have fulfilled.

Let me give a few examples. During the last election campaign the Prime Minister, then the Leader of the Opposition, raised an issue involving patronage. The issue of political patronage was raised by the Tories during the last election. They said how evil the previous Government was because it appointed 19 people to certain Government positions. That was wrong, according to these Tories, and they wanted to correct that situation. They said that under a Tory regime these kinds of things would never be allowed to happen. I have a little list of Tory political appointments in a book called *The Black Paper on Tory Patronage*. In this book is a list of approximately 1,000 political appointments during the first seven or eight months the Conservatives were in power. That is one appointment every three hours, 24 hours a day, seven days a week for seven months. That is not bad for an outfit which said it was not going to partake of patronage.

• (1150)

I ask the Tories opposite to stand and defend some of those patronage appointments. I ask them to defend the appointment of Gail Christie who said her qualifications were that she could drive a car and that is why she should sit on the Board of Air Canada. I ask the Tories to try to defend the appointment of Marie Marchand of North Bay who said to the *North Bay Nugget* concerning her appointment to CN Rail: "I come from North Bay, a railroad town, and my grandfather was a well-known railroader in the Maritimes". Those were the qualifications she attibuted to herself. Can you believe that, Mr. Speaker? And the Tories had the unmitigated gall to make the promises they did during the last election campaign.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member would accept a question on the remarks he has just made?

Mr. Boudria: At the appropriate time.

Mr. Deputy Speaker: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Thank you, Mr. Speaker. I will accept questions at the appropriate time. As I was saying before I was interrupted, I would like to bring to your attention, Mr. Speaker, a few quotes made in the past. On May 24, 1983, the Leader of the Conservative Party said, concerning patronage: "There will be jobs for Liberals and NDPs, too, after I have been Prime Minister for 15 years and cannot find a living, breathing Tory in the country".

Some Hon. Members: Oh, oh!

Mr. McDermid: If they are all like you, we understand why.

Mr. Boudria: Those were his words. I know they are hard to swallow. I can see the Tories opposite wincing. They are embarrassed, and I do not blame them. I would be embarrassed, too, if I were a Tory, heaven forbid that would ever happen. A little later, on July 16—

Mr. Deputy Speaker: Order, please. The Hon. Member for Kitchener (Mr. Reimer) on a point of order.

Mr. Reimer: Mr. Speaker, I would like to raise a point of order. I cannot see the relevance of the Hon. Member's

remarks to the specific items in this Bill. I would respectfully request that the Member be required at least to be relevant to the topic.

Mr. Deputy Speaker: The point made by the Hon. Member for Kitchener is, of course, well understood by the Chair. However, we are dealing with a matter that involves the salaries of Members of Parliament, and taking into consideration the speech made yesterday by a member of the Government, I must give the benefit of the doubt to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) with regard to his comments.

Mr. Boudria: Thank you, Mr. Speaker. That was indeed very well adjudicated by yourself, as usual. I am speaking on one of the Bills introduced pursuant to the Budget. I feel it is my responsibility to bring to your attention the fiscal policy and waste of taxpayers' dollars by the Government. That is what I am doing. I am also, as you indicated, Mr. Speaker, responding to the fact that the Parliamentary Secretary said yesterday that this Bill was one of the measures used by the Government to curb Government expenditures. I am trying to demonstrate why that is not so.

As I was saying before I was so rudely interrupted by the Conservative Member opposite, let me remind you, Mr. Speaker, of an article in the *Ottawa Citizen* on July 16, 1984, in which the Leader of the Conservative Party said about his pro-patronage statements during the Progressive Conservative Party leadership race and his harsh criticism of the June 1984 Liberal appointments. He said: "I was talking to Tories then and that's what they wanted to hear. Talking to the Canadian public during an election campaign is something else". Would you believe, Mr. Speaker, that someone who is now the Prime Minister could have made statements like that?

I have another quote from July, 1984. However, this one is so bad that if I were to read it, the Chair would probably rule it unparliamentary. The Leader of the Conservative Party also said to the Canadian Press on July 16 about patronage and about the method of making appointments: "The method of making appointments could be corrected by dramatic measures. We are going to bring in a brand new dimension of objectivity, representation and fairness to all Canadians".

As you probably very rightly understand by now, Mr. Speaker, these statements not only contradict the present policy of the Government but they contradict each other. The present Prime Minister (Mr. Mulroney) was saying something different when talking to Tory partisans from what he said when talking to the Canadian people.

In 1977 I considered running for provincial office in the Province of Ontario. I later decided to wait until the next election. A close friend said to me at that time that if I run for office I should remember one thing because only one thing is important: "Ask yourself continuously the question; what happens in case I get elected?" That may sound funny to Hon. Members opposite but he went on to say: "If you are defeated, there is no problem. You just go back and do what you were doing before. But if you are elected, you have to deliver those things you told the people you would do for them". I think the present Prime Minister should have asked himself that question before making his 338 promises. He should have asked himself: "What happens in case I get elected?" If he had done so, he would not have made those contradictory promises. He would not have made those statements to the people of Canada which have caused the Government and the Prime Minister to lose so quickly the confidence of the Canadian people. Obviously, it was not carefully thought out.

[*Translation*]

But Canadians will not be fooled again. They know better Mr. Speaker. Canadians have been misled once by the Conservatives, and I can tell you that it will never happen again as long as the Government operates this way. Canadians want a more open Government, and you will see that after the next election we will again have a Liberal Government.

[*English*]

Mr. Reimer: I rise on a point of order, Mr. Speaker. I wonder if I might seek the unanimous consent of the House to ask the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) a question?

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Deputy Speaker: There is not unanimous consent. Resuming debate.

• (1200)

Mr. McDermid: I rise on a point of order, Mr. Speaker. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) said that he would be happy to consider questions at an appropriate time. He has finished his speech, and I think this is an appropriate time for him to accept such questions. The only person who said "no" was the Hon. Member for—

Mr. Deputy Speaker: Order, please. I asked Hon. Members for unanimous consent and I heard someone say: "No". Thus, there was not unanimous consent. The Hon. Member for Nickel Belt (Mr. Rodriguez) on debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is really unfortunate and a disservice to this House that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) made such a speech lambasting the Government, quite correctly, and then when the opportunity came about for Hon. Members to put questions to him it was a Liberal colleague of his who denied us the opportunity to explore this matter further with him.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Mr. Speaker, those to my right are called Grits. I think they should be called "hypo-Grits". We saw a

perfect example today of the pot calling the kettle black. The Liberals were great for spending money uselessly.

Mr. Della Noce: He was not there, he was working in the kitchen at that time.

Mr. Rodriguez: Bill C-20 proposes to cut the wages of MPs and Senators by $1,000.

Mr. Boudria: Not quite $1,000.

Mr. Rodriguez: This is really a symbolic measure. I think every Member in the House would agree that if we really want to show some symbolism, this is an appropriate way to do it. However, I think members of the Canadian public will not be satisfied with mere symbolism. What they are really looking to Parliament for is leadership in terms of cutting expenditures, something about which the Government has declared itself in favour. They are looking to Parliament and saying: "How are you really taking care of our accounts? We want an accounting of your stewardship. We are not satisfied with symbolic cuts. When you say it is $1,000 per MP and Senator, it could well be less than that". That is the crux of my remarks today. Since this is second reading debate and since we are dealing with principles, I wish to deal with the principle of symbolism.

Incidents which have occurred recently have cast doubt on the seriousness and validity of this symbolic wage cutting which Members of Parliament and Senators are being asked to support.

Mr. Blaikie: Tell us about the Prime Minister's (Mr. Mulroney) symbolism.

Mr. Rodriguez: We in this Party will not oppose the symbolism which is before us in Bill C-20. It is but flimsy symbolism which signifies really nothing. For the first time since I have been around here the Auditor General has just taken on a project which has not yet been built.

Mr. Boudria: It's half built.

Mr. Rodriguez: That's right, it is half built. The contracts that were tendered have been assigned, which is another process.

Mr. Lewis: Like roads.

Mr. Rodriguez: The people look at the prison which will be built in the Prime Minister's (Mr. Mulroney) riding and see that it will cost in excess of $41 million to move the prison from where it was originally scheduled to be built in Drummondville to put it in place in the Prime Minister's riding. Canadians will look at that move and say: "He is the leader of the country. After all, he is the Prime Minister. What is the symbolism in that move? What is he saying to Canadians?" What he is saying is: "It's my skin and to heck with the costs". That is what he is saying. He is saying that he is more interested in saving his own re-election skin than in giving leadership to the country. Canadians will see all this foo-fa-raw about wanting to cut Government expenditures and the deficit and see that in fact the Government is really only playing a shell game. On the one hand the Government is saying that MPs will take a $1,000-a-year cut in pay and on the other hand, out the back-door go millions of dollars to save the Government's neck and the Prime Minister's political hide.

Another example in this respect is the ex-Minister who was accused of conflict of interest. He requested a judicial inquiry and the Government acceded to his request. Lo and behold we find out that the taxpayers of the country are picking up the tab for the ex-Minister's lawyer's fees of $1,700 a day. That was a contract which was not tendered. Surely we could have gotten a lawyer for less than $1,700 a day. Not only that, the Government has said that the ex-Minister's secretary must also have a lawyer, and the taxpayers will have to pay for those services as well. We should extrapolate that principle and apply it to each accused in the country for whom the taxpayers should pick up the tab.

Where is the symbolism in that action? Canadians are saying: "Look at those MPs. They are planning to take a $1,000-a-year cut in pay and yet look at how they are handling the big bucks. They are just opening up the barn-door and shovelling it out."

I would now like to deal with the case of Mr. Dalton Camp. Why did he have to be put on the Civil Service payroll at over $100,000 a year? Members of the Government could have received his advice free just by reading his column in *The Toronto Star*. Why did he have to be put on the payroll when for 35 cents on weekdays and $1 on the weekends members of the Government could have received his advice? He does not bring any particular expertise with him concerning Government procedures. He is merely bringing political advice to save the Prime Minister's political hide and to save the hide of the Tory Government. That is what he is doing.

Mr. Blaikie: He's not doing it in western Canada, I can tell you that.

Mr. Rodriguez: Where is the symbolism in paying Dalton Camp over $100,000 a year, plus benefits?

Mr. Blaikie: John Diefenbaker is rolling over in his grave.

Mr. Rodriguez: In the same moment the Government erected a statue to the Chief. Members of the Government could not even bring off the dinner party.

Mr. Blaikie: Did you see the frown on that statue?

Mr. Rodriguez: I sure hope the pigeons are having a hey-day out there.

Mr. McDermid: They wouldn't dare!

Mr. Rodriguez: I will bet Hon. Members that the Government has even installed Dalton Camp in the Chief's old office. One could only imagine what the ghosts in the halls of this building are going through.

Members opposite might laugh, but I wish to tell them that since television came into the House, the Canadian people are more aware of these types of expenditures that the Government is putting out.

• (1210)

We are talking about the symbolism involved in a $1,000 cut in the pay of MPs. If the Prime Minister would only stay home for one week, we could save as much money as that. Have we forgotten his sojourn in New York? Have we forgotten what it cost for the hotel suite in which the Prime Minister stayed in such regal style? Have we forgotten the cost of transporting all the media equipment required when the Prime Minister goes abroad? If Pierre Trudeau had done that, Tom Cossitt would have brought this House down brick by brick. Imagine Pierre Elliott Trudeau living that lifestyle and spending that kind of money.

Let us be fair about this. What is the symbolism of that kind of spending in the minds of Canadians? Canadians are not saying that those MPs are wonderful for taking a $1,000 cut in pay because they are looking at the larger figures. We are not diverting their attention by making piddly cuts that actually mean nothing and are symbols of nothing. Canadians are looking at the bigger picture.

I well recall how Conservative Members used to count the number of people employed in Pierre Trudeau's office daily. Today, the Prime Minister's Office has undergone a geometric expansion. Perhaps he could provide an example to Canadian taxpayers by cutting back on the size of his office. It seems to me that Canadian taxpayers are looking at the way the leadership conducts itself and at the lifestyle here on the Hill. The Prime Minister's Office has expanded while the public looks on.

The other matter that comes to mind is the expenditure of $9 million on the Forget Commission. That money is being spent to study the unemployment insurance program.

Mr. Blaikie: To figure out how to take away money from people who need it.

Mr. Rodriguez: This money is being spent largely because the Government did not have the courage to look at the program and make recommendations to the House with respect to changes it wanted. From where does this $9 million come? The Government has not taken it from general operating revenues—

Mr. Blaikie: As it should have.

Mr. Rodriguez: It took it right out of the unemployment insurance fund. The Government has taken away funds contributed by employers and employees. That is the lousiest action that I have seen taken around here in a long, long time. Imagine if that had been done by the previous Government. The ceiling would have fallen into this place.

Mr. Nunziata: We wouldn't have done it.

Mr. Rodriguez: I know the Liberal Party's historic position on unemployment insurance. Do not let us get into that. We will have to look at how Mackenzie King handled unemployment insurance, brother, so, Liberal Members, do not think that you are squeaky clean on that matter.

I have never before seen behaviour like this, the taking of $9 million for the Forget Commission from the unemployment insurance funds. The money is not even coming from the Government's contribution to the extended benefits. It is coming right out of the premiums contributed by working Canadians and employers. That is not fair.

Even more ridiculous is the fact that considering all the previews we have had of the Forget Commission Report, the Government will not touch its report with a 10-foot pole. The report will be put on a shelf because the Government is not interested in stirring up any hornets' nests two years before an election. The Government will simply sit on it and waste the $9 million that has been spent from the unemployment insurance fund so that Mr. Claude Forget and his commission could travel around the country hearing briefs on the unemployment insurance program. What is the symbolism of that, Mr. Speaker?

There are 282 Members in the House of Commons. If each gives up $1,000, that amounts to $282,000. There are another 102 Members in the Senate. What is the symbolism of that? It is absolutely hollow. It is not even based—

Mr. Thacker: Put in an amendment increasing it to five.

Mr. Rodriguez: The Hon. Member from the other side said that I could amend it to five. I would certainly do that if I also had the power to cut out the large giveaways in which the Government has involved itself. I would do so if I had the power to say to the Prime Minister: "Thou shalt not send the transport plane with all your t.v. cameras and all the rest of it on trips and thou shalt leave your secret service butler and maid at home". If I had the power to say that, I would do so, but I am not interested in empty symbols like the offering up of a $5,000, $2,000 or $1,000 cut in our pay.

Mr. Beatty: Are you going to vote against it?

Mr. Rodriguez: No, I am voting for it. All I am saying is that it is an empty symbol because it is not matched—

Mr. Beatty: Why did you just say you are opposed to it?

Mr. Rodriguez: It is not matched by more responsible behaviour in the spending of taxpayers' money.

The pay cuts would be meaningful if I had the power to fire Dalton Camp. The pay cuts would be meaningful if I had the power to tell the Prime Minister that the prison will not be built in Port Cartier and that he could get by with a much smaller staff. There are so many people on his staff that they are tripping over each other. They cannot even communicate with the press.

Mr. Beatty: What would you do about Ian Deans?

Mr. Rodriguez: The pay cuts would be meaningful if I had the power to tell the Prime Minister that the Senate goes. He keeps appointing more Tory hacks and flacks into the Senate, and that creates an expenditure that is costing taxpayers millions and millions of dollars. I do not think the Canadian taxpayers are interested in these symbols. They are interested in meaningful leadership in the handling of taxpayers' dollars.

I said that we will vote for the Bill. We have no axe to grind and will not hold it up. We have no reason for not supporting it. However, it only goes so far because it is symbolism of the lowest rank. It is not backed up by meaningful behaviour patterns on the part of the Government.

In conclusion, I want to say that the Government has a responsibility to lead. I accuse the Government of not showing leadership with respect to this Bill.

Another thing that really bothers me—

Mr. Nunziata: I thought you were concluding.

• (1220)

Mr. Rodriguez: One of the things that really bothers me is things like the situation of which I read in this morning's *Toronto Star*. It says a lot to Canadians. A Canadian Press story appeared in today's edition of *The Toronto Star* entitled "Tory bagmen study new pitch to well-to-do". In part the article reads:

> Well-to-do Progressive Conservatives may get a chance to dine privately with Prime Minister Brian Mulroney for a $5,000 contribution to the Party.

What is the symbolism of that? It goes on to indicate:

> Flushed with the success of the Tory 500 Club, the Party is considering creating a select category within that group—called governors—

Mr. Blaikie: That is a nice American phrase.

Mr. Rodriguez: I think it has imperialist overtones. The article continues:

> —to encourage donations of $5,000 a year, said Brian Gallery, 500 Club chairman.

Is that believable? Mr. Speaker, guess how much is membership in The 500 Club? The article indicates:

> Membership in The 500 Club is $1,000 a year.

Membership in The 500 Club is $1,000 per year, exactly what Members of Parliament are being asked to give up in their wages.

Mr. Deputy Speaker: I ask the Hon. Member to show the relevance of his remarks to the Bill before us.

Mr. Rodriguez: Mr. Speaker, the relevancy is that we will not all belong to the club. I want to make that crystal clear. There are at least 70 Members in the House who will not join the club. I do not want people to get the impression that all of us will join the club. It is a $1,000 membership, and the Tories can write it off on their income tax returns. We are not applying for membership in the club. The articles continues:

> Among the benefits for governors would likely be a private dinner "with the members themselves and a guest, hopefully the Prime Minister,"—

It continues:

> Governors would also be entitled to trade in their 500 Club lapel pins and ties for new pins and ties with a G on them.

Mr. Blaikie: It is the Tory answer to the G-string.

Mr. Rodriguez: Right. They should have at least put a T on it. The article goes on to indicate:

> But the main attraction would be the recognition "and the satisfaction that you are a governor and that you have contributed," he said.
>
> The new pitch would be modelled on the Republican Eagles club in the United States, which has a $10,000-a-year membership fee and provides regular meetings with party leaders, including President Ronald Reagan.

This kind of behaviour on the part of the Government raises question in the public's mind about the hollow symbolism of what is in Bill C-20. If the principle of the Bill is to show that Members of Parliament are examples of leadership on the whole question of cutting Government expenditures, how is the Government following through with its expenditures from the larger purse of the public?

The article about the new 500 Club governors indicates that in fact the Tories are tied in with a very elitist element in society. In fact, they have to keep handing out the porkbarrel consistently. Dalton Camp would have probably belonged to the club. They will now have a barrel into which they can reach any time and pick governors for the thousands of appointments they will have.

Mr. McDermid: Ian Deans is inquiring about a membership.

Mr. Blaikie: In Manitoba these memberships are going for five cents a piece.

Mr. Rodriguez: That is right. It has been said that no Conservatives from Manitoba are joining. As a matter of fact, the Conservative Party of Manitoba wants to secede.

Mr. Nunziata: Why?

Mr. Rodriguez: I think they have some problems there.

The Tories are institutionalizing porkbarrelling with the particular kind of structure they are setting up. The Liberals did it as just a normal behaviour, as a way of life. The Conservatives are now raising it to a new level of sophistication. They are establishing structures or governorships. Of course any governor would want to serve his country, but the Tories should hang their heads in shame.

It is the Party of Tom Cossitt. That hon. gentleman made a name for himself in the House by exposing the Liberals consistently. He was correct to do that. He was interested in how many bulbs were on the Christmas tree at 24 Sussex

Drive. He wanted to know those kinds of interesting and scintillating pieces of information.

Mr. Blaikie: He was thorough.

Mr. Rodriguez: Exactly. I wonder how he would have reacted to the behaviour of the Conservative Government today in respect of the way it spends taxpayers' money.

In 1984 we were promised a different style. We were promised that it would be the dawning of a new day. We were promised that the Conservatives would be different from those old porkbarrel Liberals. We were promised that, and we looked forward to it. We really wanted that change. We were tired of Liberals handing out jobs to Liberal hacks and flacks. We were sick and tired. We had Liberals coming out of our ears. They had infested every commission and board across the country. It was a scandal.

Mr. Nunziata: You are going too far.

Mr. Rodriguez: It was, honestly it was. We really expected better behaviour from the Conservative Government.

There is no decency left in the Government. It is even doing these things blatantly now with the governorships. By appointing one New Democrat and one Liberal, it feels justified in appointing 10,000 more Tory hacks and flacks.

The Conservatives are not kidding anyone with that game, so they should not throw around the names of Ian Deans and Stephen Lewis. For every one of those extremely competent people who rightly occupy positions, they have appointed some 15,000 to 20,000 hacks and flacks who have absolutely no qualifications whatsoever, other than the fact that they belong to the Tory Party. Now they will be elevated to governorships.

I can foresee levels in the Tory Party. It is now stratifying; it is now a hierarchy. For an appointment to the Human Rights Commission, one just has to be a Tory member.

I do not want to delay the Bill. Therefore I move, seconded by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie):

That the question be now put.

• (1230)

Mr. Deputy Speaker: The House has heard the terms of the motion. The debate will be on the motion. The Hon. Member for York South—Weston (Mr. Nunziata).

Mr. John Nunziata (York South—Weston): Mr. Speaker, it seems to me that it is very presumptuous of the New Democratic Party to move that motion.

Some Hon. Members: Oh, oh!

Mr. Beatty: A lovers' quarrel.

Mr. Nunziata: There is no question that the motion is in order. If you bear with me a moment, Mr. Speaker—

Mr. Parry: We didn't need your opinion anyway, John.

Mr. Nunziata: Thus far we have had a representative of the Conservative Party speak on the Bill, a representative of Her Majesty's Loyal and Official Opposition, and a Member from the New Democratic Party, the third Party, speak on the Bill.

Mr. Rodriguez: What more do you need?

Mr. Nunziata: The New Democratic Party prides itself on openness. If often argues in this House and at committee that elected Members have a right to speak to legislation. New Democrats continually argue that it is important for Members to express a point of view in order for their constituents to understand where they stand.

The New Democratic Party speaks out very vigorously on the issue of closure. What absolute hypocrites the New Democrats are. I ask you, Sir, and other Members in the House to review the record on the issue of closure. On many occasions the Conservative Government has decided to invoke closure on pieces of legislation that were considered controversial, and members of the New Democratic Party, including the Hon. Member for Nickel Belt (Mr. Rodriguez), have stood up and criticized the Conservative Government for invoking closure. They have argued, and the record will show, that closure is undemocratic and that closure has no place in a parliamentary democratic system. Yet the New Democratic Party, for whatever reason, decides today to invoke a form of closure. That is hypocritical, Mr. Speaker.

Members in this House have a right to speak to this legislation. I am sure there are a number of Members opposite who wish to express a point of view, and I know that there are a number of individuals in the Liberal caucus who wish to speak to this legislation. For the New Democratic Party to invoke closure is inexcusable. The Member for Nickel Belt said that the Government should hang its head in shame. I agree with him that the Government ought to hang its head in shame for the things it has done and for its record of Government. But the Hon. Member for Nickel Belt and the rest of his Party should hang their heads in shame for doing what they are doing and for being as hypocritical as they often are. They are a self-righteous group of socialists.

When Mr. Deans was in the House he spoke of patronage. He said: "Shame, Shame" to patronage. He said: "Shame, Shame" to double dipping. But what did Mr. Deans do, Mr. Speaker? He waited until he had six years of service in the House of Commons. Why is the six year period significant? Because after six years a Member of Parliament has a pension. Is it any wonder he chose to resign after six years? He said that he was fed up with the Government. He said that the Government was lousy. Then he went to the Government cap in hand. "I want", he said on his knees, "a Government position. I need something to survive". What hypocrisy!

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. The Hon. Member said that we were trying to cut off debate on the Bill and that he wanted to speak about it. I hope you will

consider that the Member has strayed from the subject matter of the Bill and that he no longer is relevant to the Bill.

Mr. Gauthier: He is speaking to the motion.

Mr. Nunziata: The Member by moving his motion has precluded me from speaking to the Bill. Indeed, I am speaking to the motion. I am trying to point out that the New Democratic Party's motion to invoke closure is hypocritical and that it is reflective of the actions of the Party to my left.

Mr. Mazankowski: Right on.

Mr. Nunziata: The New Democrats say one thing out of one side of their mouths and they say something else out of the other side. I was using the example of the Hon. Ian Deans.

Mr. Mazankowski: He is not an honourable.

Mr. Nunziata: A former Member of this House and a member of the New Democratic Party of Canada.

Mr. Parry: Mr. Speaker, I rise on a point of order. In listening to the Hon. Member who is speaking, will you first review the application of the rule of relevance? Second, will you advise this House whether such an infantile personal diatribe against a former Member is admissible under any circumstances?

Mr. Beatty: It is messy when a marriage breaks up.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Mr. Speaker, I appreciate the fact that you have ruled that my comments are relevant. I am speaking to the motion. I am pointing out the hypocrisy of the motion itself. Once again, I have chosen to use the case of Ian Deans as an example to illustrate the hypocrisy of the socialists to our left.

Mr. Parry: Mr. Speaker, I rise on a point of order. The previous speaker stated that you, Sir, had made a ruling. Is he in order in imputing a ruling when you have made no such ruling?

Mr. Deputy Speaker: The point of order raised by the Hon. Member for Kenora—Rainy River (Mr. Parry) dealt with the fact that the Hon. Member for York South—Weston (Mr. Nunziata) was making comments on the nomination of Mr. Deans, comments which I am allowing to a certain extent. One of the considerations is that recently we heard comments made by another Member of this House on the nomination of Mr. Camp. I would not want the whole debate to deal with the nominations of either Mr. Camp or Mr. Deans, but I am willing for a few minutes to entertain some comments about their nominations.

Mr. Nunziata: Mr. Speaker, members of the New Democratic Party, which includes Mr. Deans, stood up on many occasions and complained about patronage. The New Democrats purport to represent the working class, the poor and the downtrodden in society. They speak in a very self-righteous fashion about the disadvantaged in society. I ask the New Democratic Party how many of those downtrodden have a Government job that pays $93,000 a year.

Mr. Beatty: Ian Deans does.

Mr. Kaplan: Plus.

Mr. Nunziata: Plus a pension. It is one thing to accept a Government job but it is another thing to accept a Government job together with not one pension, not only his House of Commons pension—

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I do not know why the Hon. Member is trying to hold up a Bill that will save at least some money for the Canadian taxpayers. I wish he would stop filibustering a Bill which is obviously designed, even though it is a symbolic gesture, to save at least some money for Canadian taxpayers. Is the Hon. Member just looking after his own skin?

Mr. Deputy Speaker: This being not necessarily on that point, but I would like to advise the House that once the motion being debated is "That the question be now put", the debate may continue on the original question.

Mr. Nunziata: Mr. Speaker, it is absolutely hilarious that the Member should talk about saving money. If we want to save money, why does the former Member for Hamilton Mountain not forgo his pension? My colleague here says that the former Member for Hamilton Mountain was double dipping, but he is triple dipping. Not only is he getting a salary of $93,000 as Chairman of the Public Service Commission, he is also receiving a Government pension from the House of Commons, which is about $30,000 or $40,000 a year, and he is also receiving—and listen very carefully—a pension from the provincial Government in Ontario.

Mr. Gauthier: None of them are here.

Mr. Nunziata: The New Democrats have all left, Mr. Speaker. There is not one single, solitary New Democratic Member of Parliament—I cannot comment on the presence or absence of Members. They are so embarrassed they left the House and are hanging their heads in shame.

• (1240)

Enough said about the NDP. Let me now speak for a few moments about the hypocrisy of the Conservative Government as shown in Bill C-20. Who is the Government trying to kid? It argues that Bill C-20 is meant to show to the people of Canada that we parliamentarians are leading by example in taking a $1,000 cut in pay. What are Canadians saying? Big deal. They are asking, if the Government is sincere and honest, why not take effective measures to lead by example? If it is concerned about the salary of Members, why not propose that they be reduced to the poverty level? I challenge the Government. If it is true to its word, then let it bring in a motion to

cut our salaries to the poverty level. Then we can say we are leading by example. We can say we are concerned about the 1.5 million young people in families with incomes below the poverty level. Canadians will then appreciate that the Government is leading by example. Yet, for whatever reason, the Government decides to cut our salaries by $1,000. It does not have the guts to cut salaries to the poverty level.

Mr. McDermid: What about your Leader? He took a nice cut.

Mr. Nunziata: The salary of Members of Parliament and Senators is not the issue. What is at issue is the fairness, equity and justice of the policies advocated and implemented by the Government of Canada. If it was truly concerned about the plight of the downtrodden and disadvantaged it would not have brought in two regressive Budgets which amount to a massive frontal assault on the poor. The Government deindexed family allowances and tried to deindex pensions. If it were truly concerned about the disadvantaged then it would declare war on poverty. Let it bring in measures to assist the poor rather than assisting its rich brothers and sisters on Bay Street, the richest businessmen in Canada.

Mr. Della Noce: Where is your Leader from? Bay Street?

Mr. Nunziata: If the Government was able to find the means to assist the oil industry in western Canada and find $1 billion for failed banks, or billions of dollars to help business in Canada, it can find the resources to assist the poor.

The Government, by its actions, has led Canadians to question seriously its credibility and integrity. If it were truly concerned about waste in Government, why would the Prime Minister (Mr. Mulroney) and his Government support the relocation of a prison to the Prime Minister's riding? That decision is a classic example of crass porkbarrel politics at its worse. Some $41 million has been absolutely frittered away because the Prime Minister wanted to play sugar daddy to his constituents. How far could that money have gone to assist the poor? It would have gone a long way to help the thousands and thousands of Canadians who suffer the indignity of standing in line at food banks in every major city in Canada. It is a national tragedy that our fellow Canadians have to stand in line for food.

Mr. McDermid: When did the food banks start?

Mr. Rodriguez: They did not start yesterday.

Mr. McDermid: That is for sure.

Mr. Nunziata: Yet the Prime Minister decides to waste $41 million of taxpayers' money while his Government, through his wife, takes particular pride in opening food banks. It is the goal of the Liberal Party of Canada to close every last damn food bank in the country. The fact that these food banks have spread out over the country suggests a very serious problem in our social welfare system.

Mr. McDermid: When did they start?

Mr. Nunziata: Instead of building prisons in the Prime Minister's riding, instead of padding his office with Tory hacks and flacks and bagmen, instead of hiring Dalton Camp at over $100,000 a year, instead of wasting money on Challenger jets to follow the Prime Minister around, the Government should be directing the money toward the needy.

I have attempted to point out the hypocrisy of this legislation. Of course, it will carry. It may result in a one-paragraph story in major newspapers, but Canadians will see through it, see it as a facade. They will recognize the hypocrisy in this move. I believe very strongly that they will reflect their opinion at the ballot boxes in the next election. It is very obvious, if one reviews the public opinion polls over the last two years, that the Conservative Government has lost the trust and faith of the people of Canada. The voters gave the Government an opportunity in September of 1984 to govern. Members opposite have done one hell of a lousy job and Canadians know that now. Is it any wonder the Conservatives are tied with the NDP for last place in popular support?

In closing, may I indicate that Members on this side of the House intend to support the legislation. It is hypocritical legislation but, nonetheless, if the Government wants to play its petty little games, we will respond accordingly. However, it is regrettable that the NDP wants to cut off debate. I have considerable respect for the Hon. Member for Nickel Belt (Mr. Rodriguez). I think he works hard. I ask him to reconsider the position he has taken. I know that if he looks in the mirror and rereads *Hansard* he will understand the hypocrisy behind the motion he has presented. Thank you for giving me the opportunity to say a few words, Mr. Speaker.

Mr. McDermid: How can you say that with a straight face?

Mr. Rodriguez: It's easy when you do not have a straight face.

• (1250)

Mr. Reimer: Mr. Speaker, I have a question for the Member for York South—Weston (Mr. Nunziata). Can he tell us which Prime Minister in the history of Canada has proposed and taken a 15 per cent pay cut? Which Cabinet in the history of Canada took a 10 per cent pay cut? Which House in the history of Canada has reduced its salary by $1,000? Did the Leader of the Opposition (Mr. Turner) accept the 10 per cent pay cut equivalent to that which the Cabinet took? If not, why not?

Mr. Nunziata: Mr. Speaker, perhaps I can ask the Hon. Member a question or two.

Some Hon. Members: No, no!

Some Hon. Members: Answer, answer.

Mr. Nunziata: I do not ask for answers, Mr. Speaker. I know it is not appopriate for me to ask questions of the

Member. I will wait until for that opportunity he has spoken. However, in response to his question, I would like him to reflect upon some questions which I would like to ask of him.

Which Government in Canadian history has had the biggest Cabinet ever? Which Government in Canadian history has appointed commissars, chiefs of staff, at over $80,000 a year? Which Prime Minister's Office in history has increased that office by over 50 per cent? Which Prime Minister in history has hired Dalton Camp or an equivalent at over $100,000 a year of taxpayers' money? The answer to all those questions is, the Conservative Government of Canada led by the present Prime Minister.

Mr. McDermid: Mr. Speaker, I listened to the Member's speech. It was the most incredible misinformation that I have heard delivered in this House in a very long time. The Member was accusing the Government of hypocrisy. Let us put some facts on the table.

He spoke about poverty in the country. When the Liberals defeated the Conservative Government in 1980, 15.1 per cent of Canadians were living below the poverty line. Four years later, after the great Liberal management of the economy of the country, the poverty rate had climbed to 17.3 per cent. That is when the food banks started. They started with that Government because of the way it mishandled things. The facts are there. If the Hon. Member would deliver the facts and if he were honest with this House, we would not have to listen to the falsehoods which are spread.

Another fact is that one year after that 1984 election the poverty rate had declined to 15.9 per cent, which means that 300,000 fewer Canadians are living below the poverty line. All these facts contradict what the Hon. Member is saying. I would like to make it clear that we are not happy with that. That is not good enough in this country. We want it to get better and that is what we are working toward.

The Member's friend got up earlier today and attacked women appointees. It is interesting to note that this Government has increased the appointment of women to federal bodies by 25 per cent over that of the Liberals. The Liberals talk a lot but never act. This Government acts. I suppose the Member will oppose the recent appointment of women to the Senate by the Prime Minister (Mr. Mulroney). I am sure he will have something to say about that. The facts are here.

The Member stands up and delivers his diatribe, which is completely wrong, with a straight face. I am not a lawyer but—

Mr. Nunziata: That's obvious.

Mr. McDermid: —I can imagine that in law school there is a course on keeping a straight face while telling a big whopper. I believe that there is a course on that because the Hon. Member told the greatest string of tales with a straight face. The nerve of him to accuse the Government of hypocrisy! He is a new boy in here and maybe he did not study that which has gone on in the past. He should study what has gone on in the past and then maybe he would get up in the House once and deliver a straight speech with the facts in it.

Mr. Nunziata: Mr. Speaker, in view of the concerns of the Hon. Member, allow me to lay out the facts with a smile. I will try to smile as I lay out the facts. As a result of the two Budgets of the Government of Canada, taxes have increased by $5 billion in 1986 to 1987. A one-income couple with two children earning $30,000 a year will pay an additional $630 in taxes, while a one-income family with two children earning $50,000 a year will pay only $575 in additional taxes. That is a difference of over $50. Those are some facts.

Mr. McDermid: Tell us about tax reform.

Mr. Nunziata: If the Member wants facts with a smile, I will give him facts with a smile. We know for a fact that the Prime Minister has decided to construct a prison in his riding at a cost of $41 million, notwithstanding the fact that a prison is not necessary. We know for a fact that there are new chiefs of staff who are being paid in excess of $80,000. We know for a fact that Mr. Dalton Camp was hired and is being paid over $100,000 a year. I am trying to relate these facts with a smile, Mr. Speaker. We know for a fact that the Prime Minister uses a Hercules jet to transport video equipment in order to film his every move, including the changing of the diapers of his children. We know as well that the Gulf-Reichmann deal cost taxpayers $1 billion. We know as well that uninsured depositors were paid over $1 billion.

If the Member wants facts, I will give him facts. I will lay out all the facts rather than only selective facts. The bottom line is that the facts speak for themselves. It is a fact that the Government has decided to pay the legal fees of the former Minister of Regional Industrial Expansion to the tune of $350,000. The Government of Canada has decided to pay the legal fees of someone who may be found to be in contravention of the conflict of interest guidelines. The Government is paying that when other Canadians have to pay their own legal fees for a divorce or to fight a speeding ticket. Those are the facts, my friend. When one looks at the facts and the record of the Conservative Government it is no wonder that the Conservative Government is so far down in public opinion. Canadians are looking at the facts when they speak about the Government in disparaging terms.

The Member wants to talk facts. The facts are there, my friend. The facts of the two regressive Conservative Budgets are on the table. I only ask that the Hon. Member have the backbone and courage to stand up and hang his head in shame.

Mr. Deputy Speaker: It being one o'clock I do now leave the chair until two o'clock this day.

At one o'clock p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—GOVERNMENT'S RECOVERY PACKAGE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, yesterday, at long last, the Deputy Prime Minister (Mr. Mazankowski) revealed in the House the elements of the so-called recovery package for northern Ontario. I am grateful that the Government has recognized the difficulties being experienced in northern Ontario. We have a failing regional economy.

What are the Government's initiatives? The establishment of an economic development committee. We know all about committees in northern Ontario. There is the transfer of federal agencies to northern Ontario. Which ones, where, and when? The Government will dedicate program moneys to northern Ontario. Will that be new money, how much, and when will it be received? There is special tax treatment for investors. What are the details and when will we have them? So far what we have are general directions and some good intentions. What the people of northern Ontario want is immediate action leading to the restoration of lost jobs.

* * *

AGRICULTURE

TRIBUTE TO WORK OF UNITED GRAIN GROWERS LTD.

Mr. Walter Van De Walle (Pembina): Mr. Speaker, last week I visited with some 300 farmer delegates from all points of the Prairies at the 80th annual meeting of the shareholders of the United Grain Growers Ltd. I ask Members of the House to recognize one of Canada's great self-help organizations, and to reflect for a moment on its origin.

May I start with the United Grain Growers' mission, and I quote:

> United Grain Growers is a farmer-owned and controlled company, with the objective of furthering the economic well-being of western Canadian farmers by providing agricultural services and influencing farm policies.

This great institution was born from need. At the turn of the century farmers were opposing grain handling and rail combines that were fixing prices, grades, and shipments.

After 80 years of working for farmers, the mission of this organization remains the same, farmers working with farmers, for farmers.

Most Canadians would recognize the names of Senator Thomas Crerar, former Member of Parliament for Manitoba and United Grain Growers' second President, Mr. Mac Runceinan, who retired recently, to be succeeded in office by the able current President, Mr. Lorne Hehn.

Mr. Speaker: I regret that the Hon. Member's time has expired.

* * *

PHARMACEUTICAL INDUSTRY

RETENTION OF GENERIC DRUGS URGED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to share with Members of the House, particularly with the Minister of Consumer and Corporate Affairs (Mr. Andre), a letter that I recently received from a woman in Winnipeg who wants to see generic drugs retained. She wrote:

> I work in the health care industry rehabilitating persons who have had heart attacks or other heart related illnesses.

It goes on:

> More than a few of our members spend $120 or more on one of their prescribed medications every month. Usually, these individuals have more than one prescribed drug and they look forward to the availability of these drugs in their generic forms because of the price cut and the pharmaceutical effect which is equal (to the brand name drug).
>
> Individuals on drugs prescribed by their physician are usually of two types where I work—seniors, or persons of the age of majority who are unable to work a 40-hour work week because of the nature of their illness.
>
> All have in common—a fixed income!
>
> Keep the generic drug trade—in fact promote it!

That is exactly what New Democratic Party Members of Parliament intend to do.

* * *

ADMINISTRATION OF JUSTICE

PRIVATIZATION OF PAROLE SYSTEM QUESTIONED

Mr. Alan Redway (York East): Mr. Speaker, this week a shopkeeper in Montreal shot and killed a thief during an attempted robbery. Two weeks ago a pharmacy owner shot and killed another robber in Calgary.

Reactions to these vigilante incidents clearly demonstrate the lack of confidence Canadians have in the ability of our justice system to deal effectively with criminals.

In light of these incidents and the reactions to them, the decision by the Correctional Service of Canada to hand over part of our parole system to a volunteer organization seems somewhat incredible. It is no reflection on the John Howard Society, but can the public truly be expected to believe that this will mean more, not less, strict supervision for convicted criminals on parole? Is this really the message the Government wants to send out at a time when more and more Canadians are deciding to take the law into their own hands?

S.O. 21

• (1405)

WELFARE

NEED FOR EXISTENCE OF FOOD BANKS CONDEMNED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is disgraceful that in these days, with Canada's wealth of human and natural resources, there are thousands of Canadians standing publicly in food-lines waiting to receive food for their families from food banks in Vancouver, Toronto, Montreal and several other communities.

Some people are there because they do not have the adequate skills in order to get a job. Some people are there because under our current system there are not enough facilities for child care. It has recently come to my attention that patients who are released from mental hospitals have inappropriate support systems and are now standing in the foodlines.

I say to you, Mr. Speaker, and to Hon. Members, there is something wrong with the way in which we run our country if we have to depend on our churches and volunteers to provide food for our people. I am sure you know as well as I do, Mr. Speaker, of the situation of the food bank on the corner of Georgia and Burrard Streets in Vancouver. I urge the Government to take the recommendations of the Conference on Hunger three weeks ago and do something about this situation.

* * *

EXTERNAL AFFAIRS

IRAN-IRAQ WAR—UN RESOLUTIONS CALLING FOR CEASEFIRE

Mr. Bob Corbett (Fundy—Royal): The unfortunate and tragic war between Iran and Iraq enters its seventh year with mounting loss of human lives and causing severe damage to the economy of the region. The Middle East is already a politically explosive area and the perpetuation of this conflict could ignite into a full-scale tragic experience for all of us.

I draw attention to the sage pronouncement by our Secretary of State for External Affairs (Mr. Clark) who urged compliance with United Nations Security Council Resolution No. 582 of February 24, 1986, and Resolution No. 588 of October 8, 1986, calling for an immediate ceasefire, withdrawal to internationally recognized boundaries, and the initiation of negotiations toward a peaceful settlement using the good offices of the UN Secretary General.

I, therefore, urge parties to the conflict, as well as all Governments, to heed the words of our Secretary of State for External Affairs and to help bring an early resolve to this tragic war.

VIA RAIL

TESTING OF BRITISH DESIGNED RAIL BUS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, insult has been added to injury in Manitoba. We learned recently that VIA Rail plans to test a $500,000 British rail bus this winter rather than pursuing the testing of a $150,000 prototype developed in Canada—in Manitoba, I might add. By allowing VIA Rail to do this, the federal Goverenment has reneged on an 1984 agreement to continue testing the Canadian rail bus for use in the North, particularly in the riding of the Hon. Member for Churchill (Mr. Murphy). This is another example of federal-provincial agreements affecting Manitoba which have been broken by the federal Government.

We also learned today that the Conservatives are considering forming a new club in which people would pay $5,000 to chat with the Prime Minister (Mr. Mulroney). I can tell you, Mr. Speaker, after the CF-18 decision and after this decision and many others which affect Winnipeg, Conservatives will be lucky to sell memberships in that club in Winnipeg for five cents, never mind $5,000.

* * *

VOLUNTARY ORGANIZATIONS

TRIBUTE TO WORK OF MENNONITE CENTRAL COMMITTEE

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, just recently the Mennonite Central Committee opened a community self-help centre in Brandon, Manitoba. This centre will provide clothing for people in need and will also sell crafts from Third World countries. It is just one of the many projects sponsored by the Mennonite Central Committee, a highly respected group which does much good work both at home and abroad.

This year the Mennonite Central Committee will spend some $15 million in developing nations. Well over half of this money comes from the congregations of Mennonite Churches all across Canada. Over a thousand volunteers from the Mennonite Central Committee are currently working in 50 developing nations. They are helping people learn to read, to stay healthy, and to improve farming practices, to mention just a few activities.

• (1410)

The Mennonite Central Committee has a reputation among Third World nations which is exceeded by none. It is an excellent example of what Canadian volunteers can accomplish. Such volunteers prove that by working together in an unselfish manner Canadians can help to improve the quality of life both at home and elsewhere in the world.

VIA RAIL

BRITISH RAIL BUS CONTRACT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to add my voice against the weekly campaign of desecration that the Mulroney Government is visiting upon my home Province of Manitoba.

Mr. Malone: Order!

Mr. Axworthy: The fact of the matter is that once again we have an example in which the Mulroney Government obviously—

Mr. Malone: Order!

Mr. Speaker: The Hon. Member knows that it is improper to use the name of the Prime Minister (Mr. Mulroney) in the way in which he is using it. Would the Hon. Member continue his statement, please.

Mr. Axworthy: Mr. Speaker, it is sometimes hard to admit that, in fact, he is the Prime Minister of the Province of Manitoba.

I want to make the following point. The rail bus technology and the agreement we signed back in 1984 were an idea conceived in Manitoba. A local manufacturer was given the opportunity to carry out the design. The prototype work and the testing were done with the co-operation of the people in the North. Once it reaches a stage at which it is about ready to come to fulfilment, what does the present federal Government do? It decides to move it and contract with a British firm to do it.

It seems to me that in the case of the CF-18 the Government said it wanted to keep the transfer of technology in Canada. But now the Government has seemed to reverse itself. What it really seems to be saying is that it simply wants to mess up Manitoba.

* * *

[*Translation*]

POLITICAL PARTIES

ALLEGED UTILIZATION OF PUBLIC FUNDS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I would rather not comment on the open dissension and the collective anxiety of Liberals on the eve of their convention. However after reading an article in today's *La Presse* I am quite concerned over the fact that the Liberals are spending taxpayers' money to finance their convention.

Will the Liberal Member for Papineau (Mr. Ouellet), ex-Minister to boot, explain why he used public funds to make 56,000 photocopies of press clippings favourable to his boss? The Leader of the Liberal Party will have to enlighten the House today with respect to the behaviour of his third-ranking Quebec lieutenant. Can former Liberal Ministers not tell the difference between Parliament and their political Party, or are the Liberal Party coffers so bare that an ex-Minister would see fit to pick the pockets of other people?

[*English*]

INDIAN AFFAIRS

REINSTATEMENT OF BAND STATUS—CALL FOR RESTORATION OF GOVERNMENT FUNDING

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Government waxes eloquent about its compassion, sensitivity, and understanding of native concerns in Canada. Last year the House acted to reverse discrimination inherent in the Indian Act. All Parties agreed to the passage of Bill C-31 with the understanding and the commitment that funds would be provided to assist many of the 70,000 people who have applied for reinstatement.

The commitment has now been broken by the Government's refusal to continue funding for the co-implementation of Bill C-31. This means that nearly 100 trained native people can no longer do the leg-work, the research and, in many cases, the Translation work necessary to help correct decades of unjust discrimination.

By taking away this funding, Indian war veterans who lost their status to fight for this country will be on their own, as will children born out of wedlock, men who took work in Depression labour camps and, of course, native women who married non-natives.

The Government must act now to restore this funding to help many people regain the heritage that unjust laws took away.

* * *

[*Translation*]

THE DISABLED AND THE HANDICAPPED

QUEBEC ASSOCIATION FOR LEISURE ACTIVITIES FOR THE HANDICAPPED

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I should like to congratulate the *Association québécoise de loisirs pour personnes handicapées* or the Quebec recreation association for the handicapped for sponsoring last weekend's annual provincial prize award reception in Quebec City. I commend the association for showing such innovative and far-reaching leadership which makes it one of the major champions of Quebec's handicapped people. This annual event held by the association is aimed at highlighting the endeavours of municipalities and community groups to have the handicapped participate actively in the social activities of their locality. The Secretary of State was present and was duly impressed by the efficiency and professional approach of the reception organizers. The *Union des municipalités du Québec*, the *Union des municipalités régionales de comtés*, and all community associations which sent delegates deserve praise for their work and participation. Their strong support to promote the cause of the handicapped is the key factor of the unprecedented success of this important event.

In conclusion, allow me to thank the representatives of my region for taking part in this event.

* * *

• (1415)

[*English*]

NATIONAL CAPITAL COMMISSION

SALE OF LAND HOLDINGS OPPOSED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the National Capital Commission announced today that it intends to sell publicly owned land in Ottawa to comply with a Treasury Board request to cut its budget by $25 million. The citizens of Ottawa should express their views about this request.

It does not make much sense to sell publicly owned open space in a city which treasures every square inch of green. If anything, the NCC should be encouraged to acquire land so as to ensure for future generations the green urban spaces which have to date given Ottawa the reputation of being one of the most beautiful capitals in the world.

How can Treasury Board and the National Capital Commission reconcile the demand for a 27 per cent cut in the NCC budget with the mandate given to it as stated in the 1986-87 Estimates, which was to plan and develop from a national perspective the physical and spatial character of the Capital of Canada which will contribute to its aesthetics, symbolism, function, and effectiveness?

* * *

CANADA EMPLOYMENT CENTRES

CONFIDENTIAL RECORDS REMOVED BY KITCHENER OFFICE EMPLOYEE

Mr. John Reimer (Kitchener): Mr. Speaker, I rise in reference to the recent incident of a federal Government employee removing confidential unemployment insurance records from the Canada Employment Centre in my riding of Kitchener, Ontario.

According to the employee, the motivation for this action was to embarrass the Government by proving how easily Government security could be breached. However, I would submit that the only thing demonstrated by this illegal publicity stunt is that this individual is not worthy of the public trust. Furthermore, he has betrayed the confidence of his colleagues in Kitchener and throughout Canada who serve the Canadian public with integrity each and every day.

This individual must be suspended without pay pending a full RCMP investigation and, if found guilty of theft, must be fired from his position and the appropriate court action must be taken. Canadians expect public servants to serve them effectively and efficiently. The vast majority of them do. Any breach of this privilege and responsibility cannot be tolerated.

ORAL QUESTION PERIOD

[*English*]

PHARMACEUTICAL INDUSTRY

PRICE OF DRUGS—STATEMENT MADE BY DR. EASTMAN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Yesterday the Minister accused the CBC of fabrication and implied that it was splicing the words of Dr. Eastman. Dr. Eastman was reinterviewed and said again yesterday that he believes the prices of drugs introduced in the future will be higher than they were under the old law.

Will the Minister withdraw the statement he made yesterday? Will he apologize to Dr. Eastman and the Canadian Broadcasting Corporation, and will he apologize to Canadians?

Mr. Broadbent: And then resign.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have a copy of a letter to the Editor of *The Globe and Mail* from Dr. Eastman in my hand and this letter says in part:

> Mr. Andre says that the changes will not cause the prices of the new branded drugs to rise above the levels at which they are introduced in the market. I agree.

The fact is that there is no disagreement between Dr. Eastman and me. If the Right Hon. Leader of the Opposition had listened to last night's *As It Happens*, another CBC program, he would have heard Dr. Eastman and me discussing our points of agreement and the points about which there may be a difference in our points of view. However, it is not on price.

Let us get this legislation into committee and have Dr. Eastman appear. I will appear before the committee as will anyone else the Opposition wants. We will have a chance to examine this legislation.

Mr. Turner (Vancouver Quadra): I cannot follow the Minister in all his public appearances. I have enough trouble listening to him right here in the House of Commons.

REQUEST THAT MINISTER RESIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Dr. Eastman has been quite clear in his position that only competition from generic drugs has been keeping prices down and that the projected law before the House will destroy that competition. I suggest to the Minister in the strongest terms possible that both yesterday and today, through his performance in the House, the Minister has been misleading Canadians.

Some Hon. Members: Order!

Mr. Turner (Vancouver Quadra): I wonder if he has not come to the conclusion that he ought to resign his portfolio.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the only person misleading Canadians is the person who is saying that drug prices will rise as a result of this legislation. That is misleading and is designed to frighten those—

Mr. Riis: They will.

Mr. Andre: They will not.

Mr. Riis: They will so.

Mr. Andre: I challenge—

Mr. Isabelle: Put your seat on the line.

• (1420)

Mr. Speaker: Perhaps the Hon. Minister could complete his answer.

Mr. Andre: Mr. Speaker, the letter I am holding will cover any questions of differences of opinion. In terms of the details of what will be the effects of the legislation, the proper forum for doing that is in fact committee. That is how our parliamentary system is designed. If the Opposition will co-operate in that—

Mr. Speaker: The Right Hon. Leader of the Opposition.

[*Translation*]

REQUEST FOR MINISTER'S RESIGNATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister refers to a difference of opinion, but Dr. Eastman is very clear and very specific when he states that the price of drugs will increase. The Minister says no. We take the position that in the circumstances, the Minister has misdirected the debate on this issue and he should now do the honourable thing: he should hand in his resignation to the Prime Minister. Is he going to do that?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the letter contradicts what the Leader of the Opposition says. If a drug is introduced at the price of a dollar under the old law, it will be introduced at the price of a dollar under the new law. The purpose of the Drug Prices Review Board under Dr. Eastman is to ensure that that happens. Prices will not rise. What will rise are research and development activities. What will rise are jobs in this important sector. Why is the Liberal Party opposed to research and development and jobs for Canadians?

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER DRUG PRICES WILL INCREASE

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister is contradicting his own words. Monday, when he answered my question about the $100 million granted to the provinces, the Minister said: "I can assure you, Mr. Speaker, that the $100 million way more than covers any additional costs". "Any additional cost" . . . ! Mr. Speaker, that is an admission that prices will increase. Yesterday, in answer to the same question put by my colleague, the Hon. Member for Sudbury, the Minister said: "I hope he was careful to listen to what I have been saying all along, that the price of drugs will not go up by a penny." Could we have the truth, once and for all? Are prices going to go up, yes or no?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the truth lies in recognizing the difference between price and cost as we move from the old regime to the new regime. Because of the backlog of some 41 generic copies which have generated as a result of the intended change, there might be some increased cost to the provinces, not because of any increase in price of drugs.

Some Hon. Members: Oh, oh!

Mr. Andre: I repeat, not because of any increase in price of drugs. In June, 1983, the Liberal Party stated that to generate further growth in this industry the Government of Canada had decided to change the Patent Act to rebalance the 1969 policy. We are going to do that. Why has the Liberal Party changed its mind?

[*Translation*]

SITUATION OF CONSUMERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, at his press conference this morning, Mr. Calenti of the Pharmaceutical Manufacturers Association of Canada said that if the Bill is passed, they will have no option but to increase the price of generic drugs. Since the Minister has no control over the industry's decisions, how and by whom will Canadian consumers be protected?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was very disturbed to see that threat.

Nothing will change in terms of the market for generic drugs currently on the market and brand name drugs. Since there will be no change, any threat of increase by Mr. Calenti borders on the irresponsible. Perhaps in committee we should examine allowing the Drug Prices Review Board to examine the behaviour of generics. It is a very profitable industry which has become profitable by copying the innovations of fundamental researchers. If they are saying that their profits are not high enough and they are going to gouge more, perhaps we should examine some controls on that industry.

PRICE OF DRUGS—STATEMENTS MADE BY DR. EASTMAN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I think we are in high risk of getting to the bottom of the matter as a result of what the Minister, perhaps inadvertently, said today about the letter from Dr. Eastman to *The Globe and Mail*. According to the Minister, in the letter which we have not seen yet, Dr. Eastman is going to be saying that the prices of brand name drugs will not be above the levels at which they were introduced in the market. He also said last night that they will be higher in the market-place in general because of the absence of generic competition. Is it not a fact that, because he is saying that they will be introduced at higher levels and the Minister is saying today that they will not be changed, they will not go down to what they would go down in general? This is because generic competition will not be provided. That is the essence of the Bill. Does the Minister deny that?

• (1425)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is the first time a spokesman for the New Democratic Party has not claimed that prices will increase. He is saying that when generic competition comes it causes a price decrease. I agree, and so does Dr. Eastman. We both agree. What effect will the 10 years' exclusivity that we are providing have, and what degree will this onset of generic competition have? On average it has taken 11.5 years for a generic competitor to come on the market. We are proposing 10 years of exclusivity. On average there may not be any difference. There might be, but it is these kinds of details that we should be discussing in committee.

AVERAGE PRICE OF NEW DRUGS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I ask the Minister to consider the exact words of Dr. Eastman last night:

—the average level of new drugs will be higher than it would be were the legislation unchanged.

He is saying that the average price of new drugs in the market-place will be higher as a result of this Bill. Those are Dr. Eastman's words, not mine. Does the Minister deny that?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not deny that those are Dr. Eastman's words. I am saying that it is a legitimate item for a sensible debate between responsible individuals to discuss what effect on generic competition the changes will have, and to balance whatever costs might be arrived at in that regard against the benefits of the thousands of jobs in research and development that will occur in Canada. That is the kind of intelligent debate we should be having instead of these silly debates in which people are claiming that drug prices will rise when they will not.

Mr. Broadbent: Mr. Speaker, the Minister may think this is a silly debate, but I can tell him that thousands of seniors across the country think this is a serious debate indeed.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER WITHDRAW AMENDING LEGISLATION

Hon. Edward Broadbent (Oshawa): Will the Minister now clarify once and for all whether he agrees with the statement, not with whether it is a quote from Dr. Eastman? Dr. Eastman is saying that as a result of this Bill general prices of drugs, including newly introduced drugs, will be higher. Does the Minister agree with that and, if he does agree with it, will he withdraw this Bill?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, again, in his effort to over-extend, the Member exaggerates and frightens old people. Dr. Eastman did not say newly introduced drugs. He says in his letter, and I quote again:

Mr. Andre says that the changes will not cause the prices of the new branded drugs to rise above the levels at which they are introduced in the market. I agree.

That is Dr. Eastman. He agrees.

Mr. Broadbent: After the market. You can't even read the statement.

DRUG PRICES—MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, yesterday the Minister compared media commentary on this question to "an episode from *Dallas*". By continually repeating that the price of drugs will not go up, this Minister belongs on an episode of "*Another World*".

Some Hon. Members: Oh, oh!

Mr. Baker: How can the Minister expect Canadians to believe that the price of new drugs produced in Canada will be as cheap as generic drugs if allowed to be produced? Does he expect Canadians to believe that?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, all of the generic drugs on the market will remain on the market, including 41 that are now in the pipeline which will come on the market. Yes, that will have an effect on reducing prices. In fact, after 10 years generic drugs will come on the market in terms of any not-yet-discovered drugs. That will have the effect of reducing prices.

What we are trying to do is to give effect to what the Liberal Government of 1983 decided, namely, to produce a

more balanced policy so that we will have jobs in this important area of research and development in Canada rather than seeing it all exported to other countries.

• (1430)

REQUEST THAT PRIME MINISTER ORDER WITHDRAWAL OF LEGISLATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the sick, the elderly, mothers and fathers, no one in this country believes the Government when it says prices will not go up. Therefore, can the Deputy Prime Minister tell this House why the Prime Minister does not order the Minister of Consumer and Corporate Affairs to withdraw the Bill and tell the Americans to go take a pill?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in order that we might enlighten Hon. Members across the way the best thing would be to allow the Bill to proceed to second reading debate. Then they might be in a position to understand what the Bill contains. Most of those questions would then be answered.

COST TO PROVINCIAL TREASURIES

Mr. Neil Young (Beaches): Mr. Speaker, yesterday the Minister of Consumer and Corporate Affairs advised the House "that there is nothing in this legislation that will cause the rise in the price of a drug by one cent: not old drugs, not new drugs, not pipeline drugs, not by one cent." Would he now agree with what the previous Minister said on June 27 of this year, that "It is our estimate that the total cost to provincial treasuries resulting from the delay in the introduction of generic drugs will not exceed $100 million by 1990. In order to ensure that those most in need bear no cost, the federal Government will provide transitional financial assistance to the provinces."

Mr. Blaikie: Why would they do that if they are not going up?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I repeat, for I do not know how many times, there is a difference between price and cost. The price of drugs will not go up, but because of this group of 41 generics which are caught by the changes between the old and the new Acts there might be some delay, between two months and five years depending on the drug, which might have the effect of, at the maximum, increasing the cost to provincial pharmacare plans, because of the delay in introduction, by perhaps $60 million over the next four years. That is a far cry from the Hon. Member's statement that drug prices will go up.

STATEMENTS MADE ON DRUG PRICES

Mr. Neil Young (Beaches): Mr. Speaker, the Minister is more and more beginning to sound like the Minister of bafflegab. Mr. Eastman says prices will go up.

Mr. Clark (Yellowhead): He does not.

Mr. Young: The accounting firm of Coopers & Lybrand says drug prices will go up. The previous Minister of Consumer and Corporate Affairs said prices will go up.

Mr. Clark (Yellowhead): False.

Mr. Young: Everyone says prices will go up except this Minister. How can Canadians possibly believe that drug prices will not go up after all those respected Canadians say they will? Will the Minister not agree to table in the House the cost impact studies the Government has so all Canadians can look at them?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I wonder why the NDP will not allow this to go to committee so we can examine all aspects of it. Are they afraid of what the Canadian public might understand?

Mr. Broadbent: Give us the studies.

Mr. Clark (Yellowhead): They are afraid of debate.

Mr. Andre: Here we have a typical example of what is wrong. Having written out his questions in advance of Question Period—

Mr. Young: I was quoting from *Hansard*.

Mr. Andre: —when I quoted what Dr. Eastman said, that did not prevent the Hon. Member from standing up and claiming just the opposite. One wonders how loudly, shrilly, and often one has to quote things and state things before the Hon. Member will accept them. What is wrong with the Hon. Member?

EFFECT OF GENERIC DRUGS ON PRICES

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I have been listening with some interest to this exchange and confusion. A moment ago I heard the Minister say that after 10 years the presence of generic drugs would drive the price of drugs down, that is, drugs not yet discovered. Surely a conclusion to be drawn from that is that with the presence of generic drugs the prices would be lower. How can the Minister say that the price of drugs will not be higher if generic drugs will drive the price lower?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): The Hon. Member is absolutely correct, I have not said that. What I have objected to are statements designed to frighten and which say prices will rise. Generic competition will indeed bring prices down. However, I would say it is a debatable point as to whether our amendments are going to delay by any significant amount the onset of generic competition, given our experience. Most importantly, what our legislation will do is generate thousands of jobs in research and development in Canada. I thought the Liberals and the NDP wanted to see more research and development in Canada.

[*Translation*]

INQUIRY IF DRUG WILL COST MORE WHEN PLACED ON MARKET

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I'm starting to understand the Minister's position or the point he is trying to make, which is not quite logical since we can hardly expect the price of a drug that is not yet on the market to increase. I agree, because the price hasn't been set yet. So if we are agreed on that point, does the Minister also agree that once the drug is on the market, prices will be higher because there will be no competition?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, when a new brand name drug is introduced there is no competition under existing law or under the new law. The question is when do the generic drugs come on the market. On average, historically, generics have taken eleven and a half years to come on the market. We are proposing a 10-year period of exclusivity. So the argument about when the generics come on is the kind of debate we should be having in committee. I hope the Hon. Member will co-operate in getting this Bill to committee so we can discuss it.

* * *

TRADE

EXPORT OF HELICOPTER PARTS TO IRAN

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. My understanding is that his Department was reluctant to permit the sale of helicopter parts to Iran in the fall of 1985. President Reagan then phoned the Prime Minister and enlisted his support for that sale because of the covert action he was then taking to send arms to Iran. The Prime Minister, through the Minister, decided that the permits would be granted. Was Canada the third country referred to by President Reagan last night? Are those facts correct?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am very pleased to have the opportunity to say that the allegations just repeated on the floor of the House by the Hon. Member are 100 per cent false.

Mr. Crosbie: As usual. The little girl who cried wolf.

SHIPMENT ROUTE INQUIRY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, we are also reliably informed—

Some Hon. Members: Oh, oh!

Ms. Jewett: —that the helicopter parts were included in a cargo shipment from Italy where they were being stored by Pratt & Whitney, via Israel to Bandar Abbas in Iran. Will the Minister tell us if that is the case?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know the particular route. What I do know is the process by which the exports from Canada were authorized. That was a Canadian process by a sovereign Government acting absolutely independently.

I should say, by the way, that there was in 1983, by the Liberal Government, the authorization of the export of military engines to Iran. That came back to me for a decision in 1985. I reversed the Liberal decision and stopped the export of those military engines to Iran.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

SEA SHEPHERD CONSERVATION SOCIETY—ACTIVITIES IN ICELAND AND NORTH PACIFIC

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the Sea Shepherd Conservation Society and its leader's recent comments in the national press. Paul Watson, a Canadian from Vancouver, admitted that his organization destroyed two Icelandic whaling vessels and a processing plant, causing $2.8 million in damages. He has now publicly announced that his group intends to destroy Asian fishing nets in the North Pacific. What is the Canadian Government's reaction to one of its citizens playing havoc on the seas and publicly boasting of breaking the laws of other countries?

Mr. Benjamin: In this case it is a good idea.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, a Member of the NDP said "In this case it is a good idea". I reject absolutely that kind of encouragement.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): This Government condemns any illegal action. The RCMP is conducting investigations now to see if any Canadian laws have been broken. If they were, the action which would ensue from that investigation will ensue.

• (1440)

Mr. Speaker: The Hon. Member for Nickel Belt.

Mr. Rodriguez: Mr. Speaker, my question—

Mr. Axworthy: I beg your pardon. Excuse me.

Mr. Rodriguez: Listen, brother, you're not from Nickel Belt.

Mr. Hnatyshyn: Don't fight.

Mr. Speaker: I apologize to the Hon. Member. The Hon. Member for Winnipeg—Birds Hill—Winnipeg—Fort Garry.

Mr. Axworthy: I am glad you got that right, Mr. Speaker.

Mr. Speaker: The Hon. Member should get his question out as fast as he can.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, it always takes two of them to make one of us.

Mr. Broadbent: No comment.

Some Hon. Members: Oh, oh!

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TRADE

EXPORT OF HELICOPTER PARTS TO IRAN

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will address my question to the Secretary of State for External Affairs. He said that the decision relating to the Pratt & Whitney export of engine components to Iran was taken solely within Canada. Could he explain to the House why the spokesperson for Pratt & Whitney said that not only did they gain permission from the Canadian Government, they sought authorization from the United States Government at the same time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there were American parts involved as there were Canadian parts involved. They required American authorization for the export of American parts. They required Canadian authorization for the export of Canadian parts. Surely the Hon. Member would not suggest that the United States should give authorization for Canadian export policy. That is not the view of the Government.

PRATT & WHITNEY—COMMUNICATION WITH UNITED STATES GOVERNMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I never said it was. The point is that this is the Government which was making the decision. Pratt & Whitney, a subsidiary of United Technologies, decided to export an engine made totally within Canada to the Iranian Government, conceivably for military purposes. Was the Minister or his Department aware that Pratt & Whitney was, at the same time, in communication with the United States Government about the export to Iran of its engines made in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, they may well have been. However, the Member is trying to suggest that there was some kind of collusion between the Government of Canada, the Government of the United States, and the Government of some other country. That is absolutely false and the Hon. Member should recognize it as false.

As was admitted when I brought forward amendments to the export control law in September, we have a situation which was caused by bad law endured for so long under the old Liberal Government. We have introduced changes to that law. We have already stopped the export of some military engines which the Liberal Government was prepared to send to Iran. I would not send them to Iran.

We have indicated that there is a very real problem with dual use. We have said that we are trying to determine how we can resolve that problem in a way which protects all Canadian interests. I hope that now that there is a Government in Canada which takes seriously this problem of Canadian exports and export permits, we might have the co-operation of the House of Commons.

Mr. Axworthy: Get serious.

* * *

APARTHEID

SOUTH AFRICA—INVESTMENT BY FALCONBRIDGE NICKEL MINES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is addressed to the Minister of State for External Affairs. Two days ago in this House I raised the issue of Falconbridge Nickel Mines reinvesting $31.6 million in Western Platinum, a mine in South Africa. The president of Falconbridge Nickel Mines completely ignored the Minister's letter with regard to voluntary guidelines for investment in South Africa. Therefore, will the Minister tell this House whether he intends to instruct Falconbridge to divest itself immediately of its holdings in Western Platinum in South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I very much regret that action of Falconbridge which I think defied Canadian Government policy. I have expressed my regret at that action. When the Deputy Prime Minister met with the president of Falconbridge yesterday he re-expressed that and the president of Falconbridge indicated that Falconbridge intends to divest of its holdings in South Africa as quickly as it can.

Mr. Rodriguez: Mr. Speaker, I applaud the Minister for the statement he just made.

REQUEST THAT MANDATORY EXPORT GUIDELINES BE INTRODUCED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is fairly obvious that voluntarism has not been working. What are really needed are mandatory guidelines. Is the Minister

prepared to introduce mandatory guidelines for the "Falconbridges" of the country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on the contrary I think there is abundant evidence that voluntarism has been working. The Falconbridge example is a bad one and we trust that it will be changed.

Three weeks ago I asked Archbishop Ted Scott, who served for Canada on the Eminent Persons Group in the Commonwealth, to undertake direct consultations with companies in Canada and the United States which had practised disinvestment recently or were intending disinvestment. Archbishop Scott reports to me that there is a very positive attitude on the part of the Canadian business community, that there may well be actions in the very near future with respect to disinvestment, and that he has some recommendations to put before me which may allow us to make even more effective the voluntary approach to this problem which has been effective so far in Canada.

I would hope that this House of Commons, believing as it does in trying to encourage people to lead rather than forcing them by laws, would applaud that attitude which has been shown by the Canadian business community.

* * *

REVENUE CANADA

INFORMATION DISCLOSED TO NEWSPAPER REPORTER

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of National Revenue. Around 3.30 in the afternoon of last Tuesday a reporter from the *Windsor Star* called the Revenue Canada general inquiries number in Ottawa. Using his editor's name, social insurance number and date of birth, he said that he had lost his copy of his 1985 tax return and needed some information from it.

The journalist received by telephone the amount of his editor's charitable donations, he learned that he did not claim any extra medical expenses, and that his wife's income was not in his return because she had filed a separate tax return. What does the Minister of National Revenue have to say to the House about that?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, my response to my colleague is the same as it was when he raised the question of his own tax return in that regard. I have caused an investigation to be made. There is more than one district office involved. An audit trail has been left. We have identified the employee. There was some additional information supplied. When I have a complete picture, I will report to the House.

[*Translation*]

CONFIDENTIALITY OF INCOME TAX RETURNS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, will the Minister take appropriate action to ensure that the confidentiality of the tax returns filed by Canadians is respected?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I certainly shall.

* * *

EMERGENCY MEASURES

NUCLEAR ATTACK CONTINGENCY ADVICE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Public Works who has now had ample time to peruse the publication put out by his Department a few weeks ago advocating that prudent Canadians would do such things as dig a shallow trench for themselves and their family members and cover it over with boards in the event of a nuclear attack. Does the Minister really believe that this is appropriate advice for the Government of Canada to be giving to prudent Canadians?

Hon. Stewart McInnes (Minister of Public Works): Indeed I do, Mr. Speaker. For the past 25 years Governments have been printing publications of this kind at the request of Canadians. Indeed, some 4,800 requests have been received by the Government since August. A good number of other countries have asked for a copy of this publication because it has that kind of merit.

COST OF PUBLICATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it cost $140,000 of taxpayers' money to publish 140,000 issues of this publication. Of those, 100,000 are still sitting in a warehouse and 40,000 have been distributed, 8,000 to Americans. Does the Minister believe that it is appropriate to use $140,000 of taxpayers' money to produce this bizarre, macabre publication?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the cost is $145,697.11. The Government considers that to be a very appropriate expenditure because Canadians have asked for some guidance and direction on what they might do in their homes in case of a nuclear attack.

[*Translation*]

YOUTH

GOVERNMENT'S PROMISE TO ANNOUNCE NEW PROGRAMS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my question is for the Minister of State for Youth. Last March 21, the Prime Minister promised new programs for young Canadians by saying that the Government would be announcing new programs, including programs to deal with the problems facing Canadian youth, at the proper time or near the end of the fiscal year, and in the appropriate circumstances.

Where are these new programs, Mr. Speaker? Is this another one of the forgotten or broken promises of the Prime Minister?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I would like to offer officially my best wishes to the Hon. Member for Saint-Maurice on his election to the House. I can offer him all my co-operation and the benefit of my long years of political experience and tell him that I am certain that he must be happy to see that the unemployment rate for young Canadians has been going down consistently since this Government has been in power. In contrast with what the previous Government had done, we have implemented a Canadian Jobs Strategy which takes the training needs of young Canadians into account.

Since my appointment to this portfolio, we have reviewed all the programs and looked at the general situation facing young Canadians. I hope to be able to make certain proposals to this House and the Government relatively soon.

PROGRAMS FOR THE YOUNG—GOVERNMENT POSITION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I probably do not have as much experience as the Hon. Member, but my own analysis of the facts did not produce the same figures nor, unfortunately, the same conclusions as his own. The reason for my question is that, on November 18, a drastic cut-back of $76 million was announced at the Department of Employment and Immigration and the additional funds required by the Government will bring absolutely nothing new for young people. What does the Minister intend to do to reverse this trend and ensure that young people will have programs to meet their needs and expectations, as promised by the Government?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I would like to point out to the Hon. Member for Saint-Maurice that his memory is faulty. First, the unemployment rate for young Canadians is about 14.9 per cent. He is saying no, Mr. Speaker. Perhaps he does not like to hear it. Last year, we spent over $750 million, which benefited 256,000 young Canadians. As for the cut back to the Innovation Program, this was a 3.7 per cent cut back applicable to all departmental programs. This program was slow to give results because of its originality, Mr. Speaker. Apparently, the funds would not have been used one way or another and this is why we chose to do what we did.

On the other hand, I can inform you that my predecessor had been able to obtain or to guarantee $16 million—

Mr. Speaker: Order, please. The Hon. Member for Skeena.

* * *

• (1450)

[*English*]

TRADE

UNITED STATES DUTY ON SOFTWOOD LUMBER—CANADIAN POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns the countervail duty. If a suspension agreement on the softwood countervail is not reached between Canada and the United States in the next seven days, then those hundreds of millions of dollars paid in duty at the border will go to the United States treasury, not the Canadian treasury. Therefore, will the Minister advise the House of Canada's position on a suspension agreement? We know the provinces have different positions. Since we are down to the last seven days, what is Canada's position on a suspension agreement?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I will reply on behalf of the Minister who is at the First Ministers' Conference in Vancouver today. The Hon. Member may not have been in the House yesterday when it was explained that these discussions are ongoing with the provinces. The provinces own the resources and are the ones who have been charged under the countervailing Acts of the United States. They have to come to an agreement on fighting what we consider to be an unfair countervailing duty. I believe there will be discussions tomorrow at noon on trade matters affecting Canada and the United States. I am sure that the Hon. Member will hear an announcement after that meeting.

CANADIAN OFFER

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. The Minister for International Trade made a once-only offer to the United States in seeking an out-of-court settlement, and it failed. Will there be another offer? Will the Deputy Prime Minister explain why, during these crucial seven days, the Minister for International Trade will be in Japan rather than here in Canada helping the Canadian forest industry?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, may I correct the perception the Hon. Member is trying to leave? It was at the request of the provinces, the request of the unions, and the

request of the industry that an offer was made to try to suspend the action. The Hon. Member can stand up and say it was the federal Government's decision, but it was not. It was a decision of the provinces, in co-operation with the industry and with the labour unions to try that course. Decisions will be made by Friday on the approach that will be taken in co-operation with our provincial partners. The case will be well handled by the officials in our Department, once that decision is made by the leaders of this country.

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SHIPBUILDING

CONSTRUCTION OF FISHING TRAWLERS—REQUEST FOR CANADA-FIRST POLICY

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is directed to the Minister of State for Finance. He will be aware of the Canada-first purchasing policy in the development of the East Coast offshore oil and gas industry. Why has the Government not moved to implement a similar policy for the construction of fishing trawlers over 100 feet, which would greatly assist the ailing shipbuilding industry in Atlantic Canada and make good on a commitment to impose tariffs that the Government made two years ago?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, a significant part of the policy was the request by the shipbuilding association and the repair association to impose a tariff on large vessels. This was considered very carefully in preparation for the 1985 Budget. At that time it was found that the cost differential that would be imposed as a result of such a tariff would be very burdensome, and it was opposed by the fishermen. We should know if anything has changed since 1985 and I will make sure that our officials look at this to see if there are any significant economic changes.

* * *

CROWN CORPORATIONS

PROPOSED SALE OF TELEGLOBE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Communications. The Government called for bids and promised early decisions on previous occasions, for the privatization of Teleglobe. Now there is a new game plan because the Government has announced a new round. It has clearly undermined the sanctity of the bidding process. Businesses are losing confidence.

Since Teleglobe profits have poured non-stop into the federal treasury, including $108 million last year and a further $80 million expected this year, where is the economic sense and what is the economic benefit to Canadians in selling this money-making machine?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, we believe that the sale of Teleglobe will be very beneficial for the country. First, as a result of the sale Canadians will be paying less for overseas calls. Second, Teleglobe will be in a much better position to enter into new competitive environments in the whole telecommunications business. Third, that money that is now being put into the federal treasury will be freed up for other priorities of the Government in social programs, research and development, assistance to farmers, and so on.

[*Translation*]

INQUIRY WHY CANADIANS MUST WAIT TO BENEFIT FROM REDUCED RATES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my supplementary is for the same Minister. Is the Minister aware that thousands of Canadians who phone their families abroad each week could save a lot of money if long distance rates were reduced immediately? If Teleglobe is that profitable, why must Canadians wait two years to benefit from reduced rates? This has nothing to do with privatization. Do you think the Canadian public can be fooled in this way?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the selling of this compagny will mean that Canadians will pay less for their calls abroad.

[*English*]

Beginning in 1988, the reduction in cost will be some 13 per cent. After that, the CRTC will be able to regulate further reductions. We see those reductions continuing.

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PHARMACEUTICAL INDUSTRY

COMPETITION POSED BY GENERIC DRUGS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He has kindly provided us with a copy of the letter from Dr. Eastman to *The Globe and Mail*. Why did he neglect to call to the attention of the House the following sentence in that letter:

> My expectation is that the proposed legislation will delay generic competition for some of the new drugs and in consequence delay the reduction in their prices which such competition causes.

Why did he neglect to bring that to our attention?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I did not neglect to do that. In the course of my answers to several questions today, I pointed out that that is in fact where differences of opinion may lie. That is the kind of question we should be discussing in committee. Dr. Eastman pointed out in his letter:

> As I understand it, the Minister believes that generic competition may not be delayed and hence that new drug prices may not be affected by the proposed legislation.

That is the kind of discussion we should be having in committee. Why will the New Democratic Party not help us take it to committee?

COST OF DRUGS—MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, in light of all the evidence, why is the Minister the only one in the world who believes that the cost of drugs in Canada will not be higher than they otherwise would be as a result of this legislation which he is insisting on imposing on Canadians?

• (1500)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think almost everyone noticed the change in tone from the questions the Hon. Member's neighbour asked earlier in terms of prices. However, let me indicate, as I indicated earlier, that on average the generic competition has taken 11.5 years to come on. This Bill provides for generic competition after seven years if it comes through manufacturing. In fact we could and should have that discussion. We should look at costs and benefits, jobs, and the fact we are going to have people doing research, looking for cures for the sick and elderly, about whom the Hon. Member's Party claims it is concerned.

PATENT PROTECTION FOR MANUFACTURERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister of Consumer and Corporate Affairs just repeated for a third time today that it takes on the average 11.5 years for a generic drug to come on the market. Can the Minister explain why he is now offering the brand name manufacturers a 10-year protection?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the explanation is very simple. For an individual company planning a research program, trying to develop a new drug, which takes about $100 million, averages are not that helpful. The company could be driven out of business in three or four years or five or six years. It needs the security of the 10 years to do its planning, to do that research and to employ perhaps some of the Hon. Member's constitutents.

Mr. Broadbent: Their profits are already higher than the Canadian average.

REASON FOR PROTECTION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, Dr. Eastman thought that four years was enough. However, if it takes these companies three or four years to develop the product, as the Minister says, why would they need the protection, since the Minister says that it takes on the average 11.5 years for a generic product to come on the market? That is hard to reconcile.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is the kind of debate we should be having in committee.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Right here.

Mr. Axworthy: This is the House of Commons right here.

Mr. Riis: This isn't the Petroleum Club, Harvie.

Mr. Andre: Let me repeat again, averages are very important to provinces which deal with over-all costs. Averages are not very helpful to an individual company which might be hit with a generic competition. I believe if the Hon. Member thinks about it for a while he will see that is a pretty reasonable argument.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader for a statement of Government business for the coming week.

And also, if I may do so, I would ask that the Minister of Consumer and Corporate Affairs (Mr. Andre) table in the House the letter from which he has quoted so fulsomely but not necessarily completely.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we will be proceeding with Bill C-22, Bill C-25, Bill C-18 and Bill C-19. Next Friday the House will not sit because of a very special event taking place in connection with the Liberal Party. With respect to the tabling of the letter by the Minister of Consumer and Corporate Affairs, I am sure that he—

Mr. Andre: I just did.

Mr. Mazankowski: He has already done so voluntarily.

Mr. Andre: Mr. Speaker, I believe the Clerk has the letter in question and I would be pleased to table it formally.

* * *

PRIVILEGE

ALLEGED MISREPRESENTATION OF FACTS

Mr. Speaker: I would like to draw to the attention of Hon. Members an application on a question of privilege and recognize the Hon. Member for Kitchener (Mr. Reimer).

Patent Act

Mr. John Reimer (Kitchener): Mr. Speaker, I rise on a question of privilege which arises out of the comments made by the Hon. Member for Hamilton East (Ms. Copps) in her supplementary question to the Minister of State for Immigration (Mr. Weiner). Her comments amount to a misrepresentation of the meeting held between myself and some members of the Public Service Union in Kitchener.

The issue raised with me by the Public Service Union was initially the issue of the confidentiality of the employment records and files in the Kitchener Employment Centre. To that point, the Hon. Member for Hamilton East is correct. However, as the September meeting to which she referred continued with union representatives, they admitted that the real issue was not confidentiality but was, first, contracting out of cleaning services and, second, job security. This is where I believe the Hon. Member for Hamilton East was not fully informed.

Unfortunately, because the Hon. Member was not fully informed, she ended up misrepresenting what took place at that meeting. I, therefore, respectfully request that the Hon. Member for Hamilton East be ordered to withdraw her allegations and correct her misrepresentation of the very good and productive meeting I had with the Public Service Union representatives in Kitchener.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad the Hon. Member for Kitchener (Mr. Reimer) at least has the decency to admit that the meeting did deal with the issue of confidentiality of records. Of course, it dealt with the issue of contracting out at the same time because there is a lot of concern by a lot of Public Service unions in Canada that it is impossible to guarantee confidentiality when they have a contracting out process which does nothing to guarantee the kind of commitment to the Public Service by private companies which must come perforce from public servants. Therefore, I see no conflict between a discussion of contracting out and confidentiality. In fact, the two go hand in hand.

The representations which were made to the Hon. Member were that the concerns about confidentiality were raised because of contracting out. The Hon. Member said he was going to take those concerns to Ottawa. The concerns were expressed more than a year ago. The confidentiality was breached at the Kitchener office this week. I would suggest to the Hon. Member that he and his Government should get their act together on the issue of confidentiality.

Mr. Speaker: The Chair has heard the question of privilege and has heard the Hon. Member for Hamilton East (Ms. Copps) in reply. I think I would have the approval of all Hon. Members in noting that this is not a question of privilege. It is certainly a question of a different recollection of facts. Both Hon. Members have had a chance to put the record as they would have it and that closes the matter.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs) moved that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to participate—

Mr. Murphy: Point of order.

Mr. Robinson: Point of order.

Mr. Andre: —today in the second reading debate—

Mr. Murphy: Point of order.

Mr. Andre: —on Bill C-22.

Mr. Murphy: Point of order.

Mr. Andre: This is an essential and important piece of legislation for Canada.

Mr. Murphy: Point of order.

Mr. Speaker: The Hon. Member for Churchill (Mr. Murphy) on a point of order.

Mr. Murphy: Mr. Speaker, as soon as you recognized the Minister, I rose at that very same point with the intention of moving that the Hon. Member for Burnaby (Mr. Robinson) be now heard.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Sure you did. Forget it.

Mr. Murphy: I did so. I do move, Mr. Speaker, that the Hon. Member for Burnaby be now heard.

Some Hon. Members: Sit down.

Mr. Speaker: Order, please. Hon. Members will know that under the procedure which is in effect at the present time it was appropriate to recognize the Minister and it was not appropriate to recognize any other particular Hon. Member. The Hon. Member who rises to move that some other Hon. Member be heard must realize that there are times when the Chair would have to entertain that particular motion. However, this is not one of them.

Mr. Andre: Mr. Speaker, the debate surrounding Canada's Patent Act has been long, complex and controversial. When the Liberal Government made changes to the Patent Act in 1969, it was a regressive step for Canada. These changes not only resulted in misuse of the Patent Act in an attempt to control prices but also tampered with the fundamental purpose

and objective of providing protection for new inventions and discoveries.

In essence, the amendments I propose in Bill C-22 will create a climate favourable to new investment in research and development by giving patent holding pharmaceutical firms in Canada a guaranteed period of protection. These changes will also ensure consumer protection by creating a drug prices review board to monitor drug prices. The amendments will also allow the Government to review and alter the policy after a period of four years, and again in Parliament in the tenth year, to ensure the policy works to the benefit of all Canadians.

• (1510)

The general amendments to the Act not relating directly to pharmaceuticals seek to bring Canada's patent system into line with international practices, to speed the transfer of technological information and to simplify patenting procedures both for the applicant and for the Patent Office.

[*Translation*]

This package of amendments has been carefully designed to reward private initiative and to adjust investments to support Government efforts aimed at promoting sustained economic growth, job creation and the protection of Canadian consumers.

During the last few months, I have taken every opportunity to meet as many people as possible and to learn their views about this important subject. I have thus met with groups representing consumers and seniors citizens. I have also had lengthy discussions with generic drug companies, manufacturers, researchers, and members of the academic and scientific communities.

[*English*]

Because of the complexities of the issue many people have been asking questions. These questions touch on all aspects of the Bill. One of the questions is related to intellectual property and the protection of intellectual property rights in Canada. I would like to speak for a moment about the question of intellectual property and patents.

The principle that the creator, the inventor, has created something of value and has a right to develop, to own that thing and to have some benefit from it, is a centuries-old tradition. If we were to say, for example, that in order to benefit the consumer we will not recognize copyrights any more and we will allow anyone to publish any author's work in any way they choose, provided they pay the author a 4 per cent royalty, there would be justifiable outrage at the theft of that author's creation. That is what it would be viewed as. If someone invented a widget, a gadget, something of value and we said that it is perfectly all right for someone to copy that invention and to produce it provided they pay a 4 per cent royalty to the creator, we would be outraged. Yet that is exactly what we did in 1969 with regard to the patents on drugs. We violated a literally centuries-old principle which says that the creator, the inventor, has a right for some period of protection to what he has worked on, invented and developed. It is shocking that Canada should have done that in 1969.

I have been misspeaking myself somewhat in saying that Canada was the first country in the western world to do that. I apologize to Members of the House. We were the second country to do that. According to an article in *Canada Business* of September, 1986, the first country to treat drugs differently from other inventions was Italy, when Benito Mussolini abolished drug patents before the Second World War. However, Italy was forced to restore full patent protection in the 1970s after joining the European Economic Community.

It is an absolutely unchallengeable principle that if we are to have creation, invention and development, if we are to have that type of progress, then we have to provide the inventor, the developer, the creator, with the right to own exclusively that which he has created, at least for some period of time. When that policy was abolished in 1969, we did this country an enormous disservice.

I have been around the country talking to professors of pharmacology, biochemistry, microbiology and the like. They question the wisdom of a group of elected representatives who, in essence, would say: "But you are different. We will protect Pierre Burton's novels. We will protect the creations and patents of General Motors but you happen to be working in this area—" which, incidentally, is of very important significance to the health of Canadians—"you are on your own. We will not protect you. What you are doing you will be doing for altruistic reasons because there are no protections in our law". That is very short-sighted. It is an offence and one cannot justify that on the basis of "Ah, but the consumer is benefiting". If one uses that argument, then we should remove the laws against selling stolen goods because, surely, the vendor of stolen goods is benefiting the consumer. That can never be justification for the conscription of somebody's property.

Just 100 years ago this year Canada was one of the signators to the Paris Convention wherein, along with the rest of the industrialized world, we said we would recognize the inventions of each other. That was 100 years ago that we did that, and in 1969, in essence, we abandoned that fundamental principle.

The question of intellectual property and respect for it is in the General Agreement on Tariffs and Trade. It is entirely possible that we might have been compelled by some future GATT agreement to make these changes in order to remain a member of GATT. Does it not make a lot more sense that we do it ourselves?

I maintain that the question of fundamental property rights, the respecting of patents, is in and of itself justification for restoring patent rights to Canadians. By itself that is enough reason to undertake this action. However, there are a great many more benefits to Canada as a result of restoring these patent rights.

Let us consider the question of industrial benefits. Every Party in this House has said on more than one occasion that it is vitally important to Canada's future that we do more research and development in Canada. We must learn to live more by our wits and less by our resources; we must be there in terms of the new technologies. One of the most important new technologies on the horizon, a technology that could have the most profound effect on our lives, on our society, and certainly on our health, is biotechnology. We are not there yet. Who in their right mind will do research in this important area if the results of their research cannot be patented? The answer is nobody and, in essence, that is what is happening in Canada.

Last year in the United States there was $4 billion spent on biochemical research. In Canada the figure was $75 million. Some $3 billion of that money in the U.S. was spent on medical research. The equivalent figure for Canada was $25 million. So in this important area Canada is non-existent. We are totally out of it.

In terms of jobs, by conservative estimates, this change will generate 3,000 new high-tech jobs. In October of this year, the economic supplement of *Le Devoir* estimated that with multipliers and the like, this change will generate 10,000 new jobs in the Montreal region alone. How can members of the Liberal and New Democratic Parties call for jobs, jobs, jobs, high-tech jobs and jobs in research and development while at the same time say that they are opposed to this measure which will generate exactly the things for which they have been calling? How can they say, almost in the same breath, that they want more money spent at the NRC to continue to employ 20 radio astronomers and that we should not make these changes which will generate 3,000 research jobs in this important high-tech area?

• (1520)

We will be discussing whether or not there will be any costs. However, if there are to be any costs, they will be borne by the Government primarily because of pharmacare. One hundred per cent of senior citizens are covered by drug programs as are over 85 per cent of the population in general. Whatever costs there may be will not hit the consumers directly, as has been claimed. Even using the worst estimates of members of the New Democratic Party, the pay-out in terms of research jobs versus costs is far in excess of any pay-out that would come from providing the extra funds they would like to see us provide the NRC. To put it mildly, opposition Members are not being consistent in their arguments.

There have been suggestions made that the generic industry will be hurt by this measure. Nothing could be further from the truth. To begin with, all generic drugs currently on the market will continue to be marketed and sold. Second, drugs are coming off patent all the time. New opportunities for generic competition arise constantly. Finally, I would ask Hon. Members to look to the example of the United States. In that country, the generic sector is the fastest growing sector of the drug industry. That sector has been growing by 15 to 20 per cent per year and now represents 25 per cent of the market. As well, the sector is very profitable, but the profits do not go into research and development. The numbers of jobs per unit of sales are far fewer in that sector than they are in the brand-name sector.

The generic industry will carry on and will be very profitable. It will exist and it will grow. It will not be damaged by anything we are doing here today. What will happen is that the innovative companies, the companies that undertake fundamental research, will now be confident that the fruits of their labour will be protected for at least a period of time and therefore they will be justified in carrying on with research.

We have received commitments from the industry to invest directly in research and development $1.4 billion and to create 3,000 jobs between now and 1995. The commitment is worded so that 10 per cent of sales will be invested in research and development. That is about average for the rest of the industrialized world. Up until now, only 5 per cent of sales had been invested in research and development.

If one were to look at the industrial benefits by themselves without considering the questions of intellectual property and patents and our international relations, and even ascribing the most horrendous estimates of costs put forward by members of the New Democratic Party, one would see that this measure still points to a net benefit to Canada. There is a third reason for this action, and that has to do with multilateral relations.

It has been argued by some, and certainly by the CBC in its propaganda piece, that this action is somehow tied to the trade talks and that somehow we are being forced to do this by the Americans.

Mr. Orlikow: Yes, the Prime Minister (Mr. Mulroney) promised the President of the United States. You know that.

Mr. Andre: Since 1969, every single one of our partners in the western world has been after us to restore patent protection. A few years ago, the former Prime Minister tried to negotiate a special arrangement with Europe, and I think he called it a contractual link. He wanted to try to reduce our dependency. He found that the Europeans were just as upset as anyone else at what we were doing with patents.

In terms of multinational relations and lost opportunities for trade deals and investments, the cost to us of the Patent Act provision, which made us the only western industrialized nation that did not respect patents, has been enormous. The High Commissioner in London received a letter from the Association of the British Pharmaceutical Industry which read in part:

> It is of concern that the Canadian Government, a regular participant in world economic summit conferences, should continue to promote a patent law which is so heavily biased against one innovative industry on which the well-being of the world is so heavily dependent.

That came from the British, not the Americans and not Ronald Reagan. The British are asking how Canada can expect to be treated as one of the top half dozen countries in

the world and can demand that kind of respect when it behaves like a Third World country when it comes to intellectual property, when it is willing to confiscate the intellectual property of people who work in the pharmaceutical sector. That is a legitimate question.

Tom Axworthy, the former principal secretary to the former Prime Minister, said that the greatest diplomatic coup of the External Affairs Department of this Government was get admitted to the then G-5 and now the G-7 group. Well, he was right. It was a tremendous tribute to the diplomatic skills of our Prime Minister. Part of being a member of that group, of demanding to be respected as one of the major industrialized countries in the world, is to respect its rules, including its rules of commerce, trade and property. We cannot, as we have, confiscate private property and expect others to say: "Oh, well that's all right. We will let Canada be the one exception in the western industrialized world. Canada can behave like Argentina or other Third World countries and we will understand and tolerate that and of course we will not take that into account when we discuss other important questions". Of course they will take it into account. Of course that has cost us.

It strikes me as being completely absurd that with the blessing of opposition Parties, and quite properly so, we spend hundreds of millions of dollars every year on our relationships with our partners in the western industrialized world in an attempt to sustain and foster them and to work together as partners while we do something as silly as this. This tells everyone else that when they are dealing with Canada, they may not be dealing with a country like the others but with a country that cannot make up its mind if it wants to be a first-class industrialized country or a Third World country which sponges off the investments of others.

I put the following question to any Hon. Member: what would happen if nowhere in the world were there patents for drugs? The answer is very obvious. There would be no research. There would be no drugs to help cure the sick and the elderly. No one can argue against that fundamental premise. I would then ask Hon. Members the following question: what justification is there in all honesty for thinking that Canada should be excluded from having to pay for any of this research?

• (1530)

What if we thought the rest of the world should do that research? It would be wonderful if they found a cure for cancer, a better ulcer treatment or better heart drugs. Would we try to get access to them as cheaply as we could and not respect the property of the people who had made those discoveries? Nobody could do that and hold up his head. However, that is what we have been trying to do, and it has cost us dearly.

A few years ago I was in London talking with the Agent General. He was trying to raise some investment funds from their large pension funds. In talking with him I asked what was wrong with Canada as a place in which to invest. He said that there were three things wrong with Canada in particular, the Foreign Investment Review Agency, the National Energy Program which confiscated private property, and the Patent Act which confiscated private property.

What did that cost us? Who knows? It was certainly hundreds of millions, if not billions of dollars, of investment capital. No one considers that in the equation. How many people might be working today if in fact this law was not in place in 1969? I am sure it would be quite a few more.

There is the question of consumer protection. What good would come of it if we had all kinds of new drugs and no one could afford them? If the sick and elderly could not get access to the drugs, what good would come of it? Opposition Members have been trying to scare everyone to death by saying that prices will rise and the sick and elderly will not have access to them. That is absolutely irresponsible propaganda, worthy of the CBC and nowhere else. The fact of the matter is that as soon as Prince Edward Island brings in its pharmacare scheme, 100 per cent of senior citizens in Canada will be covered by drug plans.

Mr. Orlikow: Then the provinces will pay any increased costs.

Mr. Andre: I agree with the Hon. Member. However, does the Hon. Member feel that it is therefore dishonest for him and others to say to senior citizens, as they have been doing: "You will pay more for your drugs"? Does he not think that it is dishonest to say that they will pay more for their drugs?

Mr. Orlikow: Don't seniors pay taxes?

Mr. Andre: The Hon. Member is trying to frighten senior citizens by telling them they will pay. He knows that is false.

Mr. Orlikow: Mr. Speaker, I rise on a point of privilege. I ask Your Honour to rule on whether the Minister has the right—and I will deal with his arguments when I speak—to say that I know what I am saying is false.

Mr. Deputy Speaker: I will certainly read the "blues" and report back to the House later this afternoon.

Mr. Andre: I am prepared to concede that he may be saying that out of ignorance. That is quite possible. It could be deliberately; it could be out of ignorance. In either case it is hardly forgiveable.

Mr. Deputy Speaker: I would just ask the Minister to not use comments such as the word "deliberately", please.

Mr. Andre: Over 85 per cent of Canadians are covered by drug plans. In terms of the consumer *per se*, the direct effect if any is very minimal. What will be the effect on drug prices in general? What will be that effect? Let us consider what happens in Canada in terms of the marketing of drugs. I will return to the 1950s and 1960s.

In the 1960s we had prices in Canada which were higher than those in the United States. They were reportedly some 20 per cent higher. However, I might say parenthetically that I came across a paper that was presented to the Liberal Government in the 1960s. It made the point that the figures the then Ministers were using to justify a change in the Patent Act were false; they were cooked numbers. In fact, the whole initial change was based upon false numbers in terms of what drugs cost in Canada versus the United States.

There is no question that prices were quite high in Canada at that time. The reason was very simple. We had just come into the pharmacare or medicare era. That meant that many people who had previously paid for drugs out of their own jeans, so to speak, suddenly had a third party paying for them. When one does not pay for something oneself price discipline tends to disappear. What does it matter what it costs if someone else is paying? That had an upward pressure upon prices in Canada. The provincial Governments which were funding pharmacare schemes started to get their acts together to try to compensate for market pressures. Today, provincial Governments buy 60 per cent of the drugs sold in Canada. In essence they have very sophisticated price setting mechanisms. Every six months they establish something called a formulary which states the price they will pay for drugs. They organize bulk purchases and get volume discounts and so on.

There is no generic competition in 93 per cent of the drugs sold in Canada. Some people are under the impression that there is generic competition on all drugs. That is not true; 93 per cent of the drugs sold in Canada have no generic competition. They are low volume and so on. In that area, the prices in Canada are only 80 per cent of what they are in the United States. There is no generic competition. We cannot look at the Patent Act and claim that it has lowered costs for Canadians but, in fact, the prices in Canada are lower than they are in the United States. That will continue. There is nothing in here which will jeopardize in any way, shape or form the fundamental relationship between pharmaceutical manufacturers and provincial Governments. Those market dynamics will remain in place.

One can expect that the relationship of 80 per cent of U.S. prices will remain in place. Unless there are some other changes in the market caused by external forces, either in the United States or elsewhere, we should continue to have that kind of saving. It has nothing to do with the Patent Act. This is another reason I object so strenuously to opposition claims regarding drug prices. For 93 per cent of drugs there is no generic competition. There will be no effect one way or another.

We are talking about a comparatively small group of 7 per cent, albeit they are the high volume drugs and represent 20 per cent in terms of costs. However, that is a far cry from the statements made that all drug prices will go up, in an attempt to frighten people.

We are calling for the creation of a drug prices review board to monitor the existing prices of drugs and the prices of any new drugs to ensure that the market situation which exists now, where our drug prices are at about 80 per cent of those in the United States, remains in place. The board will be headed by Dr. Harry Eastman. Surely that should give confidence to members of the Opposition. Dr. Eastman is not likely to have his name attached to something which is a sham, a toothless tiger or something like that. He has a lot of personal integrity and personal investment in it. He would only be a part of the board if he recognized, as any fair-minded person would recognize, that in fact it will have teeth and be in a position to ensure fair prices.

Earlier today in Question Period there was some debate about what effect the Bill will have in terms of bringing on generic competition in the area where generic drugs compete. For the moment I will try to indicate some of the factors involved in generic competition. To begin with, when a company discovers a new drug it applies for a patent. It takes eight years of testing, on average, before the Department of National Health and Welfare authorizes the company to sell the drug to the public. Also it takes a number of years and a lot of expense to develop the market and to convince physicians to prescribe the drug for use. A lot of cost is involved in monitoring use, getting feedback from users, physicians and so on.

• (1540)

If the drug turns out to be a drug used by many people then it attracts the interest of generic copycat companies. These companies have to find somebody in a country that does not have patent protection to manufacture the drug, which is not easy. Then they apply to the Government, having to pass certain tests to ensure that that generic equivalent, whether in capsules or pills, is safe. That whole process takes a long time, on average eleven and a half years.

No one can claim absolutely that 10 years of patent protection will delay generic competition. It might. But anyone who says absolutely it will is not being intellectually honest. That is the kind of thing we should and will be discussing in committee.

Averages are important to provincial Governments that buy all the drugs and look at the whole spectrum. To an individual company, averages are not very helpful. If a company spent $100 million developing a drug, bringing it to market, but as a result of some quirk three years later cash flows and sales volumes are cut back because a copycat came on the market, it would then be out of luck could lose its investment. The $100 million spent bringing the drug to market may not be recovered. Consequently if you are thinking about a new research program, you will be very careful about investing in Canada for fear of being cut off.

We have very low research and development activity in Canada and very few drugs. I was at the University of Montreal last week talking to people in the Department of Pharmacy. One of the professors found a new drug that in his opinion has some therapeutic value. He has, however, patented

it in the United States. He did not patent it in Canada because he did not want to have his discovery exploited by somebody, to his detriment. I also spoke to a new professor who had arrived from France where he worked for a drug company; a French company, not a multinational. When that company discovers a new drug it licences companies in other countries to do the marketing. He told me that the company did not license companies in Canada because it did not want to lose the technology through lack of protection.

New drugs are being discovered which could help cure sick Canadians but they are being kept off the market and are unavailable to sick Canadians because of our Patent Act. If Members of the Opposition were here to listen and had real concern for sick Canadians they would include that as part of the equation. How many drugs are not available in Canada or are delayed entry into Canada because of our pharmaceutical laws? What is that cost?

I was at the University of Alberta last week where I met a bright young biochemist who I believe is doing some really fascinating work in the area of drugs. He was not able to raise any research funds in Canada, nor was he able to interest any Canadian company in pursuing this research. Why fund research in Canada if you cannot patent your results? He contracted with a Japanese company which funded his research. Part of the funding, $80,000, was to buy the rights to his creation. The Japanese company in turn sold those rights to Cyanamid in the United States for $15 million. Here was a discovery by a Canadian scientist in a Canadian university doing research here, but because of our patent laws it is enriching a Japanese company.

How many people in the Opposition making their cost calculations have included figures like that? What cost is that? What can you say about a country that educates brilliant young people but says, in essence, do not do research in that area because we are not going to protect the results? If you want to live in Canada and continue to do research find yourself a Japanese company to interest itself in what you produce? How in heavens can we hold up our heads continuing to do that kind of thing?

There is anecdotal evidence all over. Dr. de Bold, now at the University of Ottawa, while at Queen's University discovered a naturally recurring hormone that regulates high blood pressure. It is an amazing discovery, for which he has had all kinds of awards; he recently won the Manning Award. In *Saturday Night* magazine for August, 1986 it was stated:

> There are, in fact, many reasons why de Bold, Queen's University, and Canada will not reap the full benefits of this medical discovery. Foremost are the lack of a strong domestic drug industry; patent laws that give consumers low priced generic drugs, but make it uneconomical for drug companies to do research in Canada—

Here is another case of a brilliant scientist, funded by Canadian taxpayers as a university professor and researcher, who has come up with a very important discovery but Canada will reap none of the economic benefits because of our patent laws.

How many Members of the Opposition have put that calculation into their sums when they looked at cost and benefits? Not one, Mr. Speaker. They would rather rant and rave about the National Research Council and so on rather than recognizing that what they are advocating is causing more damage to research in Canada than can be imagined.

Here is a letter from a physician at the Hospital for Sick Children:

> I am a paediatrician training in pharmacology at the Hospital for Sick Children; in this capacity I was recently at an annual meeting of the American Society for Pharmacology and Experimental Therapeutics in Baltimore. While attending the meeting presenting a paper on research done in our lab, I was struck by the quantity and quality of research done by the pharmaceutical companies that was being presented. I also noted that, while many of the scientists and physicians were non-Americans, the majority of the work was being done in the United States. The challenge is clear—

He is pointing out that in order to do work in research and development our scientists have to go to the United States. We train them. I do not know what it costs to turn out an MD, Ph.D in Canada but a few hundred thousand dollars I would guess. We spend those tax dollars, then they go elsewhere to do their research and development. If Hon. Members in the Opposition are truly interested in costs, as they claim in their questions asked in Question Period over the last few days, let them put those costs into their equations. What is the cost to us as a country?

I humbly submit that anybody who takes an objective view of what we are proposing will see that we have in place enormous checks and balances to ensure that consumer prices of drugs remain reasonable. They should look at what we will get by way of research and development, and at the jobs this will create.

• (1550)

Mr. Speaker: I regret to inform the Hon. Minister that his time has expired. In these circumstances it is often customary for the House to give its unanimous consent to the Minister so he can continue for a few minutes in order to finish.

Some Hon. Members: Agreed.

Mr. Andre: Mr. Speaker, I appreciate the indulgence of the House. I thought the opening speaker had unlimited time. I will wind it up very quickly.

This Bill provides protection for consumers through the Drug Prices Review Board policy review in four years and parliamentary review in 10 years. All of the price control mechanisms provincial Governments have in effect will also remain in place. Indeed, the head of the British Columbia pharmacology program indicated that in his view there was likely to be no effect on the cost to British Columbia because the existence of the price review board will help them in their job.

Whatever costs might be associated with this legislation will be minimal. They will not hit the consumer. They will be worth it in the sense of helping to improve our international

relations. They are worth it in the sense of respecting the principle of intellectual property, recognizing that people who create have a right to enjoy their creation. However, when you look at the industrial benefits, the research and development, and recognize their importance, and balance that against any potential increase in costs, you cannot reach any conclusion other than that this is a good Bill, good for Canada, and will provide enormous benefits. I look forward to committee study so I can talk about this in more detail.

Mr. Speaker: Is the Hon. Member for York South—Weston (Mr. Nunziata) rising on a point of order?

Mr. Nunziata: Mr. Speaker, in view of the fact that the House was magnanimous enough to allow the Minister to continue beyond his allotted time I would ask you to canvass the House to determine whether or not there is unanimous consent to allow questions of the Minister in view of his lengthy statement.

Mr. Speaker: The Hon. Member has requested unanimous consent to put questions to the Minister. That is not the rule, but if it is the unanimous wish of the House and the Minister, then it can be done.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Andre: Mr. Speaker, I am really anxious to get this Bill to committee so I can answer all the questions which might be put. I am reluctant to take up more time of the House and deny the Liberal Party spokesman an opportunity to participate in the debate. I gather there was a precedent this morning as well where we were denied that opportunity, which causes my colleagues to say, regrettably, no.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Royal Canadian Mounted Police—Inquiry whether agreement exists to reduce number of Francophone employees. (b) Request for explanations concerning letter; and the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Regional Development—Distribution of expenditures. (b) Regional disparities—Request for new policy.

GOVERNMENT ORDERS

[*Translation*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Andre that Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, be read the second time and referred to a legislative committee.

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I welcome this opportunity to take part in the debate on the proposed drug patents legislation, and it is indeed a pleasure to do so, since this is the first time I have had a chance to rise in the House as the Official Opposition critic for consumer and corporate affairs.

In fact, the Right Hon. Leader of the Official Opposition (Mr. Turner) had just given me that responsibility, when fate decided otherwise. A car accident kept me from any active involvement in the legislation tabled by the Minister of Consumer and Corporate Affairs last year and passed by Parliament. I am referring to the amendments to the Tax Rebate Discounting Act and to the Competition Tribunal Act.

Before going any further, I would like to take this opportunity to thank publicly my colleagues who substituted for me during my convalescence. They are: the Hon. Member for Papineau (Mr. Ouellet), who was very successful in his work on the two Bills I just mentioned; the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who took charge of the lobbying dossier; the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), who monitored the copyright issue and diligently attended the proceedings of the Standing Committee on Consumer and Corporate Affairs; and the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) who saw to the representation of my constituents and their concerns. I also wish to thank those Members who covered all proceedings relating to consumer and corporate affairs. Furthermore, I want to thank all Members and employees on the Hill who sent me their best wishes for a speedy recovery. It was much appreciated. Finally, I want to thank the Hon. Member for Sudbury (Mr. Frith) who was in charge of monitoring the drug patents dossier and who prepared the Liberal response in anticipation of the introduction of this legislation on June 27 this year. The Hon. Member for Sudbury condemned these proposals as being too severe and lacking any justification, considering the absence of any firm and explicit commitment in the Bill.

When the revised version of the drug patent provisions was tabled last November 7, I denounced the Bill because these propositions quite simply ignore the Eastman Commission recommendations and tip the scales in favour of the multinationals.

Mr. Speaker, I want to make sure that Hon. Members fully understand my position and that of our Party. The Liberal Party has never come out against changes in this sector. The

Eastman recommendations are acceptable to us, for the report did strike a proper balance between the interests of consumers and those of the drug industry generally.

But these provisions go far beyond the Eastman report recommendations, so much so that they unduly favour multinational drug companies to the detriment of generic drug companies and consumers.

The Liberal Party has always made it a point to introduce policies which are fully consistent with the interests and needs of the people who are directly concerned. It is a significant characteristic since it sets us apart from our NDP colleagues who go to one extreme, while our Conservative colleagues go to the other extreme.

The *status quo* advocated by the NDP faction would have helped consumers, I agree, but then it would have killed any incentive the drug industry might have had to develop new drugs. On the other hand the Party in office wants a radical change which, for all practical purposes, amounts to a backward step. The big winners, the multinationals, will rake in millions of dollars in exchange for unsubstantiated and rather vague promises. The big losers, the consumers, will end up with a toothless patented medicine prices review board, as its only protection.

Mr. Speaker, senior citizens, the sick, the people who are not covered by health insurance plans know that song well. The same refrain has struck their ears once more. Indeed, quite recently, the CRTC, a creature similar to the Patented Medicine Prices Review Board proposed by the Minister in this legislation, has found that Bell Canada had overcharged its telephone users. So the CRTC ordered Bell Canada to have the overcharge refunded to telephone users. Everyone applauded. The only thing is, Bell has appealed the ruling and we are back to square one of an unending process.

There is nothing in Bill C-22 to prevent the same thing from happening to the Patented Medicine Prices Review Board's findings.

Moreover, we know about the multinational drug industry and its performance. That industry has tremendous funds at its disposal and money is no object when it comes to launching all sorts of court proceedings.

We also know that those funds have been used by the multinationals in major public relations campaigns to make their views known to the Canadian public through radio and newspaper advertisements. We also know that their financial strength has enabled them to carry on since 1969 in their attempts to have the Act amended. Now they are getting what they have always been asking for. The Minister would have us believe that the Patented Medicine Prices Review Board and the policy review by Cabinet four years down the road, and the review by Parliament 10 years from now, are a safeguard against the evil practices of those corporations. The average man and woman know what to expect. They have already realized there is nothing good in this legislation. But since the Minister is not an ordinary citizen, an average Canadian, I will have to go out of my way, resort to complicated explanations to make him understand what the majority of Canadians realized a long time ago, that the Minister has just given out the whole pie to the multinationals.

Let us start with a few historic facts. In the 1950s and 1960s, several complaints were filed by Canadians who found out they were overcharged for their drugs. Later, the Restrictive Trade Practices Commission enquired into the manufacture, distribution and sale of drugs, under Section 42 of the Combines Investigation Act. The Commission's enquiry was thorough and complete. It dealt with several issues already covered by the Eastman Report.

Mr. Speaker, the Restrictive Trade Practices Commission's findings were as follows, and I quote:

> Consideration should be given to the establishment, under the auspices of the federal Government, of an authoritative publication giving all necessary particulars concerning new drugs.
>
> As the Commission believes that the close control exercised through patents has made it possible to maintain prices of certain drugs at levels higher than would have obtained otherwise and that such patent control has produced no benefits to the public of Canada which would outweigh the disadvantages of the monopoly, the Commission recommends that patents with respect to drugs be abolished. In the opinion of the Commission this is the only effective means to reduce the price of drugs in Canada.

This means therefore that the prices of certain drugs protected by patents were very high and were felt to be excessively high. Other studies have confirmed that the drug manufacturing industry was characterized by excessive profits and a level of research and development which was not in proportion with the magnitude of its profits.

The other two studies were the 1964 report of the Royal Commission on Health Services and the 1966 study by the Special Committee which considered the costs and prices of pharmaceutical products. There were several other studies, but all agreed on the same findings.

The pharmaceutical industry charges high prices, collects very high profits, but does not carry out much research and development work, at least proportionate to its sales. As a matter of fact, research and development represents only 3.5 per cent of sales.

In 1969, in an effort to lower prices and increase competition, the Liberal Government of the day allowed for compulsory licenses. From then on, some very popular drugs were manufactured and sold as generics.

In June, 1983, the Hon. Member for Papineau, the then Minister of Consumer and Corporate Affairs, tabled a working paper on the compulsory granting of licenses in the area of pharmaceuticals. He recognized the fact that there were a number of problems and that those problems tended to make it less attractive for innovative companies to engage in research and development.

Considering the complex situation in the pharmaceutical industry, the Government decided to pursue the matter further through a commission of inquiry, which would be free of all partisan considerations, and to ask the commission to examine

the pharmaceutical industry with a view to recommending the fairest possible solutions.

I shall quote, if I may, from the Order in Council:

> And whereas it is desirable that proposals for incentives for the development of the pharmaceutical industry be evaluated, as well as the relationship of the pharmaceutical industry to the health care delivery system throughout Canada, the cost of pharmaceuticals to consumers in Canada, the clearance procedures for new products and any other policies and programs administered by the Government that relate to the pharmaceutical industry.
>
> Therefore the Committee of the Privy Council, on the recommendation of the Prime Minister, advise that Dr. Harry Eastman of the City of Toronto, in the Province of Ontario, be appointed a Commissioner under Part I of the Inquiries Act to inquire into and report upon the current situation in the pharmaceutical industry in Canada, the prospects for a significant expansion of this industry in Canada and the policy framework for the development of the pharmaceutical industry and, within that framework, to identify proposals that might form the basis for reaching a consensus on licensing policy.

The report says clearly that the Commission will identify proposals that might form the basis for reaching a consensus on licensing policy. The two major recommendations are the following, and I shall quote directly from the Eastman Report. The Commission recommends:

> that new drugs should be awarded a period of exclusivity from generic competition of four years after receiving their Notice of Compliance authorizing marketing;
>
> that a Pharmaceutical Royalty Fund be established and be financed by payments made by firms holding compulsory licences, the payments to be determined by the value of the licensee's sales of compulsorily licensed products in Canada multiplied by the pharmaceutical industry's world-wide ratio of research and development to sales.

There are several other recommendations in this important report by Dr. Eastman. However, the point I wish to make is that the recommendations of the Eastman Report represent a balanced view between the interests of consumers, that is reasonable prices, and the interests of the pharmaceutical industry, namely funds for research and development.

These recommendations have been thoroughly examined. In fact, the Eastman Report states that, according to the comprehensive data of the pharmaceutical industry in Canada, there is no indication that the compulsory import licensing implemented in 1969 has had any unfavourable effects. In addition, the Eastman Report notes that the profits of the pharmaceutical industry have clearly exceeded those of all manufacturing industries as well as those of the chemical industry as a whole, except in 1974.

This industry is therefore generally healthy. Dr. Eastman explains why, in spite of the health of the industry, he is recommending a four-year period of exclusivity. The report says that the purpose of the four-year exclusivity period from the date of issuance of a compliance notice authorizing marketing is to encourage the rapid introduction of new drugs in Canada by improving the profitability of the company bringing out the new products. He also explains that insufficient protection does not motivate the companies to do research, while too much protection promotes waste, bad allocation of funds and research that is not really necessary.

The care put into the Eastman Report, and its conclusions regarding the protection of patents for a four-year period, once more bring me to say that what the Minister is proposing is excessive. Ten years of exclusivity is very far from the four years recommended by Dr. Eastman.

According to the observations of the Commission, ten years of exclusivity will promote a waste of money and needless research. I am strongly convinced that the Eastman Report shows what direction we should be taking. It gives a fair and balanced view of the interests of both consumers and the industry. The proposals of the Minister will cost the consumers a lot more than necessary and will allow the multinationals to waste their overly large profits in useless activities.

Mr. Speaker, I cannot understand how the Minister of Consumer and Corporate Affairs (Mr. Andre) can tell us that this will not cost Canadian consumers one penny. The Eastman Report is very clear about this, as Dr. Eastman pointed out yesterday and today. What does the Eastman Report say? Simply that the appropriate mechanism to boost the profitability of multinational companies—that is, earning more income to invest in research and development—is a four-year prohibition period.

● (1610)

So the report says that there would be no competition from generic products during four years. The industry would be free to change prices to recoup or gather funds for past and future research. Needless to say a new drug would cost more. We in the Liberal Party believe that a ten-year restriction period is too high a price for Canadian consumers to pay. The evidence is there. The Eastman Report says so. We feel that a ten-year prohibition period is an altogether unreasonable and disproportionate demand on the part of the multinationals. We also believe that the Minister is making a big mistake. He is definitely going too far in his efforts to promote a climate conducive to investment and industrial development.

Spokesmen for retired people, elderly Canadians, women and consumers at the Liberal Party's public hearings last September 23 unanimously agreed that the Government proposals were excessive. A number of them said they would prefer the *status quo*, while others indicated that the Eastman Report recommendations were acceptable even though they did not appear to be in their interest. Nobody was as arrogant as the multinationals when they warned that their investment promises would best be forgotten unless the legislation were adopted.

Mr. Minister, here is what we have against this Bill: the ten-year prohibition period is simply too long. I explained why. The seven-year prohibition period concerning the manufacture of drugs will leave generic drug companies with only three years to recoup expenditures incurred for developing their products. After that period, they will be facing the competition of imports. In their case, they will not be able to recoup the expenses.

Mr. Speaker, there is no obligation in this legislation for patent-holding multinationals to manufacture their drugs in Canada. This is important. That obligation was included in the Government's proposal of June 27th. Actually, if a multinational failed to manufacture its drugs within the 2 years following the previous Minister's legislation of last June, and I repeat: if a multinational failed to manufacture its drugs within 2 years, it would have lost the privileges associated with the patent. That provison has been taken out of new legislation. It would really have encouraged the development of a manufacturing sector in the drug industry.

Turning to the Patented Medicine Prices Review Board, its authority is limited as far as collecting data on prices and research and development activities are concerned, because a major part of those activities are carried out abroad and all the multinationals have their headquarters in countries outside Canada. Since we have no jurisdiction whatsoever on countries such as France, Switzerland and the United States, the board will be limited in the information it can collect.

Mr. Speaker, the criteria for monitoring and determining whether a drug price increase is excessive open the door to abuse and to the setting up of higher prices. One criteria in particular comes to mind: the selling price of drugs outside Canada. We all know that Canada has the lowest prices in the industrial world. Another criteria is the patentee's selling price over the five years before the ruling. We know that the prices of drugs have increased approximately from 3 to 43 per cent since the Eastman Report was published. We also know that before 1985, the introductory price of drugs varied from $70 to $100. But this year we have seen some drugs introduced on the market at prices between $100 and $150. As you can see, those criteria will have to be very closely monitored. Contrary to what the Minister claims, they show that an increase in the prices of drugs is to be expected.

The powers of the Patented Medicine Prices Review Board to correct the abuses of guilty companies are weaker than they were in the Bill introduced last June. Indeed, the original proposal was that the Board would be authorized to lower the price not only of the medicine involved, but of all medicines produced by the company.

In the present Bill, only the price of the medicine involved and that of one other medicine are subject to reprisals by the Board. I ask the Hon. Members to note this point because it is important.

The Minister claims that the penalty is proportionate to the crime and that the previous proposal was excessive. We have to recognize that the Conservative Government is consistent. Indeed, our competition legislation, while better than it used to be, is certainly one the weakest pieces of legislation on economic competition in the world.

The penalties provided by our competition legislation are not very severe. Therefore, if the Government wanted to bring our pharmaceutical patent legislation up to world standards, it should have done the same for our competition legislation.

Mr. Speaker, it is important to note that this bill is retroactive to June 27, 1986. This is totally unacceptable. Canadians are entitled to benefit from the amendments of 1969 until Bill C-22 is passed by this House. This provision of the Bill is rather fishy. The Government is going to grant ten years of exclusivity to the multinationals, and these same multinationals cannot wait for the bill to be passed? What does that mean? It is completely and totally unacceptable. There is no reason for such a provision.

The Minister tells us that the multinationals will invest $1.4 billion into research and development and that this should create 3,000 jobs. Regretfully, this is not spelled out in the Bill. All I know is that the multinationals have announced some of their investments, and not all of them, but only after they were forced to do so. This happened both times legislation to amend the Patent Act was introduced. Last June 27, the multinationals announced some investments, and last November 7, they again announced some investments. Moreover, when the Liberal Party held public hearings last September 23, they once again announced investments.

Do we have to scare them every time we want them to do their share? The Bill includes no written guarantee and no investment schedules. The ordinary consumer always has a guarantee when he buys something. Why, then, would the Canadian people buy such an industrial policy without any guarantee? The Minister of Consumer and Corporate Affairs (Mr. Andre) could provide such a guarantee for Canadians who are already paying high prices and who could find themselves paying even more.

In addition, this Bill does not define research and development. Does this mean fundamental research, research applied to manufacturing processes or chemical research? If the Goverment really has a research and development policy, it should be able to tell us exactly what it wants. When you do not know where you are going, you can end up just about anywhere. Since the decision is delivered to Cabinet, the definition of research and development will be subjected to risky decisions by ministers experiencing pressures of all kinds. It is a serious shortcoming, a broad gap and clear proof that the Tory Government does not know where it is going or what it is doing.

The amounts allotted to the provinces seem to me to be totally inadequate in the long and in the short term and it is once again an admission that drug prices will surely go up. If not, why provide those funds to the provinces?

The policy will be reviewed by Cabinet after a four-year period and by Parliament after ten years. This would seem to be acceptable except that if the Members of this House want to be realistic, they will appreciate that in those ten years many things may happen, many excuses may be voiced to justify unachieved investments: a depression, a crisis in the industry concerned, retaliatory measures from other countries and so on.

Let me be cynical and skeptical. Moreover, I doubt very much that after a four-year period, Cabinet will have enough information to act efficiently to promote the development of our drug industry.

Mr. Speaker, it is clear that the prices of drugs will increase. Everyone seems to believe it except the Minister. The Government is granting a ten-year monopoly without any written guarantee of investments by the industry, without any commitment by the multinationals as to the manufacture of drugs in Canada, without any specific definition of what is considered as research and development, without any commitment to table cost studies in the House or in committee. I regret but the Bill is inadequate and incomplete. One has to be blind to support such a proposal. Who will pay the bill, Mr. Speaker? Our sick people, those who are not covered by social welfare and whose income is not high enough to pay the premiums for a private insurance scheme; the people on welfare who will have to buy drugs not covered by their provincial drug insurance program; the people on social welfare who will have to pay part of the costs of their medicine where they are not covered 100 per cent by the province. The provinces which will have to make cuts in their Medicare programs to pay for these drugs. The taxpayers who will have to pay higher taxes to cover the increase in costs for medicine. The Canadian men and women who have private drug insurance programs. The drug insurance companies will have no other alternative but to pass the increase on to them. It is Canada which is scuttling its generic pharmaceutical industry which was about to start innovative research, but which will not be able to do so.

In his remarks, the Minister of Consumer and Corporate Affairs (M. Andre) wondered why the Official Opposition opposed this legislation. He shouted: "The opposition is asking for jobs, jobs, jobs". Yes, its true, we want jobs, but not at the expense of the weak, the poor and the sick.

This Bill is not tailored to meet the needs of our country in the area of drugs; rather, it is the culmination of a host of clumsy efforts to meet the needs of a foreign-controlled industry. This Bill, therefore, has not been conceived to meet the needs of Canada, it is not a proper instrument for research and development, and our sick people, old people and taxpayers will pay dearly for it. The Liberal Party of Canada simply cannot support this Bill in its present form. We will make every possible effort to amend this Bill at least along the lines recommended by the Eastman Report. I join with the many Canadian men and women who are totally opposed to this Bill, and I will do everything in my power to make it more reponsive to the real needs of all Canadian men and women.

To conclude, Mr. Speaker, I will say to the Minister that my position towards this Bill will be: "Desperate ills call for desperate remedies." Therefore, I move the following amendment:

• (1620)

[*English*]

Therefore, I move, seconded by the Hon. Member for Windsor West (Mr. Gray):

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

Bill C-22, An Act to amend the Patent Act and to provide for certain matters in relation thereto, be not now read a second time but that it be read a second time this day six months hence.

Mr. Speaker: We will now debate the amendment.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, since this Bill was proposed by the Government last spring it has been opposed by Hon. Members of my Party. The earlier version did not receive first reading in June, and it has been opposed by my Party since the House resumed in September. We did everything we could to prevent the introduction of the Bill and we intend to continue to oppose this Bill in every way possible, and to defeat it if we can.

The Minister of Consumer and Corporate Affairs (Mr. Andre) in answers to questions put to him earlier this week, and even previously, has implied that the opposition to his Bill comes from opposition Members of Parliament for purely partisan reasons. He implied that other people who oppose the Bill are doing so because they do not understand the fact, or because the facts have been misrepresented by members of the Opposition. In my years in Parliament I have never encountered a proposed Bill which has brought forward such unanimous opposition as this Bill.

An Hon. Member: Do you remember the Crow Bill?

Mr. Orlikow: The Crow Bill was a disaster. It affected farmers very adversely. However, this Bill has produced resolutions, letters to the Prime Minister (Mr. Mulroney) from senior citizen organizations from one end of Canada to the other, from consumers associations, from co-operatives, labour unions and farm organizations. I have never before seen this virtually unanimous opposition which has been produced by this Bill. These organizations have been joined by newspaper editorials, by newspaper columnists.

In today's *Citizen* there is an article by Don McGillivray. The headline reads: "Don't swallow Tories' drug-bill line". He states in part:

—the Tories now have a two-year record of mismanaging the issues that arise.

A little further on he states:

The change in the law abandons Canada's unique system of keeping medical drug prices low by denying patent protection to the big multinational drug companies.

I would like to deal for a few moments with a couple of the arguments put forward by the Minister in his speech today. He stated that the Bill under which these companies have operated since 1969 really permits the theft of intellectual property. I suppose he means that the results of the research done by the multinational companies who bring forward a new drug are

then used by the generic drug companies. That is true. Under the law, as it has been from 1969 until now, after a little more than four years, by payment of a royalty, the generic companies can get a licence to produce the drug. Under the Bill which the Minister is proposing the generic drug companies will be able to produce drugs under licence after 10 years. Is the Minister saying that it is theft if the licence is used after four years but that it is not theft if it used after 10 years?

• (1630)

Mr. McDermid: Yes.

Mr. Orlikow: If it is theft, and if the Minister really believes that, then obviously the company should have patent protection for 99 years, not for four years and not for 10 years.

The Minister then says that seniors will not be affected because, after all, they are covered by provincial pharmacare plans. Seniors are taxpayers just like everyone else. The provincial pharmacare plans are paid for out of the revenues of the provinces. The provinces obtain their revenues through various forms of taxation. If they have to pay more, as they will, for the cost of prescription drugs for seniors, or for anyone else, then the cost of the programs will have to increase. If the provincial pharmacare programs and health care programs, along with private insurance plans of which there are many, have to pay more for prescription drug costs, then either they will have to increase the premiums which they charge or they will have to cut back on the benefits which they provide for other services over and above the cost of paying for prescrition drugs.

I would like to take a few moments to consider the history to the point we are now, from where we have come and where we will go if this Bill passes. I remind Hon. Members that before 1969 Canadians paid among the highest prices for prescription drugs in the world. In the period from 1945 to 1965 the cost of prescription drugs rose by 150 per cent. The Government of the day, because it was receiving so many complaints from so many people with respect to not being able to afford prescription drugs doctors prescribed when they were ill, appointed three commissions to study the problem. All three commissions made proposals with respect to changing the patent law as it affected prescription drugs.

In 1968, a parliamentary committee chaired by Dr. Harley held many public hearings. Interested people, companies involved and research scientists were allowed to come forward and testify in public before the committee. After the committee held its hearings it brought down a report. It was on the basis of that report that the patent laws as they affected prescription drugs were changed.

The result of these changes was that the generic drug companies were permitted to obtain a licence to produce drugs after the company which had developed them had had the exclusive right to produce and sell them for a number of years. This permitted them to import the active drug ingredients needed to produce the drugs, which resulted in bringing competition into the drug market. The results were dramatic. From having the second-highest drug prices in the industrialized world we moved to the situation where, up until now, we have had the second-lowest drug prices in the world.

The multinational corporations were unhappy with this situation, to say the least. They were dissatisfied. They fought the system with every means available to them. They had, they have now, and they will continue to have one of the most powerful lobby groups in the country, just as they do in the United States. The pressure they brought to bear was continuous. Finally, a couple of years before the then Liberal Government was defeated, the Hon. Member for Papineau (Mr. Ouellet), who was then the Minister of Consumer and Corporate Affairs, caved in somewhat to the pressure. He began to look for ways to satisfy, at least in part, the demands of the multinational corporations. However, his portfolio was changed and a new Minister of Consumer and Corporate Affairs was saddled with the responsibility. I refer to the Hon. Judy Erola.

Despite the fact that the system we had since 1969, and have up until today, was working well and giving the people of Canada prescription drugs at a reasonable price, Mrs. Erola, to lessen the pressure on her and her Government, appointed Dr. Harry Eastman to investigate the situation. Dr. Eastman brought down his report after the Liberal Government was defeated and the present Conservative Government took office.

What did Dr. Eastman say in his report? Essentially, what he said was that the system which we now have in place is working quite well. He said that the system under which the generic drug companies are permitted after a number of years to produce a drug, after paying a royalty to the company which originally developed it, saved the people of Canada $211 million in 1983. Dr. Eastman also said that we could make some changes to the Act, although the ones he proposed were relatively minor. He proposed that the four-year patent protection now given to drug patent holders be looked at, that the royalties paid by the generic producers should be increased from the present 4 per cent to 14 per cent, and that there should be specific grants for research and development from the funds collected from the royalties.

The Government could have accepted Dr. Eastman's proposals, or it could have held public hearings such as were held in 1969 under the chairmanship of Dr. Harley. But the Government ignored the public way of dealing with the situation in favour of working secretly behind the scenes. It brought the two antagonists—the multinational drug companies and the generic drug companies—together. It told them that they had to negotiate and work out an agreement that would be acceptable to both of them. However, the Government was really only listening to the demands of the multinational companies; not just the Pharmaceutical Manufacturers Association of Canada but its real master, its real owners, the pharmaceutical manufacturers in the United States. The results of this type of pressure and this type of wheeling and

dealing behind closed doors had predictable results. The multinational corporations got what they wanted.

• (1640)

In the original Bill, which was to be introduced before the summer recess by the former Minister of Consumer and Corporate Affairs, multinational corporations would have had the exclusive right to produce and sell drugs they had developed for eight years to 10 years, an increase over the four years to six years provided by the present law.

Under the present Minister of Consumer and Corporate Affairs the penalty clause has been softened to make losing exclusivity on one drug and one other from one drug and all others. The import restrictions have been lifted on the import of active independents rather than the manufacture of them in Canada. The cost provisions to be reported to the Prices Review Board were changed and the process made easier.

We know what will happen when this Bill is passed because we know what occurred previous to 1969 when we passed the legislation under which the manufacture and sale of prescription drugs has since operated. The companies will set the prices by what the market will bear. There will be no competition for at least 10 years. We know from experience that the people of Canada will suffer tremendously.

In the proposed Bill there are no cost estimates beyond the Minister's statement that there would be not one cent more in additional prices. The only person who believes that is the Minister himself. Yesterday and today the Minister charged that quotations which the CBC program *The Journal* put in the mouth of Dr. Eastman were taken out of context and that Dr. Eastman had agreed with him that there would be no extra cost. Today, an article in the *Toronto Star* quotes Dr. Eastman as saying that the price level of new drugs would be higher under the Bill than if there were no legislation.

I called Dr. Eastman last night and asked him if in fact he had been misquoted or misrepresented on the CBC program. I asked him if he believed that prices would not be higher after this Bill had passed. Dr. Eastman pointed out a very obvious fact. Under the present system a company which develops a drug has at least four years, and according to the Minister this works out to an average of 10 and a half years, in which it has the exclusive right to sell the prescription drug. After this Bill is passed the four years provided by the present system will grow to 10 years. The multinational corporations which develop the new drugs will have an extra six years to sell the drugs, and in this time generic companies will not be able to get licences to produce the drugs and will not be able to bring down prices as they have up until now.

Let me give Hon. Members and the Minister some examples of how the system works right now. I will deal with two or three prescription drugs which are used very frequently. Valium is probably the most widely used prescription drug in Canada and virtually every other country. In Winnipeg the retail price for 100 tablets of the brand-name prescription drug is $15.10. For the generic equivalent, the retail price is $5.64. Let us deal with the drug Tagamet which is now very widely used by people who suffer from ulcers. One hundred tablets of brand-name Tagamet costs $39.38 in Winnipeg. For the generic equivalent, the cost is $15.34.

For one of the newest antibiotics, Amoxicillin, the brand-name drug costs $18.25 while the generic equivalent costs $9.25.

Under the present system, because of the wide use of generic equivalents for the most prescribed drugs, consumers pay half or less than half the cost of the brand-name drug for prescriptions. That is the system which the Minister is proposing to virtually destroy.

The Minister has said that not only will the cost of present-day drugs not rise, but the cost of drugs manufactured in the future will not rise. He is certainly alone in that view. Clayton Yeutter, the chief trade negotiator for the United States, said in an interview by the CBC after he made a speech in Chicago on September 30 the following:

> It may raise prices at the retail level of some of these products. If you're going to have low retail prices based on piracy that is not a sound way to run a country.

I would like to hear the Minister tell senior citizens and young families with children who get sick and need prescription drugs whether he agrees with Mr. Yeutter, that the system we have had which has saved them money is based on piracy and we must get rid of it. Even the former Minister of Consumer and Corporate Affairs knew better and was more forthright than this Minister. He said—

Mr. McDermid: One man's opinion.

Mr. Orlikow: The Hon. Member says that that is one man's opinion.

Mr. Riis: The Minister's.

Mr. Orlikow: It was the then Minister's opinion. On June 27, 1986, he said that it was their estimate that the total cost to provincial treasuries resulting from the delay in the introduction of generic drugs would not exceed $100 million by 1990. If there is to be no increase in costs, why did the former Minister agree, as has the present Minister, that he would pay the provinces this $100 million. It is obviously because they know that there will be increased costs.

My colleague, the Hon. Member for Beaches (Mr. Young), and other Hon. Members have called on the Government, the Minister of Consumer and Corporate Affairs and the Minister of National Health and Welfare (Mr. Epp) to make public the studies they have in their possession, studies which tell the real story about what the increased costs will be.

• (1650)

I would ask the Minister to tell Hon. Members and Canadians why the Government has refused to make those documents and studies public. We have every right to assume that the reason they will not make those documents public is that the

documents would tell Canadians that there will be very sharp increases in the cost of prescription drugs after the Bill is passed.

We could not obtain those figures. However, other people have looked into the matter. The Canadian Drug Manufacturers Association, an association of generic companies, commissioned a study. It was not done by some fly-by-night group, by some wild-eyed radical or by some know-nothing. The Minister tried to indicate that all the people opposing the Bill do not know what they are talking about.

Mr. Riis: Who did the study?

Mr. Orlikow: The study was conducted by one of the largest, most respected firms of chartered accountants in Canada, Currie, Coopers and Lybrand.

Mr. Riis: Very reputable.

Mr. Orlikow: Of course they are. That firm has done work for the federal Government and for many provincial Governments.

In the study it was found that without generic competition as a restraining factor on the desire of multinational drug companies to maximize their profits, prices would increase quickly for new drugs. It was estimated that by 1995 Canadians would be paying $650 million more than they are now paying. The total would be $4.73 billion over a 10-year period. Let us compare that cost with the claim—and I emphasize the word "claim"—by the Minister and the Government that multinational drug companies would invest $1.4 billion in that period of time if the Bill were passed. For every dollar multinational drug companies might invest, Canadians will pay $4.

I think we have every right to question the claim that the companies will invest that amount of money. Until 1969 companies had patent protection. They had all the patent protection they wanted, all the patent protection they needed. If it is the patent protection they will get under the Bill which will induce them to do research in Canada, why did they not do research in Canada when they had prior patent protection?

The facts are very simple. Multinational drug companies, like other multinational companies in virtually every area of industry, have a very simple policy. They prefer and almost always conduct their research at head office, not in one of their subsidiary companies. We have no right to believe that they will invest the amount of money and produce the kinds of job which the industry and the Government accept without question.

We realize that the study conducted by Currie, Coopers and Lybrand was as a result of an organization being hired to do the study by one of the interested parties which would be very seriously and adversely affected if and when the Bill was passed. We tried to be as certain as we could that the position we were taking was the correct one. Therefore, we took the Currie, Coopers and Lybrand study, which indicated that by 1995 Canadians would be paying an extra $650 million per year for prescription drugs, to a leading economist in the drug policy field. We cannot give his name because he works for the federal Government. The economist told us that the assumptions and estimates made by Currie, Coopers and Lybrand were conservative on the whole.

Let me return to the fact that we know what will happen because we know what occurred regularly in pre-1969 years. In those years companies were able to set prices at whatever they thought the market would bear. They knew then and they know now that if the Bill passes there will be no competition from generic companies for at least 10 years. There will be no need for them to reduce prices. As I have already indicated, the prices they charge are at least twice and often more than what the generic companies charge. We know that prices will accelerate immediately. In fact it is already happening for new drugs.

Let me look at two new drugs which were introduced in the last six months, Tegison and Carderone. They were introduced at wholesale prices of $150 per hundred for Carderone and $77 for 36 tablets of Tegison. We can compare those prices with the previous wholesale introduction prices of new drugs of between $50 to $70 per hundred tablets.

Drug companies now know they will get away with price increases, since last June is the retroactive date when the Bill will come into effect. It only stands to reason that drug companies will set the highest price possible since the drug will be under price controls thereafter?

Therefore I move, seconded by the Hon. Member for Kamloops-Shuswap (Mr. Riis):

That the amendment be amended by deleting all the words after the word "they" and by substituting therefor "12 months hence".

Mr. Deputy Speaker: I will take the amendment moved by the Hon. Member for Winnipeg North (Mr. Orlikow) and seconded by the Hon. Member for Kamloops—Shuswap (Mr. Riis) under reservation and make a ruling at a later time.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

Ms. Lynn McDonald (Broadview—Greenwood) moved that Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, today we are looking at historic legislation. For the first time we are examining an extremely important Bill concerning the health of all Canadians. It is akin to a Government bill in its complexity and it is possible thanks only to the reform in our parliamentary rules. The intention of the bill is to establish a smoke free work-place for all employees under federal jurisdiction and to ban the advertising and all promotion of tobacco products. It is as comprehensive a bill as a private Members' Bill can be because a private Member cannot spend money. There cannot be provisions for counter-advertising or for support for substitute crops for tobacco, for example.

• (1700)

The Minister of National Health and Welfare (Mr. Epp) himself has said that a comprehensive approach is needed. I call on the Government today to reflect that concern by supporting Bill C-204. This Bill has a chance to pass under the new rules. It was selected by an all-Party committee as a non-partisan subject. This all-Party committee on private Members' business was dominated by Conservatives who met, incidentally, in a smoke-filled room. Hon. Members put aside their personal considerations to put a health issue of such national importance to the fore.

[*Translation*]

The problems of tobacco consumption are well known. Every year, 35,000 Canadians die of diseases related to cigarette smoking—cancer first of all, coronaries and emphysema. And 1,000 of those 35,000 Canadians who die every year are not smokers themselves but the victims of sidestream smoke. There are also non-fatal illnesses. Smokers are ill more often than non-smokers. In a family where one member smokes, the children are twice as likely to be sick and get bronchitis, for instance, as children in families where no one smokes. Tobacco consumption causes very serious problems: death, illness, suffering, disability, decreased productivity and fires.

What can we do about it? The majority of smokers are trying to stop smoking. It is not easy, and it would be better not to start in the first place. That is why we must ban tobacco advertising. Because many Canadians have stopped smoking, especially men, and since 35,000 smokers die every year, the tobacco companies have to recruit new smokers, and unfortunately many of these are women. Advertising campaigns are aimed at young people and women, and take advantage of the insecurity and vulnerability of these two groups.

[*English*]

These campaigns have succeeded magnificently. We have seen a 4 per cent increase in tobacco consumption this year over last year. The advertising campaigns are working. We have a terrible irony that the symbols of emancipation for women are used in these campaigns to induce women to smoke. We will be seeing equal lung cancer death rates for women compared with men long before women achieve equal pay with men.

Society has a stake in the health of its citizens. When a person is ill, absent from work or dies leaving young dependents, society must pay. Society pays for medicare, society pays for dependents, and society pays for pensions. Smokers themselves pay $3 billion a year in taxes but they cost the system $8 billion. The tobacco companies do not have to pay compensation to their victims. I am not suggesting that that is the best route, although lawsuits may have to be the answer if we do not get adequate legislation. When the harm of thalidomide was discovered, the drug was banned. No one would suggest that what we needed was better legislation to enable the victims to sue the companies. The drug was simply banned.

There is no right to advertise any product. In fact, restrictions for advertising apply to all kinds of perfectly legitimate services, lawyer services and drug products. The idea that there is a right to advertise a hazardous product is absolutely preposterous. A hit man cannot advertise his services, a supplier of arms for terrorists cannot advertise, and poisons for bumping off your spouse cannot be advertised.

Freedom of expression in the Charter is for individuals to express views. People are free to argue the merits of smoking but no one is free to advertise a hazardous product. Further, the Charter stipulates exceptions where these are demonstrable in a free and democratic society. Certainly free and democratic societies have banned cigarette smoking. I note that the one that has ban adopted the most stringent, Norway, has seen a significant drop in tobacco consumption, especially among young people.

The statement that advertising will not do everything, will not stop all people from smoking is perfectly correct. If perfection were a criterion for accepting legislation we would not have any bills before this House. Advertising is absolutely essential to the tobacco companies. A ban on advertising is absolutely essential. No campaign of good health put on by the Minister can possibly overcome the insidious campaign of the advertisers to associate a product with life, health, sports, glamour, success and to prey on people's fears. I would advocate a counter-advertising program, but only after a ban on the positive advertising program. The Government cannot put up the money. That would be enormously costly when the tobacco companies are spending $200 million a year to try to meet that.

[*Translation*]

The impact of this Bill on employment should not be exaggerated. I hope there is a drop in tobacco consumption, but we are not talking about banning tobacco production or the manufacture of cigarettes in Canada. Farmers are already being affected by competition from the Third World, and even if tobacco consumption remains at its present levels, farmers will still be competing with cheap Third World tobacco. So long as we have smokers in Canada, we should not import tobacco or cigarettes, and the manufacturers will survive. The changes in these industries will be gradual. As demand drops, jobs will be lost in the long run. On the other hand, this will mean more jobs in other sectors. People who

stop smoking buy other products and other services. They go to the movies and to restaurants, they buy clothes, and so forth. I think rising demand in these sectors will create more employment.

[*English*]

This Bill in action would give employees in the federal work-place the right to a smoke-free work-place for the first time. Employees have been demanding it but without success. Health and Welfare voluntary guidelines have not worked. Putting a sign up to stop the tobacco smoke from circulating does not do it. Specific cases have been taken, but they have not been very successful. They have taken years, as in the case of Mr. Timpauer, or they have been turned down on appeal by the Federal Court of Appeal. It is expensive, time consuming and it is not the way to do it. This is a serious problem and it needs legislation.

I note that in the field of transportation the transportation companies have welcomed regulation from the Government. They find it difficult to adjudicate between smokers and non-smokers. They want this legislation. My private Members' Bill includes common carriers, the airlines, railway companies, marine transportation and interprovincial buses. They want this regulation as well.

There is a great deal of support for this Bill, Mr. Speaker, from the Canadian Cancer Society, Physicians for a Smoke Free Canada, Non-Smoker's Rights, Nova Scotia Medical Associations, the Canadian Council on Smoking and Health, the Public Service Alliance of Canada, and I expect we will be seeing lots more support come in as Canadians see what are the possibilities.

This Bill could be landmark legislation. It could be the first Bill passed under the new reformed House rules, and it certainly could be the first comprehensive law dealing with Canada's preventable health problems. I call on all Members of the House on both sides to give employees under federal jurisdiction the right to a clean, safe, disease-free working environment. I call Hon. Members in all three Parties to promote the health of children, to stop the sophisticated marketeers, these pushers in pin-stripes, as the doctors have called them, from using the allures of their trade to attract children into a habit that they will regret. I call on all Hon. Members to put aside all partisan considerations and support a Bill that will give employees the right to a clean environment and will give children the protection that they need to grow up safely.

• (1710)

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased today to comment on Bill C-204 introduced by my colleague from Broadview—Greenwood (Ms. McDonald). This measure is aimed at several objectives, including restricted smoking in the workplace, a ban on tobacco advertising, and restricted sales of tobacco products. My intention today is not to deal with every single sector which might be affected by this piece of legislation. Instead I will concentrate my remarks on its consequences in the workplace.

Mr. Speaker, there is already in place a mechanism to deal with the problem of workers' health and safety, and I am referring to the joint committees on health and safety.

At the local level, health and safety committees are the ideal means to tackle the complex issues related to the safety and health of workers, so we should not take any initiative likely to undermine their efforts. As it happens, that would be the ultimate result of Bill C-204. An explanation is in order, Mr. Speaker.

As all my colleagues already know, employers and employees under federal jurisdiction are governed by the provisions of the Canada Labour Code and its attendant regulations. Labour Code Part IV covers employment health and safety. It applies to every workplace referred to in the legislation now before us, including the federal Public Service, the airlines, the banks, the postal service, radio and TV stations, the railways, the grain elevators and some Crown corporations.

The primary purpose of Part IV of the Code is to prevent employment accidents, injuries and illnesses in the carrying out of duties covered by the Code or arising from or connected to them. To that end, it requires employers to protect adequately the safety and health of their employees. Part IV of the Code also empowers the Governor in Council to enact regulations for the safety and health of workers. It is within that mandate that the Canada Regulations on safety and health in the workplace have been established.

Those 18-part regulations establish the standards for everything that concerns the safety and health of workers, from hygiene measures to boilers. Part X of the Regulations deals with dangerous substances and is of particular significance to the debate. It sets up the procedure for investigations, even when there is only a possibility that the safety and health of workers might be endangered. Limits are indicated for the permissible exposure to dangerous substances. It is recognized that the exposure to dangerous substances must be limited as much as possible by technical means.

Mr. Speaker, Labour Canada is responsible for recommending safety and health regulations to the Governor in Council and for enforcing the regulations as authorized by the Governor in Council. However, the Code recognizes the very important role played by employers and employees alike in eliminating as much as possible the existing hazards in the workplace.

The Code makes it mandatory for employers with twenty employees or more to establish a safety and health committee made up of an equal number of management and labour representatives. Small businesses with fewer than five employees may select one worker as a safety and health representative, instead of setting up a committee. It is Labour Canada's sincere hope that those safety and health committees

will strongly support our efforts to reduce worker exposure to dangerous substances. Those committees are the cornerstone of Labour Canada's policy of internal responsibility, under which workers and management should find mutually acceptable solutions to problems in the workplace.

Whenever parties cannot reach a satisfactory resolution of a specific problem, an inspector from Labour Canada may be called in. This in my view is the most reasonable and economical way of ensuring safety and health in the workplace. As you know, Mr. Speaker, there are already in effect in Canada a whole set of regulations aimed at protecting worker health and safety. There is also an excellent mechanism giving workers all the protection they are entitled to under the Act.

Let us now turn to the very issue of tobacco smoke in the workplace. This is an extremely complex issue. It is not just the case of an employer using a dangerous substance in his manufacturing process or of a manufacturing process emitting a dangerous substance against which workers should be well protected. Both the employers and the employees do smoke.

Bosses as well as workers are affected by secondary smoking. It is therefore not, Mr. Speaker, a matter of employer versus employees. It is not a technical problem either, and it is therefore not appropriate to look for a technical solution. According to the experts of the Occupational Safety and Health Branch of Labour Canada, trying to determine maximum levels of secondary smoking by measuring the concentration of some component or other might be very tricky. That approach is not recommended.

Moreover, Mr. Speaker, I doubt that we could have a smoke free environment just by imposing a regulation banning smoking, unless it were to be strictly and firmly enforced, particularly in federally regulated workplaces with a lot of public traffic. I am thinking of airports, stations, and the rest, where a whole army of inspectors would have to be hired to enforce the ban on smoking, and where the regulation would involve a lot of red tape. Surely this is not what the people of Canada want.

Mr. Speaker, I certainly do not want to give the impression that I think smoking is a harmless habit. There is irrefutable evidence that the smoker's health is affected. I also firmly believe that more and more Canadian citizens object to breathing an air which is polluted by other people's smoke. More and more of them are concerned and displeased with that situation.

While I sympathize with them, I do not think it advisable to regulate further. The solution does not lie in greater Government interference in the day to day lives of Canadians.

I believe, Mr. Speaker, that the answer must come from those directly affected, that is from the workers and the employers. That way it would be possible to find solutions suitable for each work environment.

Moreover, a local solution, devised by those most directly concerned by the problem, would be more likely to be favorably accepted than a solution imposed by a faceless bureaucracy in Ottawa.

Mr. Speaker, I strongly believe that this complex social problem must be solved on a voluntary basis, in a spirit of cooperation, by employers and employees.

It is my opinion that the problem of smoking in the workplace must be considered through health and safety committees, and this is precisely what Labour Canada is trying to do.

As I said earlier, we should not pass a measure which would in any way undermine the role of health and safety committees, even on a narrow question like this one.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise this afternoon to address Bill C-204 presented by the Hon. Member for Broadview—Greenwood (Ms. McDonald). Essentially the Bill would regulate smoking in the federal workplace and on common carriers, as well as amend the Hazardous Products Act with regard to cigarette advertising. The Bill is timely and represents a concerted effort to try and come to grips with the problem of smoking in our society in those areas under federal jurisdiction.

The Hon. Member who just spoke essentially characterized the legislation as interventionist. He seemed to support a voluntary approach. With all due respect, that is a cop-out. It is the same as saying inaction is preferred over action.

In the 10 minutes that I am allotted this afternoon I would like to go into what the Bill purports to do and give you some statistics which would perhaps serve to disprove the theory that this legislation is interventionist. First, the Bill would mean that employers under federal jurisdiction have to provide a smoke-free environment. What is wrong with that? It would provide for designated smoking rooms for those individuals who do not smoke, who happen to be a majority in this country. It would also mean that there would be no smoking in common carriers under federal jurisdiction.

• (1720)

In the last week the Minister of Transport (Mr. Crosbie) suggested that as a start there should be no smoking on flights of less than two hours duration. Smoking is a health hazard in airplanes because of the compressed air, and is also a hazard to the aircraft itself. I think it will be only a matter of time before smoking is entirely eliminated on airplanes. We are also considering this option for ships, trains, and public transport road vehicles.

This Bill would change the Hazardous Products Act to ban the promotion and advertising of tobacco products although allowing the sale of them. The Bill is saying that those who choose to smoke know the risk and are responsible for their decision. However, it is completely absurd to try to promote smoking as a healthy and fun life style. That is misleading and

erroneous. It is particularly harmful to address such campaigns to younger people. We must eliminate that.

Statistics indicate that two-thirds of Canadians are non-smokers. Many companies and institutions are already developing non-smoking policies and designating smoking and non-smoking areas. Approximately 30 major municipalities across the country have already instituted non-smoking by-laws. Rather than breaking new ground, the federal Government would be showing leadership, which has already been shown in the private sector and at other levels of Government. The federal Government would be saying that it will do what it can to undermine the present pro-smoking campaign which is hazardous to health.

Let us look at the effects of smoking. This Bill is not interventionist and does not trample on the rights of individuals. The statistics fly in the face of any such argument. Statistics show that smoking is the greatest cause of preventable death. Smoking accounts for almost 20 per cent of Canadian deaths, killing more Canadians than alcohol, car accidents, violence, drugs, suicide and poisoning combined. Smoking kills 32,000 Canadians every year. Four million Canadians will die from the effects of tobacco products. Each smoker will die, on average, eight years prematurely.

There is a growing awareness of the dangers of second-hand smoke. A recent Health and Welfare study found that one in five Canadians has a serious medical condition which is aggravated by second-hand smoke. One need only speak to people who have asthma, emphasema or heart disease to substantiate that. Health and Welfare also estimated that 1,050 non-smoking Canadians will die from lung cancer, perhaps one-half from second-hand smoke.

With regard to the economic costs of smoking, Health and Welfare Canada estimated that the cost associated with smoking is twice as much as the revenue from tobacco taxation. The Health and Welfare study pointed out that the economic costs of tobacco use in terms of mortality, disability, fire damage, direct hospitalization and physicians fees is $7.12 billion versus only $4.2 billion in economic revenue from the tobacco industry.

Therefore, by debating this kind of legislation we are not trampling on people's rights or trying to legislate people's lives. We are trying to address the case of the majority. Two-thirds of Canadians do not smoke. They are dying along with the people who smoke. We are only trying to minimize the effects of smoking on both smokers and non-smokers. I do not think any Canadian would object to that as long as the legislation allows those who wish to smoke to do so. No one is trying to remove that right from those individuals. After all, we live in a free society.

We are trying to do two things. We are trying to protect those who do not wish to smoke and who do not wish to be affected negatively by second-hand smoke. Second, we are trying to educate the Canadian public about the many statistics which indicate that smoking is a hazard. The Government has an obligation to instruct Canadians, particularly our youth, that smoking is not healthy and does not represent the "in" lifestyle which the advertising companies would have us believe it does.

We on this side of the House welcome this legislation. We welcome the opportunity to try to address this problem in the federal sphere. If municipal Governments and private companies can initiate non-smoking by-laws, why is the federal Government not taking that kind of leadership in the areas under its jurisdiction? If we are serious and responsible we will not allow this legislation to become inactive and say that we must strike a voluntary chord. Statistics show that voluntary chords do not work in this matter. I hope my colleagues on all sides of the House will co-operate on this. Let us allow this Bill to go to committee where we can hear from witnesses, on both sides of the issue, from the entire country. When the evidence is in, I think it will support this legislation.

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to add my comments on this Bill. I commend the Member for introducing it. The Member has done us a great service. I agree with the thrust of the Bill. The Member reminded us that the reform of the rules of this House make it possible for us to vote to send this Bill to committee. The Bill would then return to the House for two or three hours of debate and then be voted upon to determine whether it will be adopted. That is a very important reform procedure.

I am a member of the committee dealing with private Members Bills. I am pleased that in this session some Bills will go through the whole process and come to a vote. I am particularly pleased that this is one of those Bills, because I heartily support it. While there are a few minor concerns, they can be addressed in committee and I encourage the passage of this Bill.

• (1730)

Cigarette smoking represents the most important cause of preventable illness and death in Canada and results in over 30,000 deaths annually in this country. Of 180,000 deaths in Canada, one-sixth were related to this one preventable cause. I believe this Bill is important, because if we can begin to show some progress in reducing smoking we will be saving the lives of some Canadians, improving their productivity and saving on many related costs. This Bill will help us to begin making progress in dealing with a preventable cause of death and illness in Canada.

I recently talked to a physician who works in the area of cancer research. He is a chairman of a committee at the University of Ottawa that is studying cancer research. He told me that 92 per cent of the people who enter hospital with lung cancer will be taken out in a coffin. That is an alarming statistic and if this Bill can in any way address that problem we will be showing tremendous progress.

The statistics on smoking in Canada show that there is a very serious health problem, and also suggest some disturbing

trends. Currently, Canada has one of the highest rates of per capita cigarette consumption in the industrialized world. Approximately 36 per cent of Canadians aged 15 and over are smokers. While the proportion of smokers has been slowly decreasing, the latest poll shows that the number of young Canadian women who smoke is sharply increasing. For example, the proportion of young women smokers aged 20 to 29 has increased from 36 per cent in 1983 to 45 per cent in 1986. Moreover, there is a rising prevalence of smoking among the very young teenagers. The recent over-all decline in smoking may be offset in the near future by current increases in the number of young smokers.

Canadians are increasingly voicing their concerns over the effects of smoking. They seem to be especially concerned with issues of tobacco advertising and smoking in public places. I agree with those concerns. I agree with their view that tobacco advertising misleads consumers and attempts to recruit new smokers among Canadian youth.

I was a teacher of health and physical education for four years in a high school in Kitchener. We dealt with this topic in our health courses and I found it alarming that, while we could do the best we could in presenting all the facts, we knew there would be certain children within those classes who would end up smoking, no matter what the information. It is alarming because the whole purpose of school is to provide information and allow people to make intelligent choices. Unfortunately, the children would not always listen to the facts.

Canadians are demanding protection from involuntary exposure to smoke as they become better informed about the serious health hazards of second-hand smoke, which contains over 60 poisons.

I commend the Government for its actions and I commend the actions of Air Canada in at least eliminating smoking on aircraft in the triangle between Ottawa, Toronto, and Montreal. I encourage the important recent step announced by Transport Canada to experiment with banning smoking on flights lasting up to two hours. When I am on an airplane on a longer flight I find that after three hours I may as well begin smoking myself, because I am inhaling just as much as the person who is smoking two rows behind me. When I leave the airplane at the end of the flight my eyes are watering and my lungs are full of smoke. I resent that. I am glad that the Government is beginning to react so that we are at least seeing some progress. This Bill will help us go further.

The public became more aware about the issue of tobacco advertising when the RJR-Macdonald Tobacco Company sponsored the Canadian Ski Association in 1983. At that time there was a public outcry over the fact that amateur sport was being used as a vehicle to promote tobacco products. In response, the federal Government enacted a policy in January, 1985 which required all amateur sport bodies funded by the federal Government to desist from any new or renewed tobacco sponsorship contracts. Such an approach means that we are at least beginning to attack the problem on many different fronts.

Although the RJR-Macdonald Tobacco Company recently announced that, due to poor sales, Tempo cigarettes will no longer be sold, the ad campaign for this cigarette also raised public concern about current tobacco marketing practices. Many Canadians felt that the campaign was directed at recruiting new smokers among Canadian youth, in contravention of the tobacco manufacturers' voluntary tobacco advertising and promotion code. This is, of course, a tempting marketing strategy, given the fact that smoking habits are established before the age of 20.

The Non-Smokers Rights Association has also documented numerous other violations of the manufacturers' code, including the practice of advertising tobacco products on billboards and store posters within 200 metres of school property. I want to call to the attention of the House a full page advertisement that appeared in a local newspaper in my riding. This ad, which appeared in papers across Canada, encourages people to write to their Member of Parliament. It states: "Tell your Member of Parliament there is no freedom of choice when a product is addictive. Tell him it is time to stop kids from beginning an addictive, killing practice." That is a good advertisement and I welcome every letter I receive about it. I welcome this Bill because it will help us begin to deal with the problem. These activities by different groups across the country are beginning to have an effect.

The new 15 cigarette Export A pack has also been a worrisome tobacco marketing practice since the low price makes the product more accessible to youth. Unfortunately, in a declining tobacco market more of these questionable advertising and promotion campaigns can be expected. Therefore, I am pleased to support the Bill before us today.

Advertising and promoting such a hazardous product has for some time been a source of concern. Advertising associates tobacco products with healthy, exciting, and glamorous lifestyles, increases the acceptability of tobacco products among young people, and generally legitimizes tobacco use. We have seen very colourful and attractive full page advertisements in magazines. The companies would not invest their money in such ads if they did not work.

A number of Canadian magazines and newspapers, including the Kingston *Whig-Standard*, the Brockville *Recorder and Times*, and *The Globe and Mail*, are now refusing to accept tobacco advertising because they believe it is unethical to advertise a product that is so clearly hazardous and addictive. I commend them for that action.

Although voluntary undertakings by the Canadian Tobacco Manufacturers Council have proven useful in partially restricting tobacco advertising, in ensuring that health warnings appear on packages and in lowering tar and carbon monoxide levels in cigarettes, as code violations show, this self-regulation approach has its limitations. Without any built-in compliance processes, manufacturers are not obliged to follow their own code. I commend the Hon. Member for attempting to address that in introducing her Bill.

• (1740)

In conclusion, let me say that I find it remarkable that research indicates that by banning smoking on the job, not only are health hazards avoided but $5,000 per employee can be saved within three to five years of implementing such a policy. The savings to employers come from lower accident and fire insurance premiums, reduced routine maintenance costs, reduced absenteeism and lower mortality rates among employees. Surveys show that smokers take 50 per cent more sick leave than non-smokers. Mortality rates for smokers in the peak working years of age 30 to 35 are four to seven times higher than that for non-smokers. These are alarming statistics. That is why I feel this action is so needed.

The Government has begun to take some action on this issue and we have before us another Bill along the same line. Whether the spokesperson is from the Conservative Party, the Liberal Party or the New Democratic Party is not the issue. The issue is that this House as a result of the reforms can finally come to grips with something. We can leave our Party labels aside and start to address an issue, as our electors sent us here to do. I commend the Hon. Member for her Bill and hope it ends up being passed.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I should like to address the problems and benefits associated with applying a law such as Bill C-204 to means of transport and transportation terminals, especially where such facilities are also workplaces. The proposed legislation seeks to accommodate within reason both smokers and non-smokers who are employees in the federal Public Service as well as users of federally regulated means of transport.

In the transportation sector, as in other sectors, employees providing a direct service to the public share their workplace with the public, and in locations such as large airport terminals and railway stations, with private users of the facility such as restaurateurs, shopkeepers, advertisers, repairmen and, of course, passengers, none of whom may be subject to federal regulation. In these circumstances, it is hard to see how legislation such as Bill C-204 could be successfully enforced.

Ms. McDonald: They all need to breathe.

Mrs. Sparrow: Furthermore, a brief review of attempts to create a smoke-free environment in the transportation sector suggests that legislation might not be required and might, in some cases, prove to be counter-productive.

In 1984, Transport Canada and Health and Welfare Canada examined the issue of smoking in transit, in consultation, of course, with the provinces, the carriers and public interest groups. The consensus appeared to be that while legislative restrictions might be desirable, they should be examined from a practical point of view. Since then a number of initiatives have been investigated and I shall deal with them individually.

At the beginning of September, VIA Rail introduced non-smoking facilities in all except four of the corridor services. Each train now has one car for the exclusive use of non-smokers—

Ms. McDonald: And no space at the stations.

Mrs. Sparrow: —and the remaining cars will have 70 per cent non-smoking and 30 per cent smoking areas. These percentages represent the demands and preferences for seats—

Ms. McDonald: It is not non-smoking if you are in the same enclosed space.

Mrs. Sparrow: —by VIA Rail's customers as shown in their reservation patterns. Computer services are not, of course, a federal responsibility. However, it is worth noting that in Toronto, a smoke ban on all rolling stock has existed for 20 years. This year it was extended to include smoking in all enclosures and bus shelters. In Montreal smoking is banned on all rolling stock but not in shelters or on platforms.

Intercity bus service also falls under provincial jurisdiction, but federal-provincial negotiations are now taking place for the implementation of non-smoking services. The question of enforcement presents some problems which are now being discussed. However, some large bus companies have already undertaken some initiatives, including provision of completely non-smoking buses. Generally, surface carriers are very supportive and active with respect to providing non-smoking facilities. They are responding to the new trends and demands for non-smoking services which now exist in their respective markets—

Ms. McDonald: But far too slowly.

Mrs. Sparrow: —as a simple matter of business planning and strategic marketing devices.

In view of the efforts already undertaken by these carriers, a major federal policy initiative or statement would likely be considered by the operators as unnecessary—

Ms. McDonald: Talk to the customers who are suffering in smoke-filled areas.

Mrs. Sparrow: —and given the lack of federal jurisdiction in most surface areas, might dampen or even diminish the current atmosphere of co-operation.

Mr. Parry: Surely you jest.

Ms. McDonald: Co-operation? It's a question of health.

Mrs. Sparrow: As far as aeroplanes are concerned, I think everyone is familiar—

Ms. McDonald: You want to co-operate with lung cancer?

Some Hon. Members: Order.

Mrs. Sparrow: I listened to you, perhaps you can give me the same courtesy.

Ms. McDonald: You are talking total nonsense—total nonsense.

Mr. Deputy Speaker: Order. Could we have the courtesy of listening to the Hon. Member's speech.

Mrs. Sparrow: Thank you, Mr. Speaker. As far as aeroplanes are concerned, I think everyone is familiar with the success of Air Canada's pilot project banning smoking on flights of two hours or less in the Toronto, Montreal, Ottawa corridor. On November 17, 1986, the Minister of Transport (Mr. Crosbie) announced proposed regulations to ban smoking on all flights of two hours or less in Canadian commercial aircraft. The Minister will recommend to the Governor in Council that the new air regulation, which proposes to ban smoking on Canadian aircraft for both domestic and transborder flights of two hours or less, be published in Part I of the *Canada Gazette* to solicit public comment before a final decision is taken early in 1987. The new regulation would require Canadian air carriers to post signs prohibiting smoking on such flights and that crew members may request any passenger who is smoking to stop. If a passenger does not stop smoking on request, the air carrier, under the regulations, would be required to have the passenger removed; of course, at the next available stop.

Mr. Parry: Preferably before.

Mrs. Sparrow: Flight crew members on the flight deck would be exempted from the smoking ban. Currently there is no legislation in effect in Canada which requires air carriers to provide non-smoking areas in aircraft.

Ms. McDonald: That's the point of this Bill.

Mrs. Sparrow: Most of them do so on a voluntary basis.

Ms. McDonald: Its not non-smoking if you are in the same enclosed space.

Mrs. Sparrow: In the marine mode, there appears to be less need for regulatory measures to afford passengers reasonable freedom from tobacco smoke because of the larger area and mobility available to them which offers more scope for avoiding tobacco fumes.

Ms. McDonald: So non-smokers have to go outside.

Mrs. Sparrow: One measure taken earlier this year has been to place "no smoking" signs in ferry cafeterias and restrooms. Operators of some ferries have also considered establishing specific smoking areas, but only one ferry has such an area to date.

In addition to ferries, Transport Canada is currently considering possible initiatives in facilities serving the marine sector such as cruise ship terminals at Halifax, Montreal and Vancouver.

The Coast Guard fleet on the other hand, raises more complex issues. It might be reasonable on the part of the federal Government to require that employees refrain from smoking during normal working hours in buildings and workshops, since they are free to smoke as much as they wish once they leave the public facilities. The majority of the Coast Guard fleet, however, spend more time at sea than alongside and it would be unrealistic to anticipate a total ban on smoking aboard Coast Guard vessels. The crew are "at home" when they are not on duty and are entitled to the same liberty on their own time as are land-based employees.

Ms. McDonald: And those who don't smoke are entitled to a smoke-free environment.

Mrs. Sparrow: With regard to tranport terminals, in 1982 Transport Canada introduced restrictions on the smoking of tobacco products within federally owned and operated air passenger terminals. However, this is a complex issue which, in the case of airports and large railway stations—

• (1750)

Ms. McDonald: They all stink!

[*Translation*]

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Justice (Mr. Gérin), on a point of order.

Mr. Gérin: Mr. Speaker, you called for order a while ago, but the Hon. Member for the New Democratic Party who moved the motion, the Member for Broadview—Greenwood (Ms. McDonald) who is right next to the Member for Calgary South (Mrs. Sparrow) who is speaking, is constantly interrupting and making it very difficult for us to follow the speech. I believe this interferes with my rights and privileges as a Member of this House which include being able to listen to the Member, who is making a very interesting speech, without having to put up with uncalled for interruptions by the other Member.

[*English*]

Mr. Deputy Speaker: The reason we are experiencing a bit of a problem is that there is obviously a Member who is doing some heckling, which is not more than Members do generally, except that the microphone very close to her is open.

I would ask the Hon. Member for Calgary South (Mrs. Sparrow) to conclude her speech as she has approximately one minute left.

Mrs. Sparrow: Mr. Speaker, in conclusion, while it is clear that tobacco smoke can be a serious source of annoyance and discomfort to non-smokers, as well as a health hazard to some, legislation of the kind proposed—

Ms. McDonald: Some 35,000 people die every year.

Mrs. Sparrow: Would you please give me the courtesy of letting me conclude?

Mr. Deputy Speaker: Order, please. I will allow the Hon. Member for Calgary South a minute in which to complete her speech.

Mrs. Sparrow: Thank you, Mr. Speaker. As I was saying, in conclusion, while it is clear that tobacco smoke can be a serious source of annoyance and physical discomfort to non-smokers, as well as a health hazard to some, the legislation of the kind proposed in Bill C-204 is premature. Self-regulation and voluntary imposition of restrictions have so far proved to be an effective means of accommodating both smokers and non-smokers. Legislation would probably diminish the atmosphere of mutual respect within which these initiatives are now being adopted.

Some Hon. Members: Hear, hear!

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I rise today with some pleasure in taking the opportunity of addressing the very important motion put forward by the Hon. Member for Broadview—Greenwood (Ms. McDonald), but also with great sorrow that there is even the necessity to debate in the Chamber measures aimed at eliminating a murderous and totally irresponsible habit that claims the lives of some 35,000 to 40,000 Canadians yearly.

I was amazed at the speech delivered by the Hon. Member for Calgary South (Mrs. Sparrow). I could not believe my ears. Had the rules permitted the opportunity to ask questions of that Hon. Member I would have asked if she had composed the speech she read. If she had I would be doubly horrified. If it was simply a pre-packaged speech that the Government Members' services bureau provides for its acolytes, then I have to say that those who put it together literally exhibited—and I am fully conscious of the pun—a breath-taking degree of irresponsibility in regard to this particular question.

Mr. Taylor: Mr. Speaker, I rise on a point of order. The Hon. Member for Kenora—Rainy River (Mr. Parry) has imputed motives to the Hon. Member for Calgary South (Mrs. Sparrow). She is quite capable of writing her own speeches. There is no sense or reason for the Hon. Member to impute motives, to the effect that someone else wrote her speech. I think he should withdraw his imputation.

Mr. Dingwall: Mr. Speaker, I rise on the same point of order. Perhaps the speaker from the New Democratic Party who has the floor was imputing a motive; but perhaps he was doing it inadvertently. The Chair might want to give him the opportunity to retract his statement.

Mr. Deputy Speaker: I have listened to the representations of the Hon. Member for Bow River (Mr. Taylor) and the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall). I am not convinced beyond a doubt that the Hon. Member was in fact imputing motives. Therefore, the Hon. Member for Kenora—Rainy River (Mr. Parry) has the floor.

Mr. Parry: Mr. Speaker, in fact, I was about to rise on the same point of order. With Your Honour's permission I would like to respond to it before returning to debate.

Mr. Deputy Speaker: I am willing to allow the Hon. Member to respond to the point of order before resuming his speech, but I have made a ruling. According to the Chair the Hon. Member was not imputing motives. However, the Hon. Member may well want to comment on my decision. I would certainly be willing to allow him to do that.

Mr. Parry: Mr. Speaker, in deference to your ruling, I will simply continue with my speech and say, as I was saying before I was interrupted, that in my opinion the grouping of the legislative measures that is countenanced by this Bill is a sensible one, and I think a good first step in the ultimate objective which must, of course, be the elimination of the use of tobacco products from the Canadian scene.

The Bill looks at directing the federal Government to ban completely the promotion and advertisement of cigarettes. It guarantees workers under federal jurisdiction the right to a smoke-free environment. It provides Canadians travelling on common carriers the right to do so without breathing cigarette smoke.

Two of the speeches made this afternoon with respect to the Bill were obviously opposed to the spirit of it. I would like to comment briefly on those two speeches.

The Hon. Member for Lévis (Mr. Fontaine) referred to this measure in the context of ensuring a smoke-free environment in the federal workplace as an intervention. So it is. Let us face it, by our very presence in this House we are intervenors individually and collectively. We have no other purpose in this House but to intervene in order to ensure that that which we as legislators desire takes place. I would say that is on the same level as accusing a midwife or a gynaecologist of intervening in a birth. It is on the same level as accusing a policeman who prevents a crime of intervening in the commission of a crime. So much for interventions!

What we are looking for here is legislation aimed at saving lives. Frankly, I was amazed to hear the words of the Hon. Member for Calgary South, whom I understand, and I hope she will correct me if I am wrong, was at one time a nurse. She must have been spared the horror of seeing people die in agony, wracked by cancer, if she could make the remarks she made. I must also say that for her to express such a disdain for legislation fundamentally denies the very purpose for which she was elected to serve the riding of Calgary South. What do we come here for if not to legislate?

I have to thank very much my friend, the Hon. Member for Kitchener (Mr. Reimer), for his intelligent and well-argued intervention in favour of the Bill. I believe it takes courage for a Member whose riding is so close to a tobacco-growing area to stand in the House and so firmly nail his flag to the mast of health protection and health promotion, as he did.

Before any Member opposite begins to think that mine is a partisan speech, I wish to say that I condemn my own Party, too, for its failure to act on the question of health promotion through the prevention of smoking. I condemn a Party that appoints a self-confessed, acknowledged smoker as its health critic. I have to say that I condemn, too, the provincial wing of my Party which prevented the discussion of an anti-smoking resolution at the recent provincial convention. If, after that, any Member cares to interpret my remarks as being partisan, let the Member do so.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ROYAL CANADIAN MOUNTED POLICE—ENQUIRY WHETHER AGREEMENT EXISTS TO REDUCE NUMBER OF FRANCOPHONE EMPLOYEES—REQUEST FOR EXPLANATIONS CONCERNING LETTER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I intend to speak again on the subject of official languages. To me it is an important subject, and it seems to be important to the Government. In fact, the Government included a number of promises concerning official languages in the last two Speeches from the Throne.

The Minister has assured me in the House that his Government had no intention of relaxing its efforts to strengthen the francophone presence in the Canadian public service. The Minister's statement would seem to be consistent with the policies announced by the Conservative Government in the last two Speeches from the Throne. However, the real situation is not at all consistent with these objectives. Indeed, the Commissioner of Official Languages said as much in his annual report. He expressed his concern about the position of the Royal Canadian Mounted Police on official languages. As we know, the RCMP has announced that it intends to reduce the percentage of Francophones within the force from 20 per cent to 14 per cent. Even worse, it intends to change the classifications of bilingual positions, and I will get back to this later on. Once again, we see that the Conservative Government promises one thing and does the exact opposite.

Meanwhile, there are new developments, life goes on and the Government has once again failed to act responsibly, as I said before, because up to now it has consistently failed to take a clear and unequivocal position on reinforcing policy on official languages programs. This means that managers just have to do the best they can with the few resources they have, because the people in charge, the Government, are shirking their responsibilities.

The effects of this lack of Government leadership are disastrous. No coordinated efforts can be made, and in some cases, we are unfortunately seeing a reduction in services to Francophones. That is already the case with the RCMP, which has announced it will reduce the number of francophone constables in the force from 20 to 14 per cent. The Minister however, in one of his answers to me in the House, stated that this was just something being discussed by a few officials and that no decision had been made.

I have referred to a document of the highest level between the RCMP commissioner and the Treasury Board officials then responsible for implementing the official languages policy, and this document clearly states that there has been an agreement in principle. The Minister rejected this offhandedly by saying that no agreement had been made, that these were only discussions between officials and that he himself had agreed to nothing. This truly shows that the lack of action of the Minister has had negative results. If the Minister is right in saying that no relaxing of the policy will be tolerated, he is nevertheless guilty of letting his officials waste some precious time by negotiating among themselves to conclude unworkable agreements.

Mr. Speaker, if the agreement in principle is implemented as anticipated in the documents which we have obtained, the Minister will have to apologize for having misled the House. Mr. Speaker, this is exactly what is happening now in my opinion. After the Minister stated several times in this House that he would not tolerate any reductions from the levels provided in the official languages policy, we are seeing movements everywhere to reduce these levels. An editorial in the newspaper *Le Droit* of November 18 said, and I am not the one to say so, that the French language has lost a lot of ground in the RCMP since a Conservative Goverment has been in power in Ottawa. Not only have hiring standards been changed, but the whole bilingual staffing sector will be turned upside down. All this is confirmed by an internal document of the RCMP of which I have a copy. After reading this document, the *Le Droit* reporter noted that the obvious objective of the management of our federal police force is to require a sufficient knowledge of both official languages of Canada only on rare occasions, so rare in fact that the Commissioner has just conferred upon himself the exclusive power to approve "the unit bilingual complements with Level C profiles".

The Commissioner feels that the B level profile would be enough for the RCMP. I do not agree, Mr. Speaker, and although the RCMP is to be blamed, final responsibility for those unfortunate decisions rests with the Minister himself, and the Treasury Board among others. Since the Tories came to power, they have allowed the situation to deteriorate by doing nothing, showing no leadership. The Minister in charge, the President of the Treasury Board, has stated in this House that he would not back out of his objective to strengthen the French-speaking presence. But apart from his rhetoric, he has done nothing, Mr. Speaker. The Minister and the Government are responsible for that situation. They have failed to show any leadership. Nothing is being done, and when nothing is being done there is no progress. This is why I feel the Minister or the Parliamentary Secretary should tell me why this Government does not act, take concrete steps, translate its rhetoric into actions.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to hear my colleague for Ottawa—Vanier (Mr. Gauthier) speak in such a demanding tone. One would think there was an election on. We are reminded of his usual speeches, except that, first, Mr. Speaker, I rise at the request of the President of the Treasury Board (Mr. de Cotret). I will not speak in English, whatever the Member for Ottawa—Vanier (Mr. Gauthier) might think in that respect.

One thing is sure, Mr. Speaker. With the experience gained by the Hon. Member for Ottawa—Vanier over these last few years in this House, he should know that regulations have to go before the Treasury Board. The decision is made by the President of the Treasury Board. We receive a great many reports.

The Hon. Member for Ottawa—Vanier stated earlier that there were internal reports saying this or that. We know very well that a great many reports are received by the Department every day, whether under the Liberals or the Conservatives. Mr. Speaker, I wish the Hon. Member for Ottawa—Vanier would stop looking at this issue through his political glasses; he ought to face facts and focus on the way the law is being applied.

The law states that, with respect to the official languages, it is up to the President of the Treasury Board to decide what is good and what is not good. When the President of the Treasury Board rose in the House to respond to the Hon. Member for Ottawa—Vanier he made it quite clear that he did not agree with the document which had been submitted by the Royal Canadian Mounted Police. If he does not agree, Mr. Speaker, it means that the RCMP document is not good enough for him. I think respect ought to be shown for minimum standards. We respect the Constitution, and we respect the very principle of bilingualism in Canada. As a long-standing and strong proponent of bilingualism, the Hon. Member for Ottawa—Vanier should rise and thank the President of the Treasury Board for doing the utmost to support and promote bilingualism.

But you know, Mr. Speaker, we cannot do everything overnight. We simply could not have tackled every single issue after only two years in office. So when I listen to my colleagues across the aisle, they were there for 20 years, I have serious reservations about their integrity with respect to responsibilities. They had 20 years to raise standards and strengthen policies, but today we can see that they did not accomplish anything over 20 years and it is now up to us as a responsible Government to do something about improving French, and promoting bilingualism throughout Canada.

• (1805)

[*English*]

REGIONAL DEVELOPMENT—DISTRIBUTION OF EXPENDITURES. (B) REGIONAL DISPARITIES—REQUEST FOR NEW POLICY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on Monday of this week I directed a question to the Minister of Regional Industrial Expansion (Mr. Côté) regarding comments made by Canada's chief negotiator in the bilateral trade negotiations with the United States. Mr. Reisman said that Canada could no longer expect to continue its practice of subsidizing industry if it wanted to escape the effects of American trade laws.

I posed that question to the Minister because I believe the answer to it is germane in terms of national policies which must be instituted to provide economic viability and opportunities to some regions of the country. Unfortunately—and I say so sincerely—the Minister chose not to answer the question. In fact, my disappointment was even greater because on subsequent days I had hoped to question the Minister for International Trade (Miss Carney). However, due to previous commitments she was not in the House to receive my question.

It is fundamental that Canadians know and understand the effects of what the chief negotiator for Canada is talking about. He is not talking about a review of regional economic development policies. He is talking about major concessions with regard to subsidy to industry in Canada.

We do not know whether or not there will be major concessions with regard to maritime freight assistance. We do not know whether the Government of the day is preparing to make major concessions with regard to western grain transportation. We do not know whether the Government is intending to terminate assistance to small business or to terminate assistance to our primary producers. The Minister and the Government should avail themselves of every opportunity to explain to Canadians what the statements mean in their totality. This could have an extremely negative effect on Canada's economy.

• (1810)

In particular, I draw your attention, Mr. Speaker, to some of the musings that were in the Throne Speech of some months ago. There in a paragraph or two it talked about regional disparities. We read that the Government was going to try new solutions for Atlantic and Western Canada.

It is imperative for policy makers at the national level to let us know exactly what is in the mix that is being given away, if you will, to the United States as part of the concessions that we will have to make as a result of these bilateral negotiations. I think Canadians, being the reasonable group of individuals we are, collectively would respond in a reasoned and objective way if the Government saw fit to elaborate with some degree of specificity as to what Simon Reisman is talking about.

There are provisions in the Canadian Constitution that call upon the Government of Canada to provide equal opportunities for all Canadians regardless of where they may live in the country. I suggest that the refusal by the Government of Canada to respond in a detailed way to questions about a very important statement made by our chief negotiator leaves reasonable, objective individuals to question the seriousness of a commitment the Government may make with regard to regional economic development. It raises fear, animosity and concern among Canadians who are receiving benefits under the programs of, say, the Department of Regional Industrial Expansion as well as those of Crown corporations. It raises fear because people may be terminated.

Take a look at a community such as Terrace Bay in northern Ontario. It is under the threat of major lay-offs as a result of the 15 per cent countervailing duty on softwood lumber. Will the Government terminate all forms of assistance under the Labour Adjustment Program for that particular sector? Will the Government terminate unemployment insurance benefits or make that a major concession? We have to know so that we can intelligently look—and I say this through you, Sir, to the Government—at the options being presented.

For the Minister to rise in his place and give a nothing answer to an important statement made by Canada's chief negotiator is not only irresponsible, it is an abdication of one's oath of office, an abdication of responsibility to the House of Commons and an abdication of responsibility to the Canadian people. In particular, it is a betrayal to the regions of Canada which depend to a large extent on the national programs of the national Government. I hope that the Parliamentary Secretary will clearly spell out today what that statement by Canada's chief negotiator means in its full impact.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, it means, among other things, that our Government is attempting to take us out of the uncaring morass that we inherited from a Government the Member supported. We are attempting to change the direction of Canada's economic future. What we are attempting to do is to recognize that which the former Government did under mounds of rhetoric for so many years and which now affects the lives and the livelihood of every Canadian.

The Liberal Government hid from us the truth about the Auto Pact. The Liberals never told us the truth about the softwood industry. They hid it and buried it. They never told us our industries were in danger. I ask my distinguished friend from Cape Breton, when did he ever hear from a Liberal Government that within 12 months the Auto Pact would come to an end? When did he even hear that suggested? Look at the fishery, the forest industry, the Christmas tree industry. When the hell did we ever hear from you people about the potential danger these traditional industries faced?

• (1815)

The Minister said in response to the Hon. Member the other day that we are doing much. The question is of course serious. If I can go back to questions raised by the Hon. Member a couple of weeks ago, he knows we have a pulp and paper subagreement with Newfoundland worth $46 million. We have a highway transportation subagreement with that province worth $180 million. There was a forest resource development subagreement with Newfoundland worth $48 million. There was a meat processing facilities subagreement with Prince Edward Island worth $10.5 million. There was a tourism development subagreement with Prince Edward Island worth $8.9 million. An industrial competitiveness subagreement with that same province was worth $8.5 million. There was a technology transfer subagreement with Nova Scotia worth $34 million. There was a Sysco modernization subagreement with Nova Scotia worth $157.1 million. We are labouring on and I think I share the Hon. Member's concern with the final outcome. We all listened to Premier Buchanan this afternoon.

I could go on for some considerable period of time but let me simply wind up by saying that we are concerned about the impact of these programs. We are also concerned about the development of new industry and creation of new jobs in the disparate regions of our country.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.23 p.m.